

Average infra fund size continues to grow While average time on offer increases

The infrastructure asset class is small. As such, looking at “average time in the market” or “average size of funds” and trying to extrapolate conclusions is not only difficult, but probably fruitless. We can say that the average infrastructure fund took two more months to close in 2019 than the average fund did in 2018 (21.3 months vs. 19.2 months, respectively) but is that statistically significant when you are dealing with just 50 funds in 2018 and 38 funds in 2019?

- Average time in market stands at 21.3 months
- 2019 funds raised \$2.4 billion each, on average
- Mega-funds average 8x size of non-mega-funds

However, even if the sample size is too small to draw valid conclusions on trends, the data still provides some interesting information.

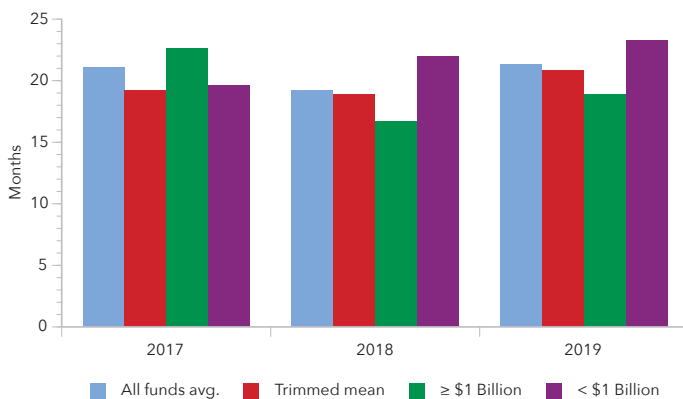
For example, the median time in the market for 2018 funds was 18 months, while the median for 2017 and 2019 was 20 months.

The number of funds reaching final closing in 2018 was 50, while the number closing in 2017 and 2019 were in the mid-30s. Mega-funds (those raising \$1 billion or more) closed significantly faster than non-mega-funds. Mega-funds closing in 2018 and 2019 were in the market an average of 16.7 months and 18.9 months, respectively. Non-mega-funds took 22 and 23.3 months during those years to get to the same place.

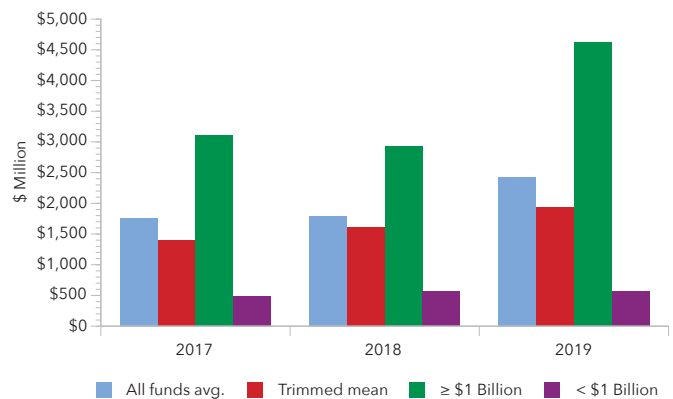
The only trend that appears firmly entrenched is the growth in fund size, which is being driven by ultra-mega-funds. In 2018, the largest fund to close raised \$7.4 billion. The largest fund in 2019 topped out at \$22 billion, and we already have a \$20 billion closed fund in 2020. The asset class might be small, but the funds are large, with the median for all three years hovering around \$1 billion. ❖

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Average time to reach final closing by fund size



Average mega-fund size vs. non-mega-fund size



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.

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