

## Direct Investment Grows but Unlisted Funds Maintain Appeal among Top 100 Infrastructure Investors

89% of top 100 investors commit to unlisted funds, whilst 64% now consider investing directly

Nearly all of the top 100 investors in infrastructure, by committed capital, gain access to the asset class through unlisted funds the latest Preqin research reveals. While a significant proportion also pursue direct investments, less than a quarter seek exposure through listed funds.

Further support for the unlisted model can be seen when the top 100 investors are split into thirds by size, with the top (88%), mid (82%) and final (97%) thirds all retaining a strong preference for this route to market. In addition, the same split reveals that there is a strong correlation between an LP's allocation to infrastructure and its preference for direct investments.

The top 100 investors have committed an aggregate \$204bn to infrastructure to date.

### The Top 100 Infrastructure Investors: The Facts

- Europe is home to the largest number, 39, of the top 100 investors in infrastructure, followed by North America with 31.
- 23% of the largest investors are public pension funds. 16% are asset managers and insurance companies account for 12%.
- 72% of the top 100 investors have a dedicated infrastructure allocation.
- Europe is the most targeted region by these investors, with 78% seeking to invest in opportunities in the region. 61% will invest in North America, and 25% in Australasia
- Investments in energy, transportation and utilities and waste management are sought by 80%, 80% and 82% of the top 100 investors respectively
- 44% of investors are keen to invest in social infrastructure projects
- The mean AUM of investors in the top 100 is \$92.4bn.

For more information and to read the full report, please visit:

[http://www.preqin.com/docs/newsletters/INF/Preqin\\_Infrastructure\\_Spotlight\\_March\\_2012.pdf](http://www.preqin.com/docs/newsletters/INF/Preqin_Infrastructure_Spotlight_March_2012.pdf)

### Comment

The top 100 investors are globally diverse, with significant AUM and considerable investment experience. While they are keen on direct investment, it is likely that the majority will continue to use various routes to market in the future. To remain competitive, managers need to demonstrate flexibility in response to LP demands and continue to offer attractive and cost-effective opportunities. This will ensure that larger investors consider direct investment in addition to, rather than as opposed to, unlisted fund commitments.

### Elliot Bradbrook, Manager – Infrastructure

### 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.

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