

Infra fund sizes shrink in second quarter

More funds raise less capital

According to IREI's FundTracker database, infrastructure investment managers closed nine funds in second quarter 2019, raising nearly \$16.3 billion. In second quarter 2018, 15 funds held final closings, raising more than \$19 billion. In first quarter 2019, eight funds were closed, raising nearly \$21.7 billion.

- \$16.3 billion was raised in Q2 2019
- Nine funds were closed in Q2 2019

The increase in the number of funds closing in second quarter 2019 while raising considerably less compared with first quarter might indicate a pause in the mega-fund

trend, but more data is needed to know for certain whether these oversized funds are losing their mojo.

However, when comparing fundraising during the first half of 2019 (17 funds raised \$38.0 billion) with the first half of 2018 (25 funds raised \$34.6 billion), it appears the mega-fund trend remains intact — fewer funds have raised more money in 2019 compared with first half 2018. The third and fourth quarters of 2019

could provide further insight into the strength of mega-fund capital raising.

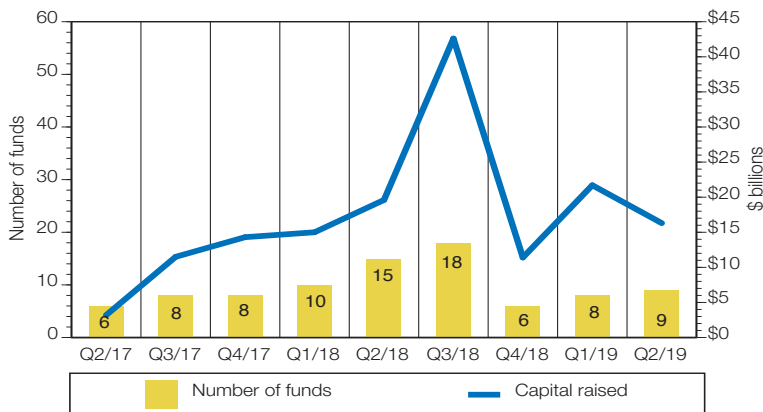
Cube Infrastructure Fund II, managed by Cube Infrastructure Managers, completed its final close during second quarter, raising €1.04 billion (\$1.2 billion). Similar to its predecessor, Cube Infrastructure Fund II invests in energy transition assets, fiber communication and public transport sectors. It aims to generate a combination of current yield and long-term capital appreciation through investments in the European regulated, brownfield infrastructure space. The fund has so far committed approximately €400 million (\$455 million) across eight investment platforms.

Digital Colony, meanwhile, closed its Digital Colony Partners inaugural fund with \$4 billion in commitments, surpassing its \$3 billion target. Digital Bridge and real estate investment management firm Colony Capital launched Digital Colony in 2018 to invest in the digital infrastructure sector. The fund has invested in four companies, including Andean Tower Partners, Digita Oy, a consortium comprised of StrattoOpencell and iWireless Solutions, and Peer 1. The Digital Colony fund has also signed a definitive agreement together with EQT Infrastructure to acquire global network solutions provider Zayo Group.

Funds launched during the quarter include Aquila Capital's Aquila European Renewables Income Fund and AVAIVO Capital's AVAIO Infrastructure Fund. Both are closed-end funds, and are targeting \$3.76 billion and \$10.0 billion, respectively. A total of nine funds were launched during second quarter, targeting more than \$23 billion. ❖

Drew Campbell is senior editor of *Institutional Investing in Infrastructure*.

Fundraising trends



Source: IREI FundTracker

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

For IREI FundTracker database subscription information, please contact Karen Palma, k.palma@irei.com, +1 925-244-0500, ext. 136

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