

FUNDTRACKER TRENDWATCH

2017 looks an awful lot like 2016

Infrastructure fundraising has settled into a steady \$50 billion-plus pace

The end of 2017 brings a feeling of déjà vu in the infrastructure fundraising market. Nearly everything that was observed and written about fundraising activity in 2016 could be — and is being — written at the end of 2017.

- 2017 average fund size held steady at \$2.0 billion
- 2017 fundraising held steady at \$53.2 billion
- 2017 energy funds continue to dominate the market

To get a better feel for the year — and illustrate how similar the years have been — we have updated a few of the more interesting charts that appeared in earlier *TrendWatch* editions. These charts indicate a stable fundraising climate, but energy funds and mega-funds are still raking in more than their fair share of capital.

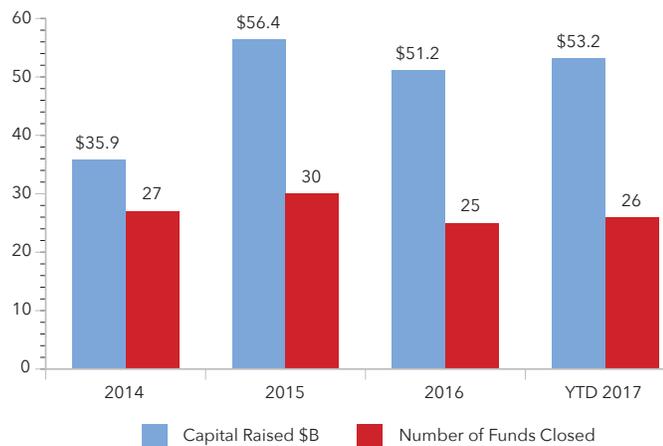
According to IREI's FundTracker database, 26 infrastructure funds have held a final close YTD 2017, raising an aggregate total of \$53.2 billion. This is very similar to end-of-year 2016 totals, when 25 funds raised \$51.2 billion. It is likely that additional funds will be added to the database before the year closes, so 2017 could put a bit of distance between itself and 2016, but it is unlikely to reach the 2013 total of \$57.7 billion by 37 funds.

Energy funds and multisector funds that include energy in their mandates accounted for 93 percent of the capital raised and 92 percent of the total number of funds closed YTD 2017. This nearly total dominance of the market was helped along by the multisector, \$15.8 billion Global Infrastructure Partners III, which has energy in its mandate, and the energy-only, \$7 billion EnCap Energy Capital Fund XI. In 2016, funds that included energy in their strategy accounted for 96 percent of the capital raised and 84 percent of the funds closed.

According to FundTracker, funds that raised \$2 billion or more accounted for 31 percent of the funds reaching a final close YTD 2017, but 74 percent of the capital raised. The average size of the typical infrastructure fund held steady at \$2.0 billion when compared to 2016. The trimmed average (dropping the top and bottom .05 percent of funds), also held steady, coming in at \$1.6 billion for both years.

Five fewer funds have been launched YTD 2017 than reached the market in 2016. Year-to-date 2017, 46 infrastructure funds have entered the market versus 51 new funds launched in 2016. This metric continues a survival-of-the-fittest trend, which has seen the number of funds being offered falling steadily since 2013.

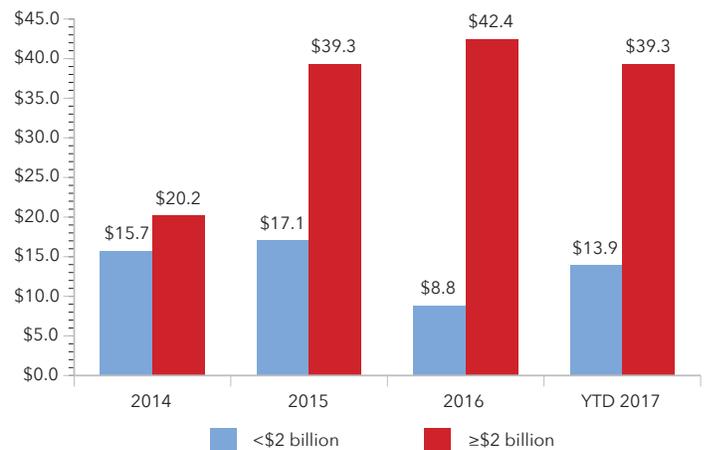
Total funds closed and capital raised (\$B)



Source: IREI FundTracker

YTD 2017 is Dec. 19, 2017

Capital raised by closed funds by size (\$B)



Source: IREI FundTracker

YTD 2017 is Dec. 19, 2017

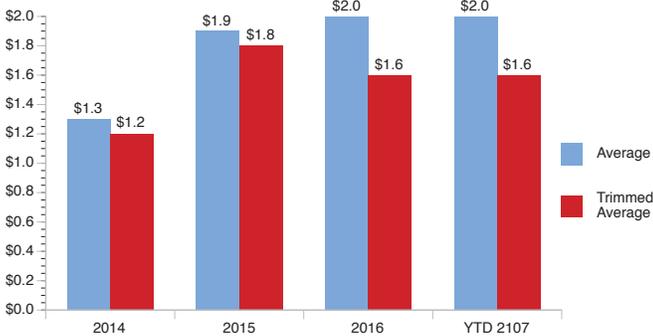
Number of infrastructure funds launched per year



Source: IREI FundTracker

YTD 2017 is Dec. 19, 2017

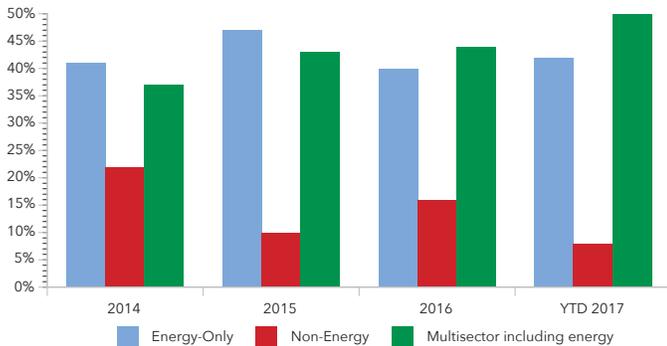
Average size of closed funds by year (\$B)



Source: IREI FundTracker

YTD 2017 is Dec. 19, 2017

Percent of capital raised by energy funds vs others



Source: IREI FundTracker

YTD 2017 is Dec. 19, 2017

from the Infrastructure News Page

- [Sacramento International Airport](#) officials and community representatives have opened the largest on-airport solar facility in California, which is expected to provide more than 30 percent of the airport's electricity.
- [SCOR Investment Partners](#), the SCOR group's portfolio management company, has held a €378 million (\$445 million) final close for SCOR Infrastructure Loans II fund, and has launched the third fund in the series, SCOR Infrastructure Loans III fund.
- The \$7.75 billion [District of Columbia Retirement Board](#) has committed up to \$35 million to Tiger Infrastructure II, subject to contract negotiations.
- The [Marguerite Fund and Westbourne Capital](#) are financing an Italian toll road project by way of investments of €40 million (\$47 million) and €225 million (\$265 million), respectively.
- The \$142 billion [Teacher Retirement System of Texas](#) has committed \$200 million to EnCap Investments' fourth midstream fund, EnCap Flatrock Midstream Fund IV, which invests in energy assets.
- [Related Companies](#), a privately owned U.S. real estate firm, has formed Related Infrastructure, which will focus on transportation opportunities and businesses that drive efficiency and affordability for state and local governments.

To view the latest real estate, infrastructure and real assets headlines, go to the [Infrastructure News Page](#).

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

FUNDTRACKER TRENDWATCH

A report by Institutional Real Estate, Inc.

www.irei.com

Author: Sheila Hopkins

For IREI FundTracker database subscription information, please contact Cynthia Kudren, c.kudren@irei.com, +1 917-620-4666

Institutional Real Estate FundTracker TrendWatch is published by Institutional Real Estate, Inc. 24 times a year. The publisher is not engaged in rendering tax, accounting or other professional advice through this publication. No statement in this issue is to be construed as a recommendation to buy or sell any security or other investment. Some information presented in this publication has been obtained from third-party sources considered to be reliable. Sources are not required to make representations as to the accuracy of the information, however, and consequently, the publisher cannot guarantee its accuracy.

© 2017 Institutional Real Estate, Inc. • All rights reserved.

Copyright Information: The contents of this publication are protected under federal copyright law, which makes it illegal to reproduce in whole or in part any publication without the publisher's written permission.