

Capital Raised for Investment in European Infrastructure Assets More Than Triples Since 2011

13 unlisted Europe-focused infrastructure funds have raised an aggregate €9.1bn in 2013 so far, a dramatic increase on the €2.6bn in total raised by 11 funds closed in 2011

New research from Preqin, featured in Preqin Special Report: European Infrastructure, shows that the capital raised for Europe-focused unlisted infrastructure funds has more than tripled since 2011, from 11 funds raising an aggregate €2.6bn that reached a final close 2011 to 13 funds closed in 2013 so far that have raised an aggregate €9.1bn. As of November 2013, there are a record 58 Europe-focused unlisted infrastructure funds currently being marketed to investors, targeting an aggregate €26.1bn in capital commitments.

In addition, more unlisted infrastructure funds targeting European infrastructure assets are achieving or exceeding their target sizes when holding a final close. Fifty-nine percent of Europe-focused unlisted infrastructure funds closed so far in 2013 have either met or exceeded their fundraising targets, an increase compared to 28% of funds that achieved the same in 2012.

Other Key Facts:

Fundraising

- As a result of several large Europe-focused unlisted infrastructure funds closing in 2013 YTD, the average fund size of these vehicles has seen a 190% increase, from €263mn in 2012 to €762mn in 2013 so far.

Institutional Investors

- Almost half (48%) of Europe-based institutional investors active in infrastructure are below their target allocations to the asset class, indicating that these investors are likely to commit more capital to infrastructure in order to move close to their target allocations.
- 43% of Europe-based investors will commit to first-time managers, and 11% will consider doing so. However, 39% will not invest in first-time managers, demonstrating that a large proportion of investors continue to seek managers with proven track records.

Deals

- The number of deals made by unlisted fund managers in European infrastructure assets so far in 2013 stands at 133, which represents a small decrease from the 198 transactions completed in 2012.
- Although large-scale deals are being completed in Europe, smaller ticket transactions continue to be more prevalent, with 58% of European deals between 2011 and 2013 YTD valued at less than €100mn and just 10% above €500mn.

For more information and analysis, please see the full report:

https://www.preqin.com/docs/reports/Preqin_Special_Report_European_Infrastructure_Nov_2013.pdf

Comment:

“The growth of unlisted infrastructure fundraising in Europe has been dramatic over recent years. There is clearly significant investor appetite for European infrastructure exposure and many Europe-based institutional investors expect to put a considerable amount to capital to work in the coming months. However, while there is a significant amount of capital being raised to invest in European infrastructure assets, the fundraising market is very competitive, with a record number of Europe-focused funds on the road. Europe-focused infrastructure managers seeking capital will have to work very hard to stand out from the crowd in the coming months, but it is clear that there is considerable investor demand for infrastructure exposure and those firms that are able to differentiate themselves from the competition can be very successful in the fundraising market.”

Elliot Bradbrook, Manager – Infrastructure Data

Note to Editors:

- Preqin is spelled without the letter 'U' after the 'Q', the company name being an amalgamation of the former name, Private Equity Intelligence.

About Preqin:

Preqin is the leading source of information for the alternative assets industry, providing data and analysis via online databases, publications and bespoke data requests.

Preqin has built a reputation in the alternative assets industry for providing the most comprehensive and extensive information possible. Leading alternative assets professionals from around the world rely on Preqin's services daily, and its data and statistics are regularly quoted by the financial press. For more information, please visit: www.preqin.com

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