

# FUNDTRACKER TRENDWATCH

## Q1/17 infrastructure first look

### One mega-fund accounts for more than half of capital raised

Early numbers for infrastructure investment funds closing in first quarter 2017 indicate that funds are continuing to grow, but they are taking longer to reach a final close.

During the past two years, the total amount of capital raised each year was relatively stable. 2015 saw \$56.1 billion raised, while 2016 came in at \$56.4 billion. 2017 might end up blowing these numbers out of the water, as more than \$30.9 billion has closed in the first quarter alone. However, more than half this total was the result of one ultra-mega-fund — the \$15.8 billion Global Infrastructure Partners (GIP) Fund III, which closed with \$15.8 billion in commitments.

Without this fund, the quarter would have seen a total of \$15.1 billion raised by closed funds, which is more in line with previous years. The first quarters of 2015 and 2016 saw \$17.6 billion and \$16.2 billion raised by funds reaching final closing, respectively. The question now begging for an answer is: Has 2017 fundraising been front-loaded because of the GIP Fund III, or will we see a normal amount

of fundraising during the next three quarters, resulting in a very good year, indeed?

During the past four years, the average size of these funds has grown significantly. In 2014, the average fund held a final closing with just under \$1 billion raised (\$959 million). That size jumped exponentially to \$1.87 billion in 2015 and held relatively steady in 2016 at \$1.88 billion. First quarter 2017 finds the average fund size growing to \$3.4 billion. If the GIP Fund III is removed, the average is still slightly higher than previous years, coming in at \$1.89 billion.

Another interesting trend is the average closing time between launch and final close. The average for all funds closing in first quarter of 2015, 2016 and 2017 was 13.1 months (one fund that took 72 months to close was removed from the calculation), 15.7 months and 18.9 months, respectively. So it appears the funds are taking a bit longer to close, which is not surprising given how much more capital they are raising. It is probably also a reflection of the tough deal-making climate. If committed capital has not been called, then investors have no reason to commit additional capital.

Funds closing in first quarter 2017 had either a European or a global mandate. None had a debt component.

- Number and size of mega-funds continue to grow
- Time from launch to final close is increasing
- No fund closing in the first quarter had a North American focus

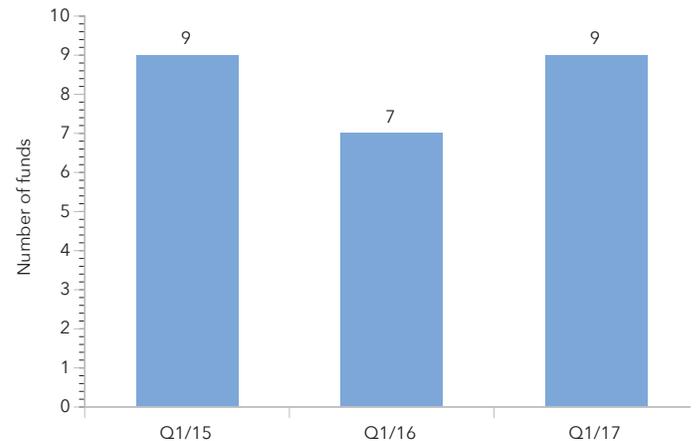
Capital raised by funds closing in first quarter (\$B)



Source: IREI FundTracker

Funds closed in first quarter

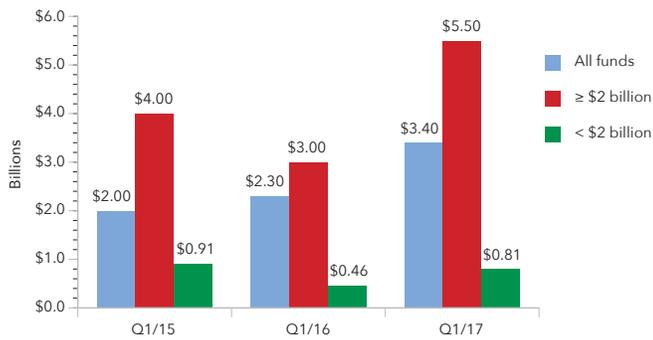
Number of funds closed in first quarter



Source: IREI FundTracker

Funds closed in first quarter

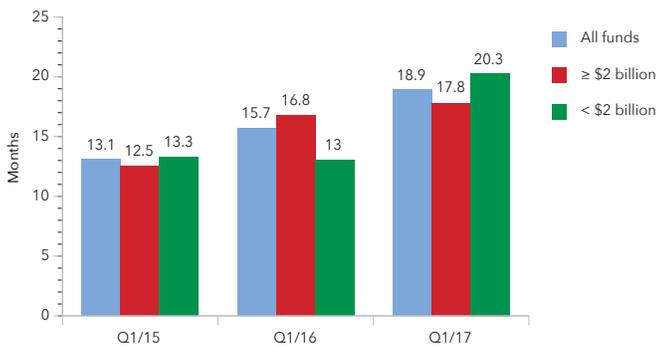
## Average size of funds closed first quarter (\$B)



Source: IREI FundTracker

Funds closed in first quarter

## Average time from launch to final close



Source: IREI FundTracker

Funds closed in first quarter

Q1/15 fund that took 72 months to close was not included

## Largest funds closed Q1/17

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	\$1.40 billion	Global

Source: IREI FundTracker

Funds closed Jan. 1–Mar. 31, 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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## IREI Infrastructure NEWSLINE

- [NuStar Energy](#) has plans to acquire Navigator Energy Services from First Reserve for nearly \$1.5 billion.
- Metro Vancouver has awarded [ADAPT Consortium](#) (Acciona Infrastructure, Dialog Design, Amec Foster Wheeler and Tetra Tech) a C\$525 million (\$394 million) contract (excluding taxes) to design and construct a new C\$700 million (\$526 million) LEED Gold sewage treatment plant on the North Shore.
- [Newcore Capital Management](#) has launched Newcore Strategic Situations III, a £50 million (\$63 million) opportunistic fund that will invest in U.K. real estate assets linked to social infrastructure, storage and accommodation.
- Mexican airport operator [Grupo Aeroportuario del Sureste \(Asur\)](#) has acquired the controlling interest in two Colombian airport groups, Airplan and Aeropuertos de Oriente, in a \$262 million deal.
- The \$1.312 trillion Tokyo-based [Government Pension Investment Fund](#) is searching for new global real estate and infrastructure asset managers in order to implement alternative investments into private equity, infrastructure, and real estate, both in and out of Japan.
- [Macquarie Infrastructure & Real Assets](#) has launched Macquarie Infrastructure Partners IV to invest in diversified infrastructure assets throughout North America.

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