



Preqin Industry News

Olivia Harmsworth looks at the latest news in the unlisted infrastructure market.

This month's feature article revealed that 93% of infrastructure investors feel that their infrastructure portfolios have either met or exceeded expectations over the past 12 months, and 63% intend to commit more capital to the asset class in the next year. These results are taken from Preqin's newly-released [Preqin Investor Outlook: Alternative Assets, H2 2013](#), which contains the results of extensive interviews with 450 investors in infrastructure, real estate, private equity and hedge funds. Of investors planning to make new infrastructure commitments in the next 12 months, the largest proportion (38%) expect to commit up to \$50mn.

A number of infrastructure investors are looking to make new unlisted fund commitments in the next 12 months:

One such investor is [AISIN Employees' Pension Fund](#), which plans to commit up to \$20mn in the next year. It intends to make three to four private fund commitments and will invest \$5mn per fund. Geographically, the private sector pension fund intends to invest in at least one North America-focused fund and one global vehicle. In terms of strategy, it will target one debt fund, one primary fund and at least one fund of funds vehicle.

A significant 30% of active infrastructure investors are intending to commit between \$100mn and \$349mn in the next 12 months, including [Woori Bank](#), which intends to commit \$100mn to private infrastructure funds in the next year. In terms of strategy, the South Korea-based bank will target primary funds, across all industries. It will focus on the domestic market, and may consider overseas investments for the first time.

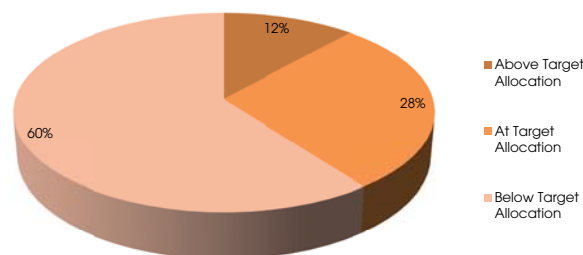
Another such investor is [Dongbu Insurance](#), which is planning to invest \$200mn in infrastructure funds in the next 12 months in order to reach its target allocation to the asset class, which stands at 5% of total assets under management. Dongbu Insurance is interested in debt funds with a focus on developed markets, namely North America and North Europe. It is also open to separate account mandates.

60% of infrastructure investors are below their target allocations to the asset class:

In other positive news for the asset class, the survey also revealed that the majority of investors (58%) are intending to increase their allocation to the asset class over the long term. UK-based [Lothian Pension Fund](#) has increased its infrastructure target allocation from 6% to 8% of total assets under management, with a view to investing in additional unlisted infrastructure funds on an opportunistic basis over the coming 12 months. The pension fund made the decision after already reaching its initial 6% target allocation.

What proportion of infrastructure investors are under-allocated to the asset class?

Chart of the Month: Proportion of Active Infrastructure Investors that Are At, Above or Below their Target Allocations



Source: Preqin Infrastructure Online

With such a large proportion of investors satisfied with the returns seen from their infrastructure portfolios, it is also encouraging to note that the majority of investors active in the industry (60%) are below their target allocation to the asset class, as shown in the Chart of the Month. This indicates that more capital is likely to be entering the infrastructure asset class as investors look to reach their target allocations.

Looking for more information on investors looking to make new commitments to infrastructure funds?

Preqin's **Infrastructure Online** service features detailed profiles of over 2,000 active investors in infrastructure. Use the **Future Fund Searches and Mandates** tool to pinpoint those institutions that are seeking fund investments right now.

To learn more about how Preqin's infrastructure data can help you, please visit:

www.preqin.com/infrastructure

Additionally, the Chart of the Month reveals that 60% of investors are under-allocated to the asset class, with many seeking to commit additional capital in order to reach their target allocations. [EUROCONTROL Pension Fund](#) is looking to make new unlisted infrastructure fund commitments over the coming 12 months in order to work towards its 7.5% target allocation to the asset class. The pension fund expects to commit to a new global infrastructure fund in the coming weeks and will look to establish further new fund manager relationships in 2013/14.

alternative assets. intelligent data.

Fund Coverage: **31,851** Funds



Firm Coverage: **15,218** Firms



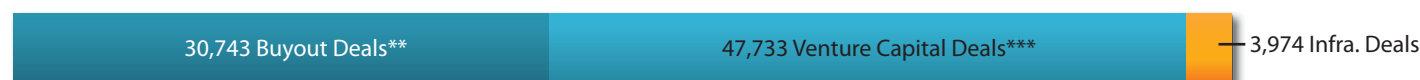
Performance Coverage: **13,231** Funds (IRR Data for 5,051 Funds and Cash Flow Data for 2,317 Funds)



Fundraising Coverage: **13,133** Funds Open for Investment/Launching Soon
Including 2,002 Closed-Ended Funds in Market and 388 Announced or Expected Funds



Deals Coverage: **82,450** Deals Covered; All New Deals Tracked



Investor Coverage: **11,161** Institutional Investors Monitored,
Including 7,977 Verified Active**** in Alternatives and 83,385 LP Commitments to Partnerships



Alternatives Investment Consultant Coverage: **450** Consultants Tracked

Fund Terms Coverage: Analysis Based on Data for Around **7,500** Funds

Best Contacts: Carefully Selected from Our Database of over **252,325** Active Contacts

Plus

Comprehensive coverage of:

- Placement Agents
- Fund Administrators
- Law Firms
- Debt Providers
- Dry Powder
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**Buyout deals: Preqin tracks private equity-backed buyout deals globally, including LBOs, growth capital, public-to-private deals, and recapitalizations. Our coverage does not include private debt and mezzanine deals.

***Venture capital deals: Preqin tracks cash-for-equity investments by professional venture capital firms in companies globally across all venture capital stages, from seed to expansion phase. The deals figures provided by Preqin are based on announced venture capital rounds when the capital is committed to a company.

****Preqin contacts investors directly to ensure their alternatives programs are active. We emphasize active investors, but clients can also view profiles for investors no longer investing or with programs on hold.