

The PPP/PFI Infrastructure Market

Using data from Preqin's [Infrastructure Online](#), we examine the PPP/PFI infrastructure market, including historical fundraising, funds currently in market, deals and institutional investors.

Key Facts



\$879bn

Estimated aggregate value of completed PPP/PFI infrastructure deals since 2007.



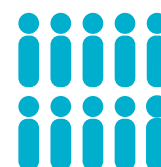
189

Number of PPP/PFI-focused infrastructure funds closed since 2007, securing \$146bn.



18%

Proportion of PPP/PFI deals completed in the UK, the largest proportion of any single country.



582

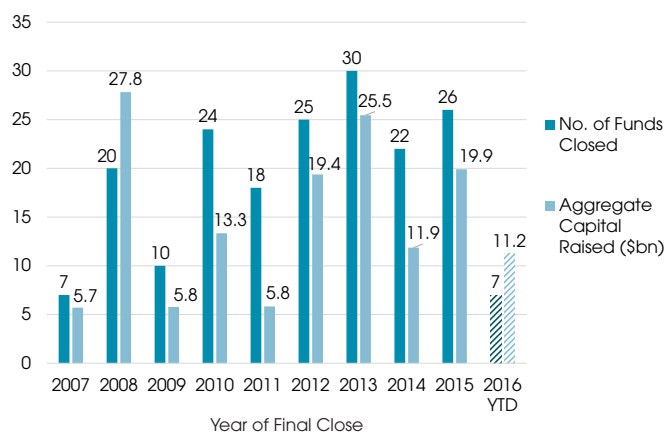
Number of institutional investors with a preference for unlisted funds targeting PPP/PFI investment.

Fundraising

Preqin's **Infrastructure Online** contains detailed information on 213 unlisted infrastructure funds that target public-private partnerships and private finance initiatives (PPP/PFI). The number of PPP/PFI-focused unlisted infrastructure funds reaching a final close peaked in 2013, although in terms of aggregate capital secured by these funds, the \$27.8bn raised in 2008 remains the strongest year (Fig. 1).

As seen in Fig. 2, a significant proportion (40%) of unlisted infrastructure funds closed since 2014 that invest in PPP/PFI opportunities target the European market, followed by North America-focused funds (24%); only 9% of funds closed were primarily focused outside North America, Europe and Asia-Pacific.

Fig. 1: Annual PPP/PFI-Focused Unlisted Infrastructure Fundraising, 2007 - 2016 YTD (As at 7 July 2016)



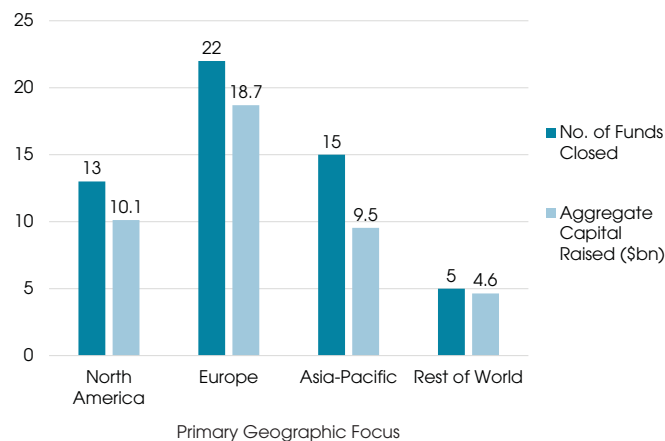
Source: Preqin Infrastructure Online

Funds in Market

Preqin's **Infrastructure Online** currently details 46 PPP/PFI-focused unlisted infrastructure funds that are currently in market, seeking an aggregate \$48bn in capital commitments (Fig. 4). While the number of funds in market has declined annually from July 2014, the amount of target capital has increased.

Compared with PPP/PFI-focused funds that have previously closed, a significantly smaller proportion (4%) of funds in market are targeting Asia-Pacific (Fig. 5). In contrast, larger proportions of funds in market are targeting Latin America (13%) and Africa (11%). However, of the five largest funds currently in market, the US remains the primary geographic focus for 88% of target capital.

Fig. 2: PPP/PFI-Focused Unlisted Infrastructure Fundraising by Primary Geographic Focus, 2014 - 2016 YTD (As at 7 July 2016)



Source: Preqin Infrastructure Online

Deals

Preqin's **Infrastructure Online** contains detailed information on 1,504 completed PPP/PFI transactions since 2007 for an estimated \$879bn in aggregate value. The number of PPP/PFI infrastructure deals completed globally has risen in recent years; from 2010 to 2014 the number and reported aggregate value have increased by 67% and 128% respectively. In 2010, 127 deals were recorded for an estimated \$57bn, whereas 2014 witnessed 212 transactions for an estimated \$131bn (Fig. 7). While the number of transactions increased in 2015, average deal value dropped by 22% to an estimated \$101bn. European assets account for the largest proportion (43%) of

completed PPP/PFI deals, with UK-based assets specifically representing 18% all PPP/PFI infrastructure deals completed since 2007, the largest proportion of any single country (Fig. 8).

Investors

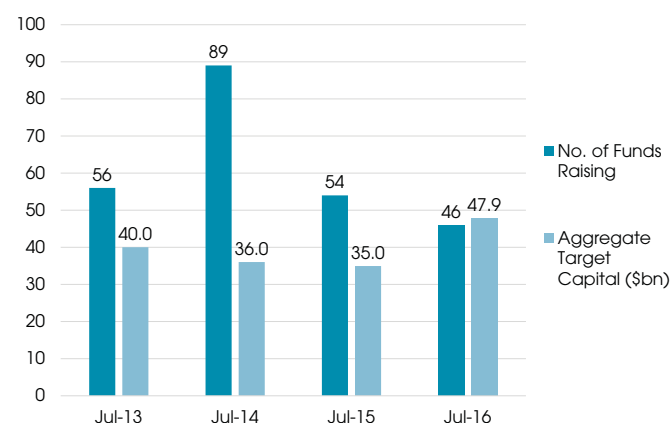
Pension funds are the most prevalent institutional investors that invest in PPP/PFI-focused unlisted infrastructure funds (46%, Fig. 10). Europe-based investors account for the largest proportion (40%) of this investor universe, while North America-based investors account for just over a quarter (27%, Fig. 11).

Fig. 3: Five Largest PPP/PFI-Focused Unlisted Infrastructure Funds Closed, 2015 - 2016 YTD (As at 7 July 2016)

Fund	Firm	Headquarters	Fund Size (mn)	Final Close Date	Geographic Focus
Westbourne Capital Infrastructure Debt Fund Program 1	Westbourne Capital	Australia	4,800 AUD	Feb-15	Diversified Multi-Regional
North Haven Infrastructure Partners II	Morgan Stanley Infrastructure	US	3,600 USD	Mar-16	US
Ardian Infrastructure Fund IV	Ardian	France	2,650 EUR	Jan-16	Europe
CCCC First Phase Equity Investment Fund	CCCC Fund Management	China	15,000 CNY	Nov-15	Asia
Copenhagen Infrastructure II	Copenhagen Infrastructure Partners	Denmark	2,000 EUR	Jul-15	Europe

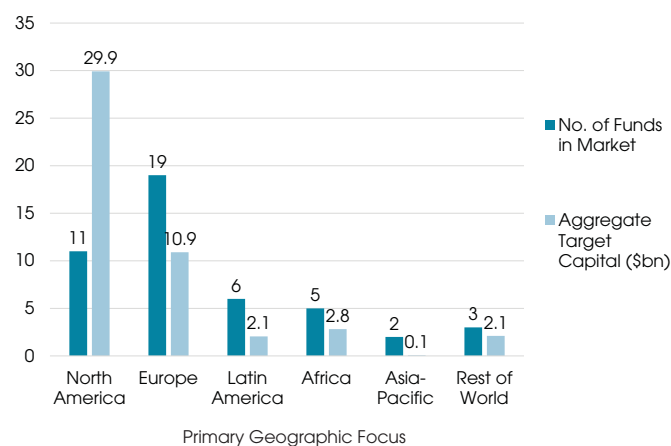
Source: Preqin Infrastructure Online

Fig. 4: PPP/PFI-Focused Unlisted Infrastructure Funds in Market over Time, July 2013 - July 2016 (As at 7 July 2016)



Source: Preqin Infrastructure Online

Fig. 5: PPP/PFI-Focused Unlisted Infrastructure Funds in Market by Primary Geographic Focus (As at 7 July 2016)

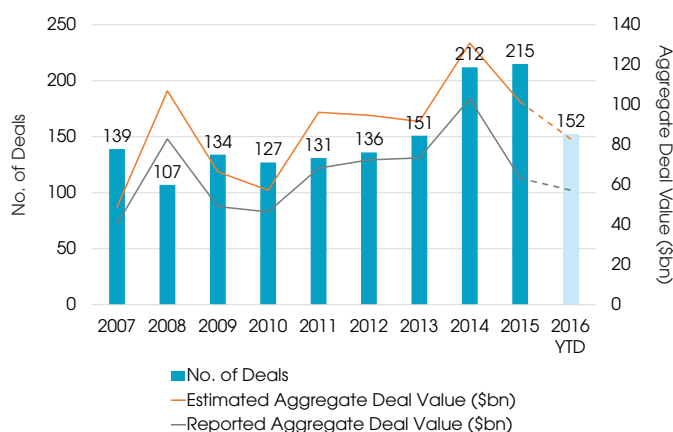


Source: Preqin Infrastructure Online

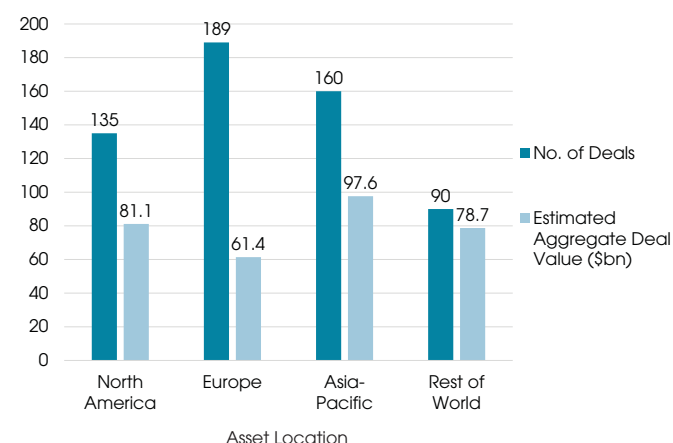
Fig. 6: Largest PPP/PFI-Focused Unlisted Infrastructure Funds in Market (As at 7 July 2016)

Fund	Firm	Headquarters	Target Size (mn)	Fund Status	Strategy	Geographic Focus
Brookfield Infrastructure Fund III	Brookfield Asset Management	Canada	12,500 USD	First Close	Primary	US
Global Infrastructure Partners III	Global Infrastructure Partners	US	12,500 USD	Second Close	Primary	US
AMP Capital Infrastructure Debt Fund III	AMP Capital Investors	Australia	2,000 USD	First Close	Debt/Mezzanine	Europe
Bastion Infrastructure Fund I	Bastion Infrastructure Group	Canada	2,000 USD	First Close	Primary	US
QIC Global Infrastructure Fund	QIC Global Infrastructure	Australia	2,000 AUD	First Close	Primary	Diversified Multi-Regional

Source: Preqin Infrastructure Online

Fig. 7: Completed PPP/PFI Infrastructure Deals, 2007 - 2016 YTD (As at 7 July 2016)


Source: Preqin Infrastructure Online

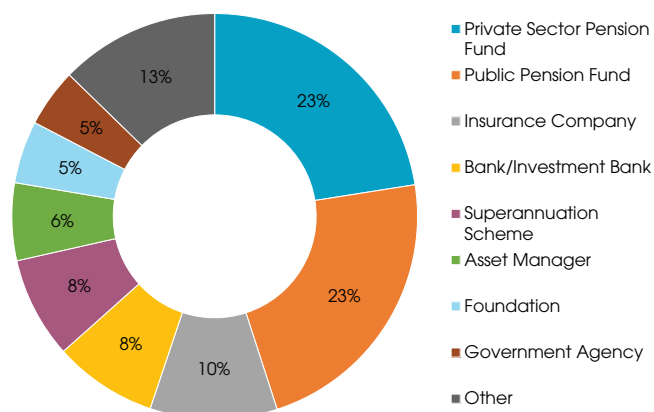
Fig. 8: Completed PPP/PFI Infrastructure Deals by Asset Location, 2014 - 2016 YTD (As at 7 July 2016)


Source: Preqin Infrastructure Online

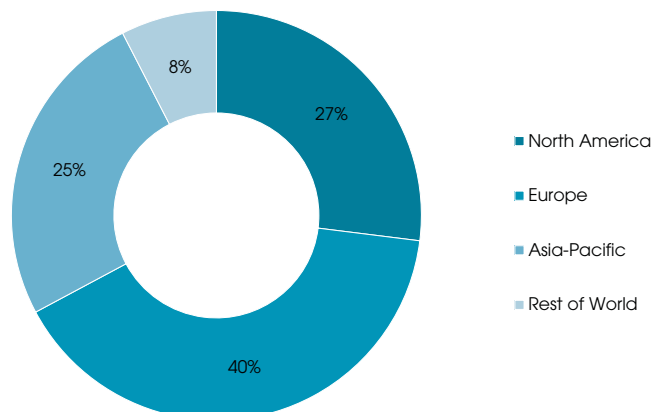
Fig. 9: Five Largest Completed PPP/PFI Deals, 2015 - 2016 YTD (As at 7 July 2016)

Asset	Deal Date	Location	Industry	Deal Size (mn)
Hinkley Point C Nuclear Power Station	Oct-15	UK	Nuclear	18,000 GBP
Tuban Refinery Plant	Apr-16	Indonesia	Natural Resources Refineries	13,000 USD
AGL Resources	Aug-15	US	Natural Resources Storage Facility	12,000 USD
ITC Holdings Corp.	Feb-16	US	Power Distribution	11,300 USD
TECO Energy, Inc.	Sep-15	US	Natural Resources	10,400 USD

Source: Preqin Infrastructure Online

Fig. 10: Institutional Infrastructure Investors with a Preference for PPP/PFI Investments by Type


Source: Preqin Infrastructure Online

Fig. 11: Institutional Infrastructure Investors with a Preference for PPP/PFI Investments by Location


Source: Preqin Infrastructure Online

Fig. 12: Sample Institutional Investors Targeting PPP/PFI-Focused Unlisted Infrastructure Funds in the Next 12 Months

Investor	Location	Type	Investment Plans in the Next 12 Months
DSM Pension Services	Heerlen, Netherlands	Private Sector Pension Fund	Looking to commit €100mn to two or three unlisted infrastructure funds, targeting both renewable energy and core opportunities in OECD countries, including PPP/PFI opportunities.
Sumitomo Mitsui Trust Bank	Tokyo, Japan	Bank	Planning to invest ¥21bn-32bn in 5-10 primarily OECD-focused unlisted infrastructure funds, with a preference for energy assets. The bank is also interested in PPP projects.
Protección	Medellín, Colombia	Private Sector Pension Fund	Expecting to invest in unlisted infrastructure debt-focused funds with exposure to transport PPP projects in Columbia.

Source: Preqin Infrastructure Online