

## Unlisted Infrastructure Debt Market Set to Double in Next Two Years

**Record number of debt funds currently on the road expected to multiply as fund managers seek to capitalize on tight credit market**

While contracted credit markets continue to stifle annual infrastructure deal volume, Preqin data shows that more unlisted infrastructure managers have started raising debt funds in order to compensate for the shortfall in supply and to capitalize on the increasing demand for debt financing.

### The Infrastructure Debt Market:

- There are currently 13 closed-end infrastructure debt funds in market seeking an aggregate \$6.5 bn. Five of these are expected to hold an interim close before the end of 2010, and a further three are anticipating a final close in either Q4 2010 or Q1 2011.
- The sector also includes 14 closed-end infrastructure debt funds that have closed having raised an aggregate \$5.5 bn.
- 44% of funds in the infrastructure debt market are pure debt/mezzanine funds, while the remaining 56% plan to make both debt and equity investments
- Asia and Rest of World is the most targeted region for infrastructure debt funds. 19 of the 27 closed-end infrastructure debt funds that have either closed or are currently in market are primarily focused on assets in Asia and Rest of World.
- Although just one infrastructure debt fund is targeting assets in the US, 12 such funds are managed by US-based fund managers. Nine are being managed by Asia and Rest of World-based managers and the remaining six by Europe-based fund managers.
- Smaller investors are more likely to invest in debt funds: fees are generally lower due to smaller management overheads.

**Full Findings Available in Preqin's Infrastructure Spotlight, Our Monthly Research Paper Released Today:**  
<http://tiny.cc/domhf>

**Comment:** "The infrastructure debt market has traditionally been a small, niche sector within the industry, but there are currently a record 13 unlisted infrastructure debt funds raising capital due to a lack of available or affordable debt from traditional sources. With several such funds also in the planning stages potentially coming to market in the next few months, the sector looks set to swell significantly over the next 12 months to two years as fund managers and investors seek alternative investment opportunities."

### Elliot Bradbrook, Manager, Infrastructure Data.

#### 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](http://www.preqin.com)

#### Note to Editors:

- Please note that Preqin has completely replaced Private Equity Intelligence as the official company name.
- Preqin is spelled without the letter 'U' after the 'Q'.

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