

This report is an excerpt from: **Preqin Quarterly: Infrastructure, Q3 2012**. To download the full report please visit: https://www.preqin.com/docs/quarterly/INF/Infrastructure_Quarterly_Q3_2012.pdf

Fundraising Overview

In Q3 2012, six unlisted infrastructure funds reached a final close, having raised an aggregate \$2.7bn (Fig. 6). This represented a 48% decrease from the amount raised in Q2 2012, when 11 funds closed on an aggregate \$5.2bn. The largest unlisted infrastructure fund to close in Q3 2012 was the \$1.8bn EnCap Flatrock Midstream Fund II, which closed in July and seeks to invest in a portfolio of North American midstream natural gas assets. Despite few final closes, a further 10 funds held an interim close in Q3 2012, raising a sizeable \$14bn towards their overall fundraising targets. EQT Infrastructure II is one example, which held a €1.1bn first close in July.

The capital raised by funds holding interim closes in Q3 is encouraging; however, the limited number of funds reaching a final close is indicative of the tough fundraising conditions faced by managers in the current market. As shown in Fig. 7, just 27% of unlisted infrastructure funds closed in the past year took less than 12 months to complete the fundraising process. In contrast, a significant 59% of funds closed during this period spent over 18 months on the fundraising trail, with 38% taking over two years to reach a final close. The extended length of time it is taking fund managers to close funds is a reflection of the post-crisis fundraising environment.

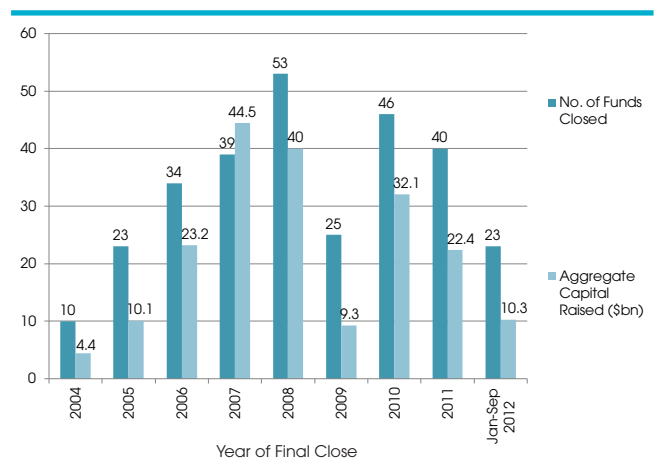
Fig. 8 shows the 10 largest unlisted infrastructure funds to close over the past 12 months. These vehicles accounted for 74% of the total capital raised during the period, with the three largest funds, the \$3.3bn ArcLight Energy Partners Fund V, the \$2bn Highstar Capital Fund IV and the \$1.8bn EnCap Flatrock Midstream Fund II, making up 36% of the total between them. In terms of geography, nine of the 10 largest funds closed over the past year are primarily focused on North American and European markets.

Global Infrastructure Partners II remained in market at the turn of Q4 2012, although it reached a \$8.25bn final close on October 2nd, thus becoming the largest unlisted infrastructure fund to reach a final close since the asset class's inception. This significantly increased the total capital raised by unlisted infrastructure funds in 2012 to \$18.6bn, although the general fundraising outlook for the coming 12 months does not change, with investors remaining cautious when making new fund commitments.

Preqin's Infrastructure Online product contains over 630 detailed fundraising profiles for all types of infrastructure fund. For more information, or to register for a demo, please visit:

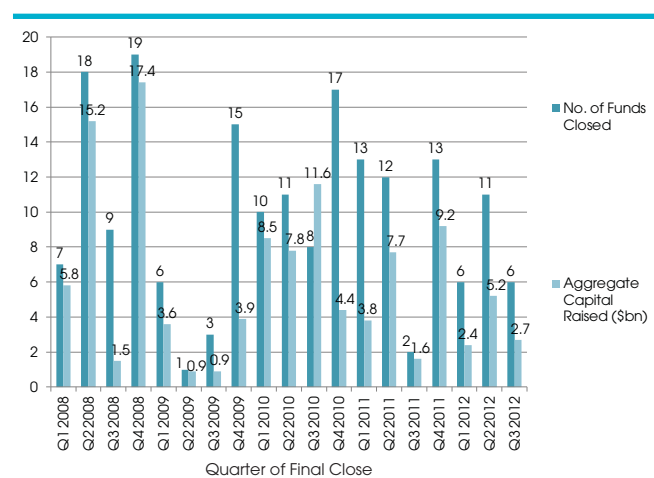
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Fig. 5: Annual Unlisted Infrastructure Fundraising, 2004 - Q3 2012



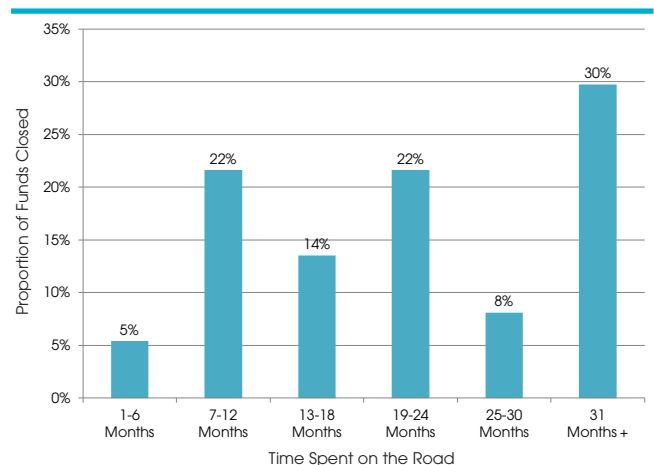
Source: Preqin Infrastructure Online

Fig. 6: Quarterly Unlisted Infrastructure Fundraising, Q1 2008 - Q3 2012



Source: Preqin Infrastructure Online

Fig. 7: Breakdown of Time Spent on the Road by Funds Closed in the Last 12 Months



Source: Preqin Infrastructure Online

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Fig. 8: Top 10 Unlisted Infrastructure Funds Closed over the Past 12 Months by Final Close Size

Fund	Firm	Size (mn)	Firm Location	Fund Focus	Date Closed
ArcLight Energy Partners Fund V	ArcLight Capital Partners	3,310 USD	US	US	Nov-11
Highstar Capital Fund IV	Highstar Capital	2,000 USD	US	US	May-12
EnCap Flatrock Midstream Fund II	EnCap Flatrock Midstream	1,786 USD	US	US	Jul-12
United States Power Fund IV	Energy Investors Funds	1,713 USD	US	US	Oct-11
Meridiam Infrastructure Europe II	Meridiam Infrastructure	950 EUR	France	Europe	Mar-12
InfraRed Infrastructure Fund III	InfraRed Capital Partners	1,200 USD	UK	Europe	Oct-11
KKR Infrastructure Fund	Kohlberg Kravis Roberts	1,044 USD	US	US	May-12
JPMorgan Global Maritime Investment Fund	JPMorgan - Infrastructure Investments Group	780 USD	US	US	Dec-11
HgCapital Renewable Power Partners Fund II	HgCapital	542 EUR	UK	Europe	Dec-11
Philippine Investment Alliance for Infrastructure	Macquarie Infrastructure and Real Assets (MIRA)	625 USD	Australia	ROW	Jul-12

Source: Preqin Infrastructure Online