

FUNDTRACKER TRENDWATCH

It's good to be mega

Mega-funds account for nearly 80% of infrastructure capital raised

During the past three years, infrastructure mega-funds — those funds holding a final closing after raising \$2 billion or more in commitments — have accounted for a larger percentage of the total number of funds closed, as well as a greater percentage of capital raised, each year since 2014. Their market share has fallen a bit year-to-date 2017, but we still have four months for them to catch up and surpass their 2016 total.

As of Aug. 15, 2017, infrastructure investment funds had closed on \$37.9 billion, according to IREI's FundTracker database. At this time last year, \$33.4 billion had been raised.

Mega-funds accounted for 87.4 percent of that total in 2016 (primarily due to the \$14.0 billion Brookfield Infrastructure Fund III), and 78.6 percent in 2017 (primarily due to the \$15.8 billion Global Infrastructure Partners III).

Investors obviously love these huge funds, as evidenced by mega-fund's overwhelming dominance of the fundraising world. By the end of 2014, mega-funds had accounted for

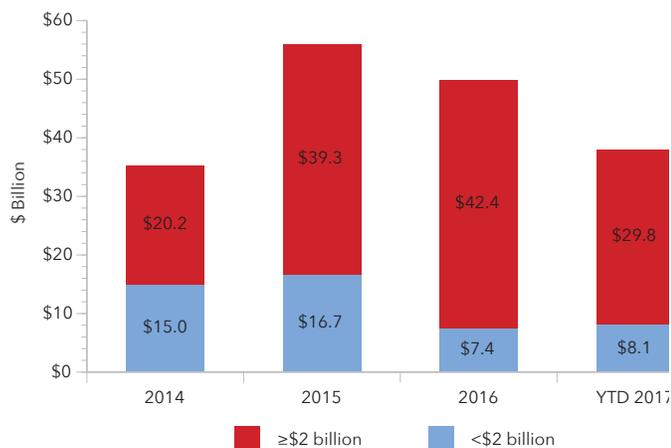
57 percent of the capital raised. 2015 saw that percentage grow to 70 percent. By the last day of 2016, 85 percent of the capital raised had been committed to mega-funds. 2017 is trailing that total a bit, as "only" 79 percent of the capital raised so far has found its way to mega-fund coffers. But that total can easily change with the final close of an additional large fund or two by the end of the year.

Mega-funds are seeing their market share increase partly because there are more of them now than a few years ago, but primarily because they are simply getting bigger. The number of infrastructure mega-funds holding final closings has risen steadily from 27 percent of the total in 2014 to 43 percent of the total in 2016. It stands at 35 percent so far this year. But the size of the average mega-fund has increased even more. In 2014, the average mega-fund closed with \$2.9 billion in commitments. That has increased to \$5.0 billion on average this year.

One of the more interesting observations is that the range of mega-funds has also steadily increased. Back in 2014, the smallest mega-fund came in at \$2.0 billion while the largest was \$5.0 billion. That range has dramatically expanded, so that today, the smallest mega-fund stands at \$2.1 billion, while the largest closed at \$15.8 billion.

- Mega-funds accounted for 79 percent of capital raised YTD 2017
- Mega-funds accounted for 35 percent of funds closed YTD 2017
- Mega-fund average size now at \$5.0 billion

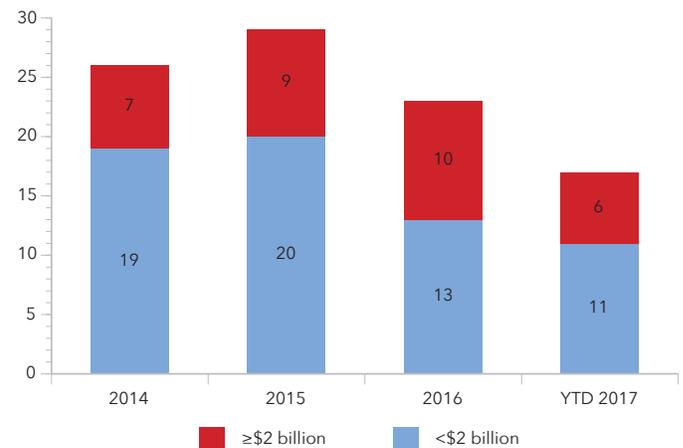
Capital raised by funds holding final close by size (\$B)



Source: IREI FundTracker

YTD 2017 = 8/15/17

Number of funds holding final close by size



Source: IREI FundTracker

YTD 2017 = 8/15/17

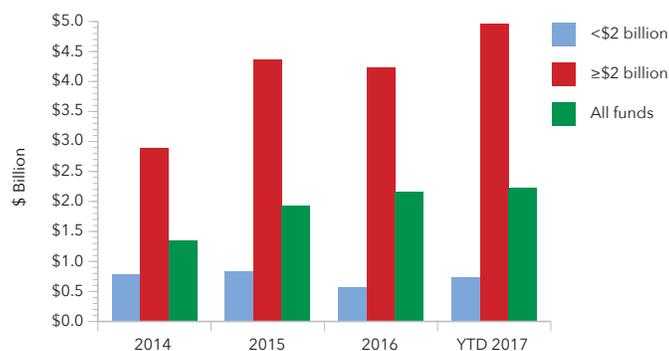
Average time to close based on fund size



Source: IREI FundTracker

YTD 2017 = 8/15/17

Average fund size of funds holding final close (\$B)



Source: IREI FundTracker

YTD 2017 = 8/15/17

Largest infrastructure funds closed 1/1/17 – 8/15/17

Fund Name	Total Raised	Region
Global Infrastructure Partners III	\$15.80 billion	Global
EQT Infrastructure Fund III	\$4.25 billion	Europe
Actis Energy 4	\$2.75 billion	Global
QIC Global Infrastructure Fund	\$2.48 billion	Global
AMP Capital Global Infrastructure Fund	\$2.40 billion	Global

Source: IREI FundTracker

Funds closed Jan. 1 – Aug. 15, 2017

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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from the Infrastructure News Page

- ▶ [Alberta Investment Management Corp. \(AIMCo\)](#) has made a \$300 million cornerstone commitment to Macquarie Asia Infrastructure Fund 2, a new infrastructure fund that will primarily invest in diversified infrastructure assets throughout Asia Pacific.
- ▶ The [AMP Capital Infrastructure Debt Fund III](#), which has a mezzanine debt strategy, has secured \$4.1 billion of commitments at final closing, well over its original \$2 billion target.
- ▶ President Donald Trump has ended plans for an [Advisory Council on Infrastructure](#), according to a White House official, ending a panel that was created by an executive order the President signed in July.
- ▶ The \$68.1 billion [Virginia Retirement System](#) has committed €60 million (\$70.5 million) to Icon Infrastructure IV, which invests in mid-sized infrastructure assets in core infrastructure sectors in both Europe and North America.
- ▶ The Denver City Council has approved the \$1.8 billion public-private partnership with a Spanish consortium led by Ferrovial for the \$650 million Jeppesen Terminal renovation and 34-year concession management deal at [Denver International Airport](#).
- ▶ The \$2.27 billion Cincinnati Retirement System has committed \$50 million to the diversified, open-ended JPMorgan Infrastructure Investments Fund.

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