



Preqin Industry News

Jessica Sutro provides a breakdown of the latest infrastructure news, focusing on key institutional investors looking to invest in the asset class in the next 12 months.

Fifty-eight percent of investors interviewed by Preqin in August 2012 expect to increase their exposure to the asset class over the next 12-24 months, as shown in our January 2013 edition of Infrastructure Spotlight. Institutional investor interest in infrastructure assets looks set to continue over both the short and long term, with none of the investors interviewed by Preqin planning to remove allocations to infrastructure from their portfolios going forward. The Chart of the Month shows a breakdown of investors considering making commitments to the asset class in the future by investor type.

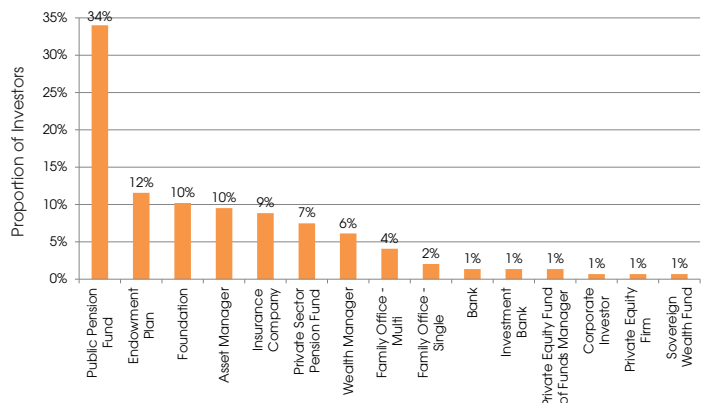
Public pension funds represent the most significant proportion of investors (34%) considering committing to the asset class in the future. Among them is €2bn public pension fund [WPV](#), which is in the process of looking for new unlisted infrastructure fund managers in order to making two to three new commitments in the coming 12 months. The Germany-based public pension fund is looking to diversify its portfolio away from renewable energy assets and will consider a range of industries in both social and economic sectors. It will also consider a mix of geographic locations, although it is more likely to invest in funds focusing on North America and Europe as opposed to emerging markets, and has a preference for experienced fund managers, but will also consider first-time funds.

A further 12% of investors considering an infrastructure investment are endowment plans. [University of Sydney Endowment](#), which is below its target allocation to the asset class, plans to increase its exposure to unlisted infrastructure funds over the next 12 months and beyond. Despite having previously committed to global infrastructure funds, the AUD 1.2bn endowment plan is looking to invest exclusively in Australia-focused funds going forward. It is not willing to commit to first-time funds and is not interested in co-investment opportunities alongside fund managers. The endowment plan will consider investments in assets at all project stages.

A number of investors looking to commit to the asset class are targeting the more developed markets of Europe and North America. [SEB Pension](#), a SEK 18.5bn private sector pension fund, has already made a €5mn commitment to [Macquarie European Infrastructure Fund IV](#) as part of its growing infrastructure investment mandate. The commitment provides SEB Pension with further exposure to a number of European economic infrastructure assets within the energy, transportation, telecommunications and utilities sectors. The pension fund invests in infrastructure as part of its allocation to private equity and will continue to invest in infrastructure funds on an opportunistic basis over the coming 12 months. It will look to make up to two new commitments in 2013.

Elsewhere, CHF 123bn insurance company [Swiss Life](#), which has introduced a new 1% target allocation to the infrastructure

Chart of the Month: Breakdown of Investors Considering Infrastructure by Type (As of February 2013)



Source: Preqin Infrastructure Online

asset class in order to make additional capital available for further investments in 2013, is also focusing primarily on the European and North American markets, targeting core infrastructure assets with a specific focus on energy and transportation opportunities. Swiss Life will adhere to its long-term strategy of targeting both unlisted infrastructure funds and direct investments in infrastructure assets.

However, some infrastructure investors are targeting opportunities in comparatively less developed regions. The SEK 3.4bn [Swedfund](#) is looking to expand its infrastructure investment portfolio going forward, retaining its interest in energy assets located in emerging markets such as Africa. Swedfund is an opportunistic investor and mainly makes direct investments in infrastructure assets, but also considers commitments to unlisted infrastructure funds with a relevant focus. The government agency has earmarked between SEK 100mn and SEK 125mn for investment in the infrastructure asset class over the next 12 to 24 months.

Subscriber Quicklink:

Subscribers can click [here](#) to access a list of investors looking to invest in infrastructure over the next 12 months via the new [Fund Searches and Mandates](#) feature.

[Preqin Infrastructure Online](#) is the industry's leading source of intelligence on the unlisted infrastructure fund industry. This constantly updated resource includes information on fund performance, fundraising data, institutional investors, fund managers and more.

For more information please visit:

www.preqin.com/infrastructure