



Preqin Industry News

Jessica Sutro provides a rundown of the latest infrastructure news, featuring exclusive intelligence uncovered by Preqin's analysts. Preqin Online subscribers can click on the investor/firm/asset names to view the full profiles.

This month's feature article reveals that many investors are seeking further exposure to the infrastructure asset class in order to diversify their portfolio and improve their long-term returns. Amid ongoing global economic uncertainty, some believe infrastructure opportunities provide an opportunity to reduce the investment risks of their portfolios. Recent activity in the infrastructure market reflects this – a number of investors have recently stated their intention to make new infrastructure investments, and in some cases intend to increase their target allocation to the asset class in the long term.

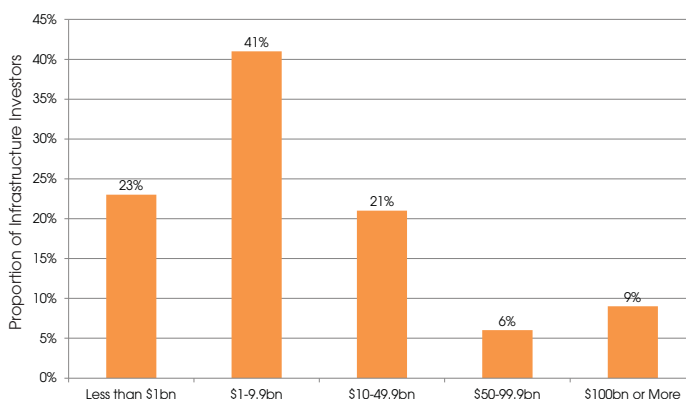
Investors with larger assets under management are among those aiming to increase their allocation. The largest proportion of active investors in infrastructure (41%) have \$1-9.9bn in assets under management (Chart of the Month), but those with AUM of over \$10bn, a smaller 36% of the investor universe, make up a significant number of the investors currently looking to increase their exposure to the asset class.

One of these larger investors is the [State Teachers' Retirement System of Ohio](#), which has increased its target allocation to infrastructure to \$250mn and expects to make further investments in the next 12 months in order to meet that allocation. The public pension fund, which has \$64bn in assets under management, previously picked up three unlisted infrastructure fund interests on the secondary market and is planning to utilize the same strategy going forward. Because STRS Ohio is attempting to decrease the risk involved in its future investments, it will target only the most experienced top-quartile fund managers when pursuing new opportunities.

Elsewhere, a number of Europe-based investors are planning to make infrastructure investments focused on their own region. [Fonds de Réserve pour les Retraites](#), a €32bn French public pension fund, is looking to increase its exposure to infrastructure in the next 12 months by making additional commitments to Europe-focused unlisted infrastructure funds. FRR targets a wide variety of social and economic infrastructure assets, and will pursue an opportunistic investment strategy going forward.

The €29bn Germany-based [W&W Asset Management](#) is also targeting new infrastructure investment opportunities focusing on Europe. Despite its global investment mandate, the asset manager will specifically look to make commitments to Europe-focused funds investing in renewable energy assets. These new investments will help W&W Asset Management achieve its plan to more than double its infrastructure exposure over the coming year in order to meet its 2% target allocation to the asset class by the end of 2013.

Chart of the Month: Breakdown of Active Infrastructure Investors by Assets under Management



Source: Preqin Infrastructure Online

Finally, a number of Australia-based investors are demonstrating their interest in the asset class. [HESTA](#), the AUD 20bn superannuation scheme, is looking to make its next commitment to an unlisted infrastructure fund in 2013 by focusing on opportunities in Australian, West European and North American markets. Though it is open to all sectors, it has a particular interest in core assets, such as airports, toll roads, ports, energy, utilities and social infrastructure. The superannuation scheme gains exposure to infrastructure through private funds and co-investment opportunities with managers.

Data Source:

Preqin's Infrastructure Online is the industry's leading source of intelligence on the unlisted infrastructure fund industry. This constantly updated resource includes details for all aspects of the asset class, including fund performance, fundraising data, institutional investor profiles, fund manager profiles and more.

All of Preqin's exclusive intelligence is available on [Infrastructure Online](#).

Subscribers can click on the firm and fund names to view the full profile.

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