

Q2 2021 infra fundraising bounces back

Capital raised during the second quarter most since before COVID-19

The COVID-19 rebound knows no bounds. With vaccines becoming widely available in spring 2021, the economy has bounced back so quickly that inflation is now more of a worry than recession, airlines and hotels are having trouble keeping up with the demand, and tickets to nearly every entertainment venue are selling out as soon as they are put online. Not to be left out, infrastructure private equity funds saw their best capital-raising quarter since first quarter 2020, i.e., the last quarter of fundraising before COVID-19.

- 16 fund closings in second quarter
- \$35.6 billion raised in second quarter
- 7 funds launched in second quarter

According to IREI's FundTracker database, infrastructure fundraising in second quarter 2021 grew sharply above first quarter 2021, and even more significantly above second quarter 2020.

By the end of second quarter 2021, 16 funds had raised more than \$35.6 billion in equity

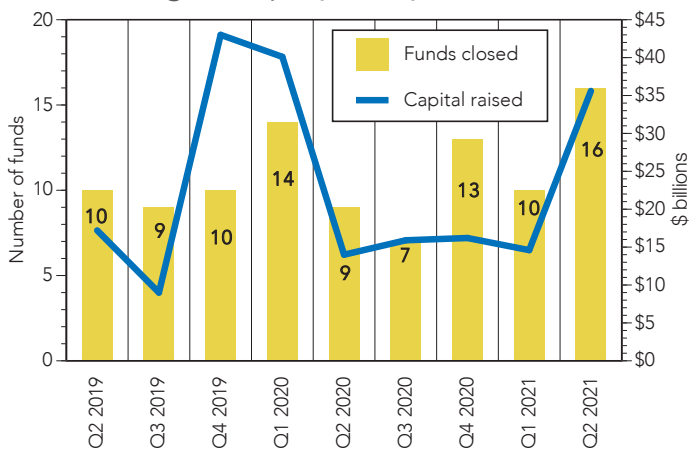
capital. In first quarter 2021, \$14.6 billion was raised through 10 fund closings. A year ago, in second quarter 2020, nine funds closed on an aggregate total of \$14.0 billion. However, second quarter 2020 was the beginning of the COVID-19 shutdown. Just one quarter earlier, 14 funds raised \$40.1 billion, and the quarter before that saw an aggregate \$43 billion raised by 10 funds.

In addition to the amount of capital raised bouncing back, the size of the funds is also returning to normal. Twelve of the 16 funds closing in second quarter 2021 came in north of \$1 billion, with six raising \$2 billion or more. The three largest funds were the \$8.4 billion Copenhagen Infrastructure IV, BlackRock's \$4.8 billion Global Renewable Power Fund III and the \$3.8 billion IPI Partners II.

Second quarter of any year has historically seen the fewest funds launched for the year, and second quarter 2021 appears to be no exception. Although the FundTracker database is likely to capture more funds as data becomes available, currently the database is showing just seven new funds launched in second quarter 2021. This isn't that far off from the 10 launched just 12 months ago. However, it is only about half the number of funds launched in second quarter 2019 (13) and 2018 (15).

The \$35.6 billion raised in second quarter 2021 is encouraging. We need another quarter or two to be sure, but it appears the infrastructure asset class not only survived COVID-19, but is thriving. Investors and managers like to claim that infrastructure is a defensive asset class that helps protect a portfolio's downside. The COVID-19 crisis seems to have proved them right. ♦

Fundraising trends, Q2/19-Q2/21



Source: IREI FundTracker

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Information in this report has been drawn from IREI's proprietary FundTracker database. Online subscriptions are available. Click [here](#) for more information.

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