

THE
INFRASTRUCTURE
INVESTOR

30

Staying power

While this year's ranking does not feature any major upsets – Macquarie, Brookfield and GIP remain in the lead – there are some newcomers that should be noted and watched. **Kalliope Gourtis** reports

Welcome to our fifth *Infrastructure Investor* 30 (II 30) ranking featuring the world's largest infrastructure investors. As in previous years, the ranking is based on an approximate five-year period, taking into account the capital raised between January 1, 2009 and June 30, 2014. A full explanation of our methodology can be found at the back of this II 30 section on p.41.

With the first half of 2014 lacking some of the headline-grabbing fund closings of previous years and significantly trailing last year's figures for the same period – \$13.6 billion compared with \$24.97 billion – the changes in this year's II 30 may be viewed as modest. Still, the results provide food for thought as well as scope for some interesting observations.

REINFORCING POSITIONS

Starting at the top, Australian fund manager Macquarie has managed not only to stay in first place but also to widen the gap between itself and Toronto-based Brookfield Asset Management and New York-based Global Infrastructure Partners (GIP), which continue to occupy second and third places, respectively.

Macquarie was able to increase its five-

year total from \$23.34 billion last year to \$27.35 billion in large part due to Macquarie Infrastructure Partners III (MIP III), its fourth North American fund, for which it had raised \$2.58 billion as of June 30. Since then, Macquarie went on to hold a final close on \$3.0 billion in September.

Brookfield and GIP, while maintaining their positions, saw their total drop from \$18.48 billion and \$16.47 billion to \$12.87 billion and \$10.83 billion, respectively.

MAKING AN ENTRY

As a result, Energy Capital Partners, which appears for the first time this year at number four, follows close behind GIP with a total of \$9.94 billion. More than half of that total comes from the New Jersey firm's fifth flagship fund, Energy Capital Partners III, which closed in April on \$5.04 billion, far exceeding its original target of \$3.5 billion.

First Reserve, the Connecticut-based energy-focused private equity firm, finds itself in 13th place, following the close of its second energy infrastructure fund, which at \$2.5 billion exceeded its \$2.0 billion target and is nearly double the size of its predecessor, First Reserve Energy Infrastructure Fund I, which closed on \$1.23 billion in May 2011.

In addition, First Reserve's closing helped boost June's fundraising performance overall – making it just one of two months in the first half of 2014 that managed to exceed funds raised during the same period last year.

LS Power Group's Equity Partners III did the same for the month of February, closing at \$2.08 billion and earning the New York-based firm a place (27) in this year's ranking.

Another newcomer to the II30 is Paris-based Antin Infrastructure Partners. The fund manager raised €2.0 billion for its second vehicle, making Antin Infrastructure Partners II the second-largest European infrastructure fund raised since the Global Financial Crisis (GFC). Macquarie's European Infrastructure Fund IV, which closed on €2.75 billion in May 2013 continues to be the largest fund raised post-GFC for Europe.

From a geographical perspective, US firms maintain their lead in terms of capital formation, raising a total of \$50.44 billion, with Australia following closely behind with \$47.32 billion. Europe is a distant third, accounting for \$21.32 billion – with France the leading country accounting for almost \$10 billion – followed by Asia with a total of \$9.58 billion. ➔



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MACQUARIE
INFRASTRUCTURE
AND REAL ASSETS
\$27,345m

2

BROOKFIELD
ASSET
MANAGEMENT
\$12,874m

3

GLOBAL
INFRASTRUCTURE
PARTNERS
\$10,830m

THE
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↔ SAME AS PREVIOUS YEAR
↑ HIGHER THAN PREVIOUS YEAR
↓ LOWER THAN PREVIOUS YEAR
★ NEW ENTRY

	2014 Rank	2013 Rank	Firm	City	Country	Region	Fundraising (m)
↔	1	1	Macquarie Infrastructure and Real Assets (MIRA)	Sydney	Australia	Asia-Pacific	\$27,345.7
↔	2	2	Brookfield Asset Management	Toronto	Canada	North America	\$12,874.1
↔	3	3	Global Infrastructure Partners	New York	United States	North America	\$10,830.0
★	4	*	Energy Capital Partners	Short Hills	United States	North America	\$9,940.0
↔	5	5	IFM Investors	Melbourne	Australia	Asia-Pacific	\$8,217.1
↓	6	4	Borealis Infrastructure	Toronto	Canada	North America	\$6,865.6
★	7	*	Colonial First State Global Asset Management	Sydney	Australia	Asia-Pacific	\$6,384.7
↔	8	8	KDB Infrastructure Investments Asset Management Company	Seoul	South Korea	Asia-Pacific	\$5,315.8
↓	9	7	Caixa Economica Federal	Brasília	Brazil	Latin America	\$4,848.0
↑	10	13	InfraRed Capital Partners	London	United Kingdom	Western Europe	\$4,566.2
↓	11	6	Alinda Capital Partners	Greenwich	United States	North America	\$4,440.0
★	12	*	Antin Infrastructure Partners	Paris	France	Western Europe	\$4,200.4
★	13	*	First Reserve	Greenwich	United States	North America	\$3,769.0
↑	14	16	Goldman Sachs Infrastructure Investment Group	New York	United States	North America	\$3,690.4
★	15	*	EnerVest	Houston	United States	North America	\$3,500.0
↑	16	29	Hastings Funds Management	Melbourne	Australia	Asia-Pacific	\$3,286.5
↑	17	20	Kohlberg Kravis Roberts (KKR)	New York	United States	North America	\$3,263.0
↔	18	18	Meridiam Infrastructure	Paris	France	Western Europe	\$2,883.6
↓	19	17	Ardian	Paris	France	Western Europe	\$2,872.4
↓	20	9	EQT	Stockholm	Sweden	Western Europe	\$2,559.8
↑	21	25	Highstar Capital	New York	United States	North America	\$2,534.1
↓	22	14	JP Morgan Asset Management	New York	United States	North America	\$2,341.2
★	23	*	True Corporation	Bangkok	Thailand	Asia-Pacific	\$2,268.1
★	24	*	Actis	London	United Kingdom	Western Europe	\$2,163.0
↓	25	23	Hunt Power	Dallas	United States	North America	\$2,131.7
↓	26	21	AMP Capital Investors	Sydney	Australia	Asia-Pacific	\$2,081.5
★	27	*	LS Power Group	New York	United States	North America	\$2,080.0
★	28	*	Partners Group	Zug	Switzerland	Western Europe	\$2,070.1
↓	29	26	CPG Capital Partners	Singapore	Singapore	Asia-Pacific	\$2,000.0
★	30	*	Energy Investors Funds (EIF)	Boston	United States	North America	\$1,922.6

The "next 20"

2014 Rank	Firm	City	Country	Region	Fundraising (m)
31	DIF	Amsterdam	Netherlands	Western Europe	\$1,817.3
32	Suzhou International Development Venture Capital Holding (SIDVC)	Suzhou	China	Asia-Pacific	\$1,790.9
33	IDFC Alternatives	Mumbai	India	Asia-Pacific	\$1,728.0
34	Amber Infrastructure Group	London	United Kingdom	Western Europe	\$1,670.8
35	Stonepeak Infrastructure Partners	New York	United States	North America	\$1,650.0
36	Equitix	London	United Kingdom	Western Europe	\$1,565.9
37	Starwood Energy Group Global	Greenwich	United States	North America	\$1,533.0
38	Morgan Stanley Infrastructure	New York	United States	North America	\$1,500.0
39	Infracapital	London	United Kingdom	Western Europe	\$1,392.0
40	BTG Pactual	São Paulo	Brazil	Latin America	\$1,380.0
41	McMorgan & Company	San Francisco	United States	North America	\$1,325.0
42	Glennmont Partners	London	United Kingdom	Western Europe	\$1,262.2
43	Harbert Management Corporation	Birmingham	United States	North America	\$1,261.0
44	Waterton Global Resource Management	Toronto	Canada	North America	\$1,220.0
45	IFC Asset Management (AMC)	Washington, D.C.	United States	North America	\$1,200.0
46	iCON Infrastructure	London	United Kingdom	Western Europe	\$1,181.6
47	UBS Global Asset Management	Zurich	Switzerland	Western Europe	\$1,156.0
48	Alterna Capital Partners	Wilton	United States	North America	\$1,150.0
49	Hermes GPE	London	United Kingdom	Western Europe	\$1,095.8
50	3i	London	United Kingdom	Western Europe	\$1,094.3

Source: Infrastructure Investor Research & Analytics

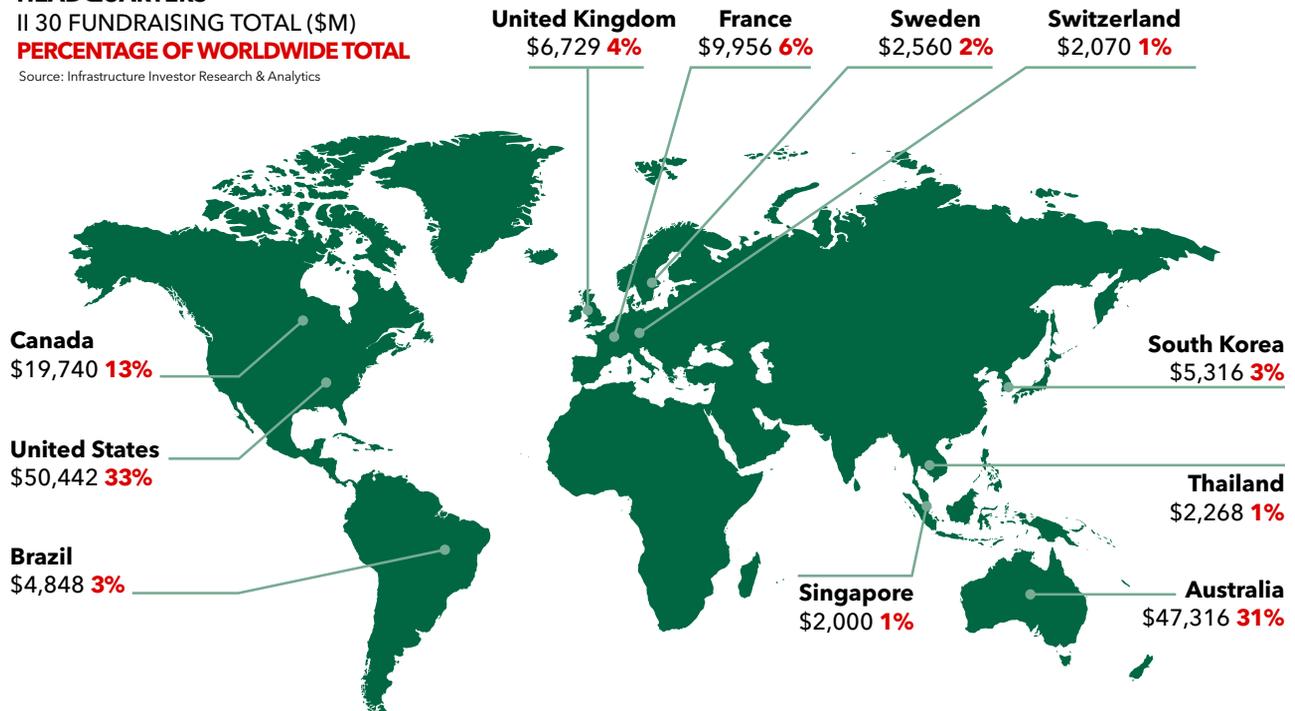
II 30 Fundraising by headquarters location (\$m)

HEADQUARTERS

II 30 FUNDRAISING TOTAL (\$M)

PERCENTAGE OF WORLDWIDE TOTAL

Source: Infrastructure Investor Research & Analytics



II 30 Fundraising by firm (\$m)



Source: Infrastructure Investor Research & Analytics

THE II 30: WHAT QUALIFIES AND WHAT DOES NOT

What is the *Infrastructure Investor 30*?

The *Infrastructure Investor 30* is a ranking of the 30 largest infrastructure fund managers globally by size.

How We Determine the Rankings

The *Infrastructure Investor 30* ranking is based on the amount of capital raised by infrastructure direct investment programmes from 1 January 2009 until 30 June 2014.

Where two firms have formed the same amount of capital over this time period, the higher *Infrastructure Investor 30* rank goes to the firm with the largest active pool of capital formed since 2009. If there is still a “tie” after taking into account size of single capital formation, we give greater weight to the firm that has formed the most capital within the past one or two years.

Accuracy and Confidentiality

We give highest priority to information that we receive from the fund managers themselves. When the infrastructure fund managers confirm details, we seek to “trust, but verify”.

Lacking confirmation of details from the firms themselves, we seek to corroborate information using available annual reports, press releases, limited partner disclosures, etc.

Definitions

- **Infrastructure:** The definition of infrastructure investing, for the purposes of the *Infrastructure Investor 30*, means committing equity capital toward tangible, physical assets, whether existing (brownfield) or development-phase (greenfield) that are expected to exhibit stable, predictable cashflows over a long-term investment horizon. Large one-off investments in the asset class on an opportunistic basis are not counted. There will certainly be grey areas with regard to these parameters, but *Infrastructure Investor* will take pains to ensure that the capital counted for the purposes of the ranking will fall within our definition of infrastructure (which can be found on the last inside page of all issues of *Infrastructure Investor*) to the furthest extent possible.

- **Capital raised:** This means capital definitively committed to an infrastructure direct investment programme. In the case of a fundraising, it means the fund has had a final or official interim close after 1 January 2009. We may count the full amount of a fund if it has a close after this date. And we may count the full amount of an interim close (a real one, not a “soft-circle”) that has occurred recently, even if no official announcement has been made. We also count capital raised through other means, such as co-investment vehicles, deal-by-deal co-investment capital, publicly traded vehicles, recycled capital, and earmarked annual contributions from a sponsoring entity.

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What counts as capital raised?

• **Limited partnerships:** In most cases, infrastructure fund managers raise money through commitments to limited partnerships. In some cases, investment capital is raised in other ways, for example through contributions from an affiliated entity or through public offerings. In all these cases we seek to accurately determine how much investment capital has been created for the financial sponsor in question over the specified five-year period.

• **Co-investment vehicles:** Where appropriate, we count LP co-investment vehicles into a fund manager's capital fundraising total. However, the co-investment capital must be invested alongside a primary limited partnership, not established for a one-off deal or separate account.

• **Public entities:** We count the capital raised by infrastructure fund managers that happen to be publicly traded. We also count capital raised in the format of public vehicles controlled by infrastructure fund managers so long as those public entities primarily invest directly in infrastructure projects, concessions or businesses. Where infrastructure capital is raised via public offerings, we count the amount of infrastructure capital invested within the defined five-year period. This should automatically take into account recycled capital.

• **Seed capital or GP commitment:** We count as capital raised any seed capital committed to any fund raised by a firm.

• **Recycled capital:** We seek to include the value of recycled capital within the five-year period if the recycled capital was earmarked for direct infrastructure investment.

• **Affiliated programmes:** We count infrastructure capital raised by affiliated entities so long as the firm has control over those entities, or the vehicles raised bear the clear branding of the firm.

• **Contributions from sponsoring entities:** Where a larger entity has earmarked capital to a firm for a dedicated, direct infrastructure investment programme, we count the amount of capital the firm has drawn down from that entity for infrastructure deals over the defined five-year period.

What DOES NOT count as infrastructure:

• **Funds-of-funds:** We do not count funds-of-funds in our rankings. Credit for capital raised by funds-of-funds is reflected in fund managers' direct capital raised, so to avoid double-counting, we exclude funds-of-funds.

• **Separate accounts:** An asset manager cannot claim credit for a separate pool of capital being managed on behalf of a pension plan as it is not a blind pool of capital originated for private investment at the discretion of the manager.

• **Real asset strategies:** Real assets such as timber, commodities, and natural resources cannot be counted toward the capital created total.

• **Real estate:** We do not count capital deployed in property ownership strategies.

• **Club deals:** Similar to our rationale for separately-managed accounts, in which capital is pledged to a sponsor but the end-investors have the discretion over whether to invest, we do not count club deals in our rankings.

• **Debt investment funds:** Our rankings focus on equity committed to the asset class, so we exclude all debt-focused vehicles and commitments, including mezzanine debt.

• **Private equity:** We do not count capital deployed primarily in private equity strategies (i.e. buyouts of operating businesses in various economic sectors). Infrastructure investors may of course invest in operating businesses, but the businesses must exhibit and be purchased primarily for their ability to produce stable, long-term cashflows.

• **Hedge funds:** We do not count hedge fund strategies as these primarily rely on indirect investments such as listed securities that may have exposure to infrastructure assets, not the assets themselves.

What DOES NOT count as capital raised:

• **Expected capital commitments:** We do not count "soft" or "hard-circled" commitments – only official final and interim closes.

• **Opportunistic capital:** An entity that has the ability to opportunistically do large infrastructure deals, but does not have a dedicated programme or team for doing so, will not be counted.

More questions?

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The data in this year's ranking was compiled by Infrastructure Investor Research and Analytics: Senior research analyst – Shawn Wang;

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