



Preqin Industry News

Nicholas Jelfs looks at investors making their first investments in the infrastructure asset class, as well as those looking to increase their exposure in the coming months.

Many institutional investors are making maiden allocations and investments in the infrastructure asset class:

[Sampension](#), a DKK 180bn pension fund, has been planning a debut unlisted infrastructure fund commitment since 2011 but has yet to finalize such an investment. However, it does expect to establish its first relationship with an unlisted infrastructure GP in 2013 via a DKK 100-200mn commitment. It will target funds that provide exposure to a diverse range of infrastructure industries, primarily within Asia.

[Industrial Alliance Insurance and Financial Services](#) has carved out a new CAD 200mn target allocation to the infrastructure asset class, CAD 50mn of which has already been invested. It will adhere to its long-term strategy of primarily making direct investments into infrastructure assets, but will now also consider making commitments to unlisted infrastructure vehicles targeting global developed markets.

A number of investors are further increasing their exposure to infrastructure funds:

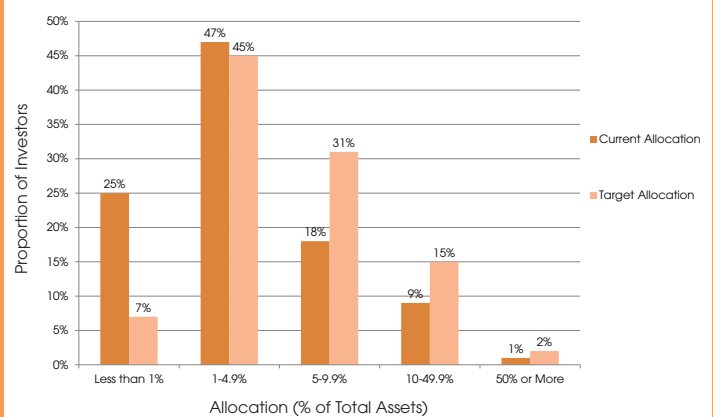
[Real Grandeza](#) is looking to commit a further \$50-75mn to new unlisted infrastructure funds over the next 12 months. The pension fund currently has \$200mn invested in infrastructure, through a series of commitments to infrastructure and natural resources funds managed by Mantiq Investimentos. It maintains a \$300mn target allocation to the infrastructure asset class and will invest with both new and existing fund managers in the coming year.

[Pension Fund for Danish Lawyers and Economists](#), the €3bn pension fund, plans to invest in up to two new unlisted fund vehicles in the coming 12 months. The pension fund will continue to invest on a global basis, targeting infrastructure vehicles that provide exposure to a range of assets, with a particular focus on the renewable energy sector.

South-Korea-based [Lotte Insurance](#) is looking to invest \$50mn across private equity, real estate and infrastructure funds in 2013. The insurer will consider private infrastructure funds employing all strategies, except for fund of funds vehicles. It is open to all geographical regions, but will focus primarily on Asia, Europe and North America.

Are infrastructure investors under-allocated to the asset class?

Chart of the Month: Breakdown of Infrastructure Investors by Current/Target Allocation to Infrastructure



Source: Preqin Infrastructure Online

Although many investors in infrastructure commit capital on an opportunistic basis, a number of investors are allocating a growing proportion of their portfolio to the asset class. A significant 72% of infrastructure investors have a current allocation of under 5% of total assets; however, a notable 51% of investors have a target allocation of over 5%, indicating there is a large number of investors that are currently under-allocated to infrastructure.

Data Source:

Want to identify which investors are under-allocated to infrastructure?

Premium subscribers to Infrastructure Online can download information on all 1,842 investors that currently invest in infrastructure [here](#), and compare current and target allocations to view institutions with excess capital to invest in the asset class.

For more information, please visit: www.preqin.com/infrastructure

Do you have any news you would like to share with the readers of Spotlight?

Perhaps you're about to launch a new fund, have implemented a new investment strategy, or are considering investments beyond your usual geographic focus?

Send your updates to spotlight@preqin.com and we will endeavour to publish them in the next issue.