

# German Infrastructure Fund Market

## Key Stats:



€382mn

Average size of infrastructure deals completed in Germany since 2007.



300

Number of deals completed in Germany since 2006 with full profiles on **Infrastructure Online**.



€3.4tn

Aggregate assets under management of Germany-based investors.



57%

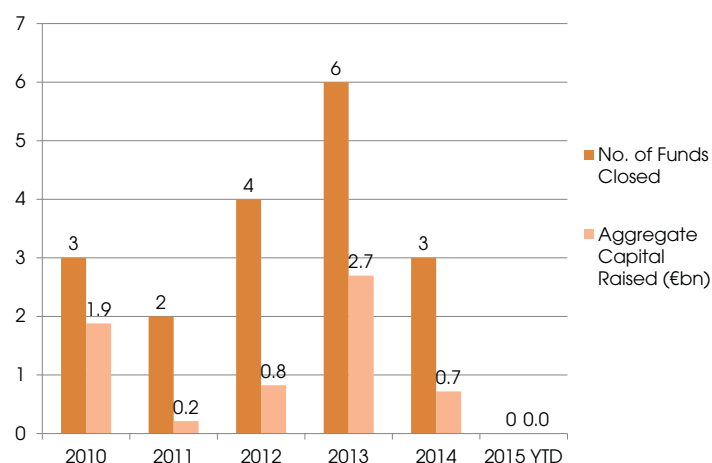
Proportion of deals completed in Germany since 2007 that are in the renewable energy sector.

The unlisted infrastructure fund market targeting Germany, either solely or as part of a wider geographic focus, remains relatively small, with data from Preqin's [Infrastructure Online](#) service revealing only 18 unlisted vehicles have reached a final close since 2010 (Fig. 1). Fundraising has declined from six funds closing in 2013 raising an aggregate €2.7bn, to three funds closing last year raising €700mn; so far this year there have been no unlisted infrastructure funds closed targeting Germany. The largest Germany-focused fund closed since 2013 is AXA Infrastructure Generation III, managed by France-based Ardian; the fund raised €1.5bn for investments in infrastructure entities whose main purposes are to finance, build, operate, maintain, refurbish or develop infrastructure projects located in European countries.

The Deals module on Preqin's [Infrastructure Online](#) features information on over 11,700 infrastructure deals, including information on over 460 completed transactions in Germany. As shown in Fig. 2, the number of completed deals in Germany almost halved from 50 in 2008 to 27 in 2014; however, reported aggregate deal value has fluctuated from a low of €1.3bn in 2009 to a high of €10.7bn in 2012, with last year's total standing at €5.3bn.

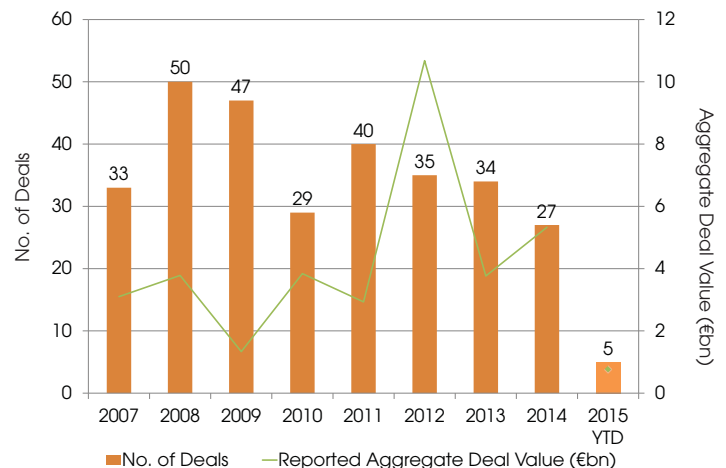
Renewable energy accounts for the majority (57%) of transactions since 2012, while transactions in the utilities (14%) and transport (7%) sectors also make up notable proportions (Fig. 3). Since 2013, the largest German transaction was the €1.9bn joint venture by Copenhagen Infrastructure Partners I and TenneT in February 2014 for DoIWin3, which involved the construction of a 900MW offshore converter station and grid connection for wind farms located in the south-western part of the German North Sea. As a part of the deal, Copenhagen Infrastructure Partners I agreed to provide an equity investment of €384mn in return for a 67% stake, with TenneT acting as developer.

**Fig. 1: Annual Germany-Focused Unlisted Infrastructure Fundraising, 2010 - 2015 YTD (As at 27 May 2015)**



Source: Preqin Infrastructure Online

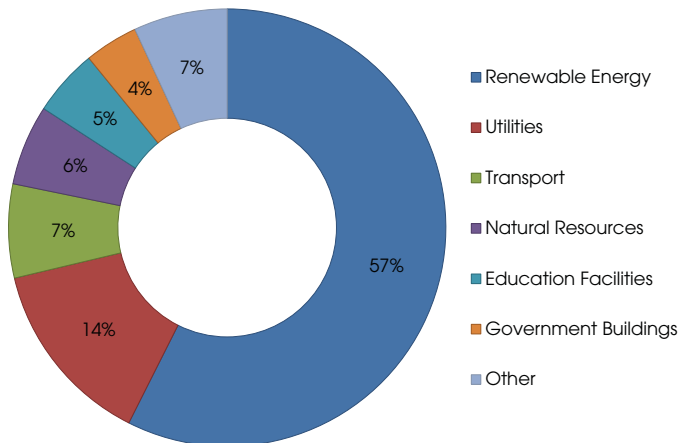
**Fig. 2: Number and Aggregate Value of German Infrastructure Deals, 2007 - 2015 YTD (As at 27 May 2015)**



Source: Preqin Infrastructure Online

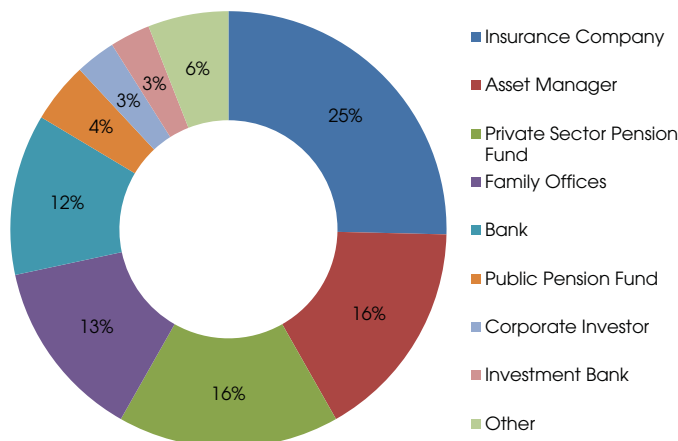
Preqin's [Infrastructure Online](#) service contains detailed profiles for over 2,200 institutional investors targeting infrastructure, including 67 based in Germany. Insurance companies make up a quarter of Germany-based institutions, demonstrating their prominence in the region (Fig. 5). Asset managers and private sector pension funds

**Fig. 3:** Breakdown of German Infrastructure Deals by Industry, Deals Completed 2012-2015 YTD (As at 27 May 2015)



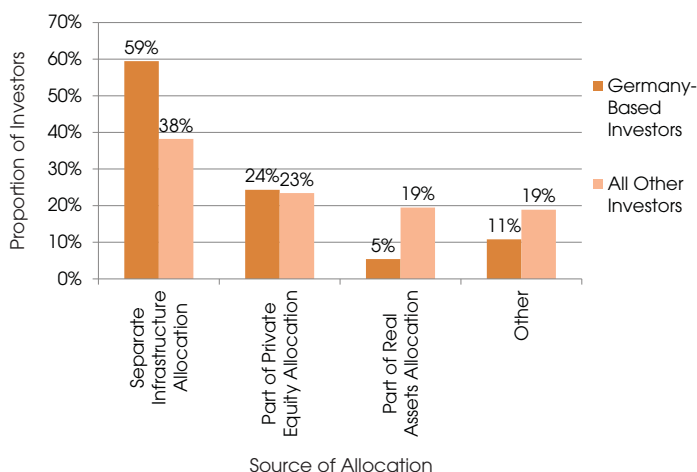
Source: Preqin Infrastructure Online

**Fig. 5:** Breakdown of Germany-Based Infrastructure Investors by Type



Source: Preqin Infrastructure Online

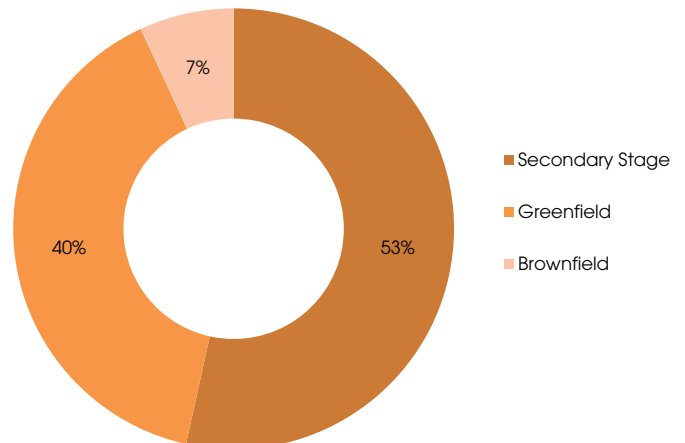
**Fig. 7:** Infrastructure Investors by Source of Infrastructure Allocation: Germany-Based Investors vs. All Other Investors



Source: Preqin Infrastructure Online

are also fairly numerous; each account for 16% of investors based in this region. In terms of assets under management (AUM), 68% of investors possess AUM of €10bn or more, with no institutions holding less than €1bn in assets investing in infrastructure (Fig. 6).

**Fig. 4:** Breakdown of German Infrastructure Deals by Project Stage, Deals Completed 2012-2015 YTD (As at 27 May 2015)



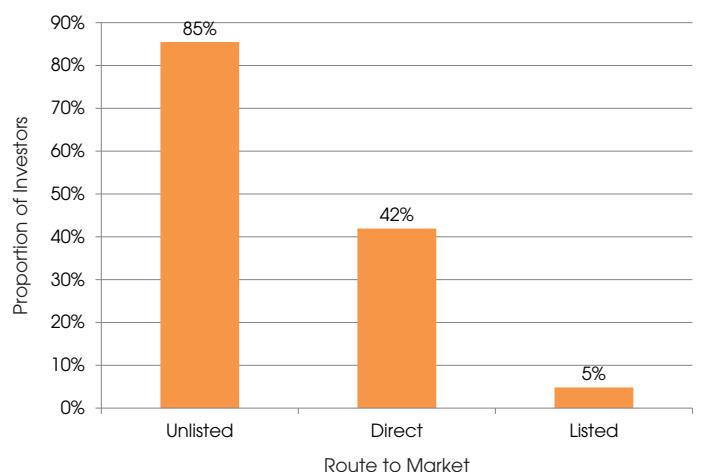
Source: Preqin Infrastructure Online

**Fig. 6:** Breakdown of Germany-Based Infrastructure Investors by Assets under Management



Source: Preqin Infrastructure Online

**Fig. 8:** Preferred Route to Market of Germany-Based Infrastructure Investors



Source: Preqin Infrastructure Online

A significant 59% of Germany-based infrastructure investors access the asset class through a separate infrastructure allocation (Fig. 7). In comparison, when looking at investors based elsewhere, just 38% allocate to infrastructure via a separate bucket, with a greater proportion (42%) investing as part of either a private equity

or real assets allocation. In terms of route to market, there is a clear preference among Germany-based infrastructure investors for investing through unlisted vehicles: 85% gain exposure through this route (Fig. 8).

**Fig. 9:** Sample of Germany-Based Investors Targeting Unlisted Infrastructure Funds in the Next 12 Months

Investor	Type	City	Investment Plans in the Next 12 Months
Bavarian Pension Chamber	Public Pension Fund	Munich	Looking to commit €1bn to four or five unlisted infrastructure funds in 2015. The pension fund will invest globally across all industries.
Continentale Insurance Group	Insurance Company	Dortmund	Will target unlisted infrastructure on an opportunistic basis, but intends to add one fund of funds vehicle to its portfolio in 2015.
Talanx Asset Management	Asset Manager	Cologne	Expects to continue investing in infrastructure on an opportunistic basis, and is likely to consider unlisted fund commitments and direct equity/debt financing opportunities, primarily within Europe and North America.

Source: Preqin Infrastructure Online

**Fig. 10:** 10 Notable German Infrastructure Deals Completed in 2013 - 2015 YTD (As at 27 May 2015)

Asset	Investor(s)	Transaction Date	Industry	Total Deal Size (€mn)
DolWin3	Copenhagen Infrastructure Partners, TenneT	Feb-14	Power Distribution	1,900
Butendiek Offshore Wind Farm	Industry Pension Insurance, Marguerite Adviser, Pensionskassernes Administration, Siemens Financial Services, wpd	Feb-13	Wind Power	1,400
Gode Wind Farm I	DONG Energy	Nov-13	Wind Power	1,247
AviAlliance	Public Sector Pension Investment Board	May-13	Airports	1,100
Amrumbank West Wind Farm	E.ON	Jan-14	Wind Power	1,000
EnBW Baltic 2 Wind Farm	Macquarie Bank	Jan-15	Wind Power	720
A7 Bordsesholm-Hamburg	DIF, HOCHTIEF Concessions, Unidentified Investor/s	Jun-14	Roads	600
Gode Wind Farm II	Industry Pension Insurance, Lærernes Pension, Medical Doctors' Pension Fund, Pensionskassernes Administration	Jul-14	Wind Power	600
Schleswig-Holstein University Hospital	BAM PPP, DIF, PGGM, VAMED	Sep-14	Hospitals	520
EVG Thuringen	Colonial First State Global Asset Management/First State Investments	Oct-14	Natural Resources Pipelines	400

Source: Preqin Infrastructure Online

**Fig. 11:** Top Five Germany-Focused Unlisted Infrastructure Funds to Hold a Final Close, 2013 - 2015 YTD (As at 27 May 2015)

Fund	Firm	Final Close Size (€mn)	Final Close Date
AXA Infrastructure Generation III	Ardian	1,450	Mar-13
DIF Infrastructure III	DIF	800	Mar-13
Clean Energy Fund Europe II	Glennmont Partners	500	Sep-14
Zouk Renewable Energy & Environmental Infrastructure Fund II	Zouk Capital	220	Sep-14
Bouwfonds European Real Estate Parking Fund II	Bouwfonds Investment Management	187	May-13

Source: Preqin Infrastructure Online

#### Data Source:

Access comprehensive information on all aspects of the infrastructure industry on Preqin's **Infrastructure Online**.

Constantly updated by our team of dedicated research analysts, the service features in-depth data on fundraising, fund managers, institutional investors, net-to-investor fund performance and much more.

For more information, or to arrange a demonstration, please visit: [www.preqin.com/infrastructure](http://www.preqin.com/infrastructure)