



# 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.

Recent trends in the infrastructure fundraising market seem to reveal an increasing momentum, with the closure of several large funds and the growing interest of many investors in the asset class. The Chart of the Month further demonstrates investors' willingness to commit to infrastructure funds, with 58% of investors interviewed by Preqin in August 2012 stating that they would seek to increase their exposure to the asset class over the next 12 to 24 months; a further 38% planned to maintain their exposure over the same time period.

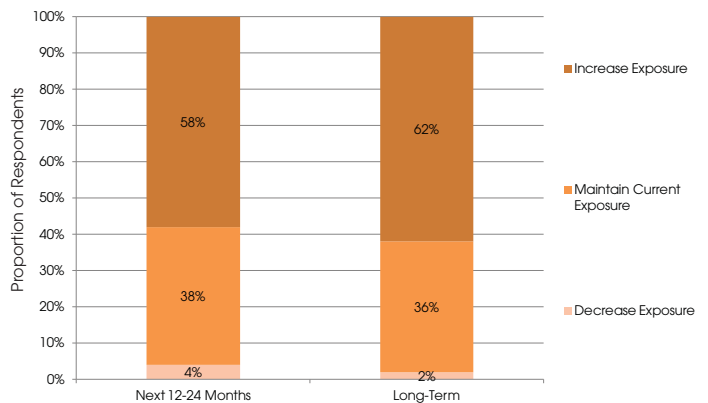
However, recent investor activity reveals that many LPs are approaching new investments on an opportunistic basis, with the intention of only committing to opportunities that they believe to be best suited to their plans for their infrastructure portfolios. As these investors look to make new commitments in the coming months, fund managers will likely find it challenging to secure their capital given the wide scope of investors' search for new opportunities. Standing out amid the 141 funds currently in market may rely, as this month's feature article suggests, on a concerted effort to address investor concerns.

A number of Asia-Pacific-based investors are among those planning to target infrastructure investments on an opportunistic basis in the next 12 months. Seoul-based [Korean Re](#) is open to making new investments in unlisted and listed infrastructure funds in the next 12 months. The insurance company does not have a target amount to invest over the next 12 months, preferring to commit to suitable opportunities as they emerge. It views stability and capital safety as important aspects of potential investments, so it will not invest in vehicles it views as risky; however, it has no preference with regards to sector or developmental stage. Over the next 12 months it will focus on domestic funds, and is unlikely to invest in overseas infrastructure funds.

[SMBC Nikko Securities](#) will also continue to commit to infrastructure funds on an opportunistic basis over the next 12 months. It will adhere to its long-time strategy of investing in funds with a global mandate, but will also consider country-specific vehicles targeting China, India and Brazil. The Japanese asset manager has no sector preference, but it will not invest in coal-fired power plants due to global warming concerns. SMBC Nikko Securities typically invests \$10mn in each infrastructure fund.

Elsewhere, Netherlands-based [SPF Beheer](#) is among those investors targeting infrastructure debt funds, which, as mentioned in this month's feature, are increasingly being launched by some fund managers in order to compensate for the shortfall in infrastructure debt financing from other sources, like banks. The \$13bn asset manager is planning to increase its exposure to the asset class in the coming 12 months through a range of different routes, including unlisted fund commitments and co-investments, but is

Chart of the Month: Investor Plans for Future Infrastructure Exposure



Source: 2012 Preqin Infrastructure Review - August 2012 Preqin Investor Study

interested in gaining exposure to the infrastructure debt space. SPF Beheer focuses on the European infrastructure market and has a preference for Europe-based PPP/PFI projects, particularly those located in its home country, the Netherlands.

Other investors are also looking to increase their exposure to the asset class through new opportunities they have not targeted previously. [Nationwide Building Society Pension Fund](#) is expecting to maintain its focus on infrastructure assets in developed markets over the next 12 months, but is also interested in expanding its exposure to emerging markets. The £2.8bn private sector pension fund has previously both made primary fund commitments and purchased infrastructure fund interests on the secondary market, and will continue with this strategy going forward. Nationwide targets a range of industry sectors, including transportation, utilities and social infrastructure.

## 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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