

# THE INFRASTRUCTURE INVESTOR

# 30

## Making strides

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Australia's Macquarie continues to dominate the II 30, but North American firms are making a strong showing, accounting for more than half of the \$181bn raised. **Kalliope Gourntis** reports

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**W**elcome to our sixth *Infrastructure Investor* 30 (II 30) ranking featuring the world's largest infrastructure investors. The ranking is based on an approximate five-year period, taking into account the capital raised between January 1, 2010 and August 31, 2015. A full explanation of our methodology can be found at the back of this II30 report.

Despite global uncertainty – political and economic – fundraising appears to be going strong, with the first half of this year slightly ahead of the same period in 2014. Some of the fund closings that boosted first-half results are also responsible for upward moves in this year's ranking as well as opening the door to newcomers.

### TAKING IT FROM THE TOP

Once again Australian fund manager Macquarie holds steady at number one, with total capital raised in the five-year period standing at \$28.85 billion, only slightly higher than last year's total of \$27.35 billion.

Toronto-based Brookfield also maintains its number two spot with a total of \$15.79 billion, up from \$12.87 billion last year.

The newcomer to the top three is Energy Capital Partners, which after

debuting at number four in last year's ranking, has moved up a notch with a total of \$10.44 billion raised, taking the place of New York-based Global Infrastructure Partners (GIP), which this year finds itself in sixth place.

Following on the heels of Energy Capital is ArcLight Capital Partners, a US-based energy-focused firm, which after closing ArcLight Energy Partners VI on \$5.75 billion in early August, saw its five-year total reach \$9.59 billion.

The Blackstone Group also made its way into this year's II30, landing in eighth place thanks to Blackstone Energy Partners II, which it closed on \$4.5 billion, beating its hard-cap in less than six months of fundraising according to *Infrastructure Investor* Research & Analytics.

Another US blue-chip firm – Kohlberg Kravis Roberts & Co (KKR) – made an impressive leap from 17 last year to number nine this year, in large part due to KKR Global Infrastructure Investors II, its second infrastructure vehicle, which the firm closed on \$3.1 billion in July.

French fund manager Ardian also made an impressive upward move – it ranks 11th up from 19th – having held a first close on Ardian Infrastructure Fund IV – the first infrastructure vehicle to be entirely raised by Ardian since its 2013 spin-out from French insurer Axa. It

closed on more than €1 billion, bringing the firm's five-year total to \$5.27 billion.

### NOTABLE NEWCOMERS

Raising \$3 billion for its maiden fund, US-based I Squared Capital debuts at 23 this year, while its ISQ Global Infrastructure Fund has earned the distinction of the largest first-ever fund closed since 2009.

Other notable newcomers include Equis Funds Group and Copenhagen Infrastructure Partners. Representing different geographic regions – the former is based in Singapore, the latter in Denmark – both firms focus on renewable energy. Equis debuts at 22 with \$3.23 billion in assets under management, while CIP is two places behind, with a total of \$3.12 billion. CIP's total received a major boost from Copenhagen Infrastructure Partners II, which it closed on its €2 billion hard cap in July, becoming one of the largest clean energy funds ever raised.

While geographically the rankings remain the same, this year the US has managed to widen its lead over the runner-up, raising a total of \$71.86 billion compared with Australia's \$46.41 billion. Europe ranks third with a total of \$27.89 billion and Canada follows close behind, accounting for \$23.04 billion of the \$180.74 billion total.



**1**

**MACQUARIE  
INFRASTRUCTURE  
AND REAL ASSETS**  
\$28,846M

**2**

**BROOKFIELD  
ASSET  
MANAGEMENT**  
\$15,791M

**3**

**ENERGY  
CAPITAL  
PARTNERS**  
\$10,436M

# THE INFRASTRUCTURE INVESTOR

# 30

2015 Rank	2014 Rank	Position	Company	Country	Region	Fundraising (\$m)
1	1	UNCHANGED	Macquarie Infrastructure and Real Assets (MIRA)	Australia	Asia-Pacific	28,846
2	2	UNCHANGED	Brookfield Asset Management	Canada	North America	15,791
3	4	UP	Energy Capital Partners	United States	North America	10,436
4	*	RE-ENTER	ArcLight Capital Partners	United States	North America	9,592
5	5	UNCHANGED	IFM Investors	Australia	Asia-Pacific	8,436
6	3	DOWN	Global Infrastructure Partners	United States	North America	8,250
7	6	DOWN	Borealis Infrastructure	Canada	North America	7,247
8	*	RE-ENTER	The Blackstone Group	United States	North America	7,080
9	17	UP	Kohlberg Kravis Roberts (KKR)	United States	North America	6,486
10	7	DOWN	Colonial First State Global Asset Management	Australia	Asia-Pacific	5,783
11	19	UP	Ardian	France	Western Europe	5,269
12	14	UP	Goldman Sachs Infrastructure Investment Group	United States	North America	4,994
13	10	DOWN	InfraRed Capital Partners	United Kingdom	Western Europe	4,989
14	8	DOWN	KDB Infrastructure Investments Asset Management Company	South Korea	Asia-Pacific	4,699
15	22	UP	JP Morgan Asset Management	United States	North America	4,428
16	12	DOWN	Antin Infrastructure Partners	France	Western Europe	4,164
17	11	DOWN	Alinda Capital Partners	United States	North America	4,100
18	15	DOWN	EnerVest	United States	North America	4,093
19	13	DOWN	First Reserve Corporation	United States	North America	3,769
20	*	DEBUT	BTG Pactual	Brazil	Latin America	3,605
21	16	DOWN	Hastings	Australia	Asia-Pacific	3,349
22	*	DEBUT	Equis Funds Group	Singapore	Asia-Pacific	3,229
23	*	DEBUT	I Squared Capital	United States	North America	3,200
24	*	DEBUT	Copenhagen Infrastructure Partners	Denmark	Western Europe	3,123
25	*	DEBUT	Ridgewood Energy Corp.	United States	North America	3,000
26	28	UP	Partners Group	Switzerland	Western Europe	2,728
27	18	DOWN	Meridiam Infrastructure	France	Western Europe	2,665
28	*	DEBUT	Equitix	United Kingdom	Western Europe	2,480
29	*	RE-ENTER	DIF	Netherlands	Western Europe	2,471
30	21	DOWN	Highstar Capital (Acquired by Oaktree Capital)	United States	North America	2,434

\* This company did not have a ranking in 2014

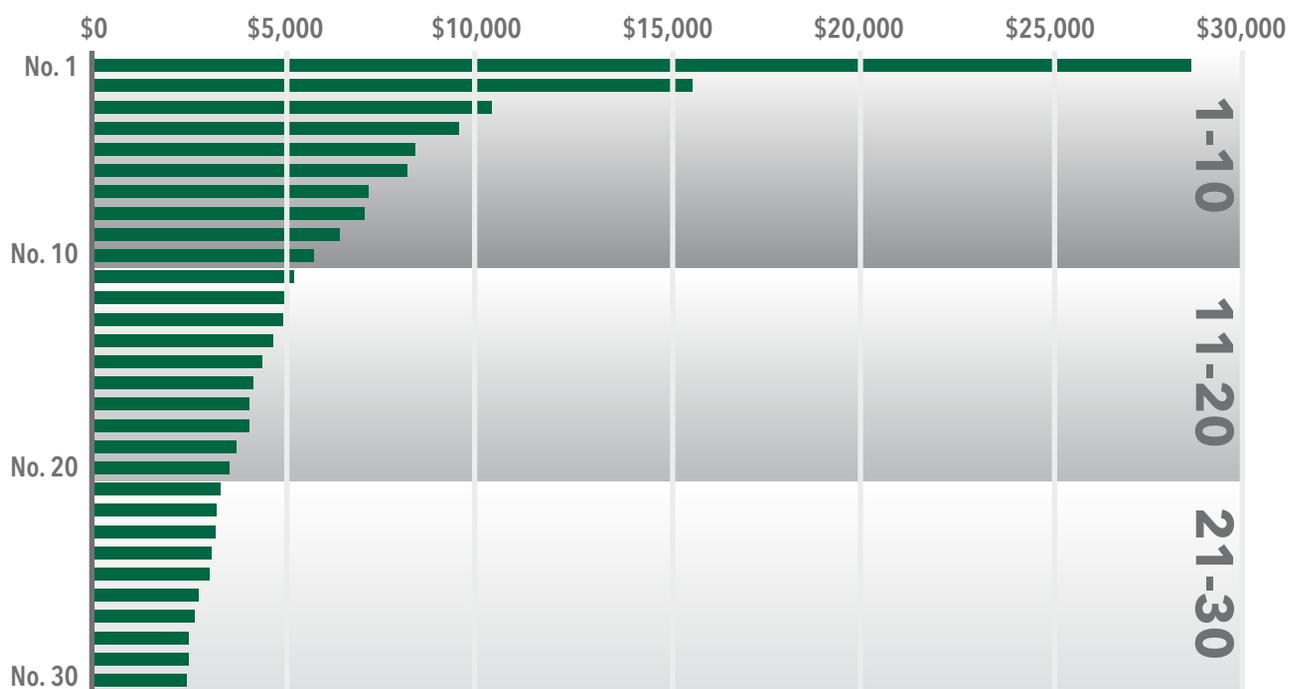
Source: Infrastructure Investor Research & Analytics

## The "next 20"

2015 Rank	Company	Country	Region	Fundraising (\$m)
31	Dalmore Capital Limited	United Kingdom	Western Europe	2,277
32	Arcus Infrastructure Partners	United Kingdom	Western Europe	2,249
33	Hermes GPE	United Kingdom	Western Europe	2,192
34	LS Power Group	United States	North America	2,073
35	Infracapital	United Kingdom	Western Europe	1,959
36	Morgan Stanley Infrastructure	United States	North America	1,950
37	Ares Management	North America	North America	1,876
38	Suzhou International Development Venture Capital (SIDVC)	China	Asia-Pacific	1,729
39	Axiom Infrastructure	Canada	North America	1,659
40	Stonepeak Infrastructure Partners	United States	North America	1,650
41	CGN Private Equity Fund Management Company	China	Asia-Pacific	1,619
42	Starwood Energy Group Global	United States	North America	1,533
43	AMP Capital	Australia	Asia-Pacific	1,527
44	Actis	United Kingdom	Western Europe	1,420
45	iCON Infrastructure	United Kingdom	Western Europe	1,419
46	PGGM	Netherlands	Western Europe	1,407
47	QIC Limited	Australia	Asia-Pacific	1,397
48	McMorgan & Company LLC	United States	North America	1,325
49	Natixis Environment and Infrastructure Luxembourg	Luxembourg	Western Europe	1,215
50	IFC Asset Management (AMC)	United States	North America	1,200

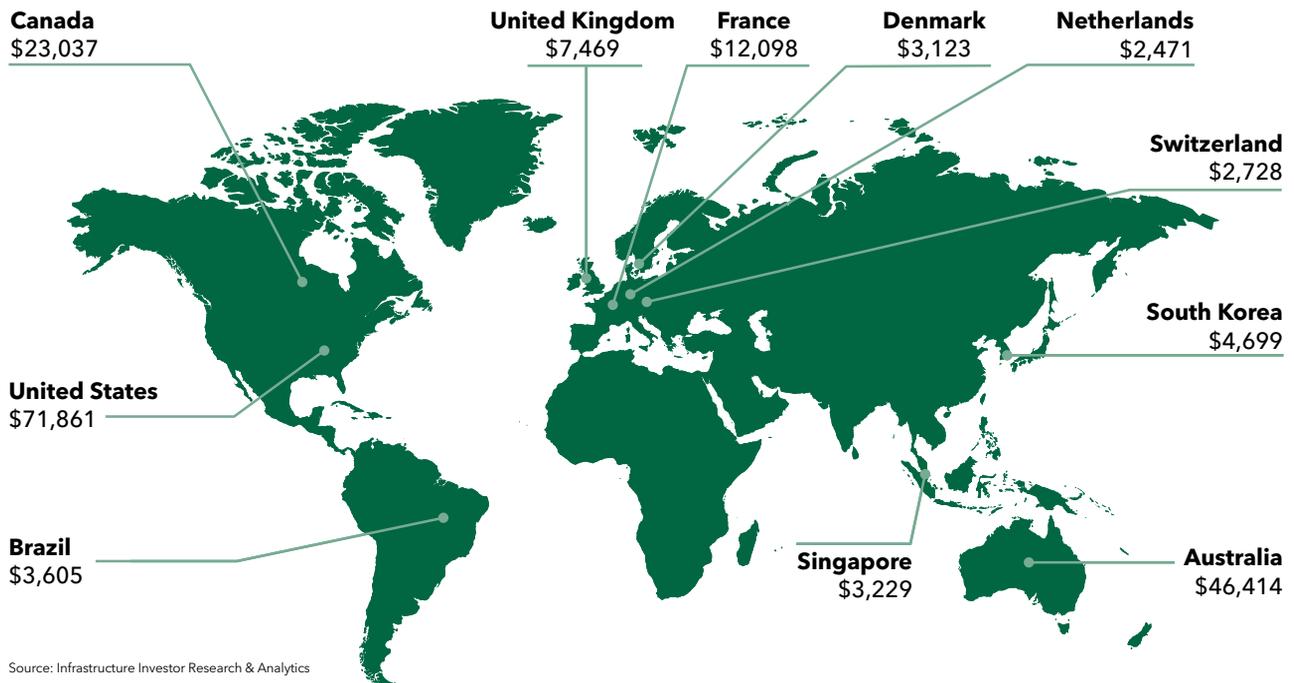
Source: Infrastructure Investor Research & Analytics

## II 30 Fundraising by firm (\$m)



Source: Infrastructure Investor Research & Analytics

## II 30 Fundraising by headquarters location (\$m)



## The 2015 Infrastructure Investor 30: Rules & Definitions

### WHAT IS THE INFRASTRUCTURE INVESTOR 30?

The Infrastructure Investor 30 is a ranking of the 30 largest infrastructure fund managers globally by size. The Infrastructure Investor 30 follows on the success of a similar ranking called the PEI 300, which ranks the largest 300 private equity firms. Both the Infrastructure Investor 30 and PEI 300 are produced by PEI Media, the publisher of *Infrastructure Investor* and *Private Equity International* magazines.

### HOW WE DETERMINE THE RANKINGS

The Infrastructure Investor 30 ranking is based on the amount of capital raised by infrastructure direct investment programmes over circa five years. This year, the five-year window spans from 1 January 2010 until 31 August 2015.

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 2010. 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”.

Some details simply cannot be verified by us, and in these cases we defer to the honour system. In order to encourage cooperation from the industry, we do not disclose which firms have aided us on background and which have not.

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 develop-

ment-phase (greenfield) that are expected to exhibit stable, predictable cashflows over a long-term investment horizon. The investors need not seek to own the assets in perpetuity and may exit them, realising a capital gain and generating an internal rate of return for themselves or their end-investors. However, they must primarily dedicate their investment programmes toward the pursuit of assets and projects that exhibit cashflow stability and predictability and cannot be counted if they’ve made large one-off investments in the asset class on an opportunistic basis. There will certainly be gray 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 to the furthest extent possible.

Below is an extract from our definition of the “new infrastructure” (which can be found on the last inside page of all issues of *Infrastructure Investor*):

“Infrastructure is the term that covers the man-made facilities that enable any economy to operate. It can be segmented further

into three broad types: transportation (e.g., railways, roads and airports), utilities (e.g., energy generation and distribution, water and waste processing and telecommunications) and social infrastructure (e.g., schools, hospitals and state housing)..."

You will see that the emphasis is on the assets themselves rather than on associated services and technology. In our five-year total, only capital allocated to infrastructure is included, as defined above. Where the investments are made in what may be termed a "grey area" between infrastructure and private equity, we reserve the right to make the final judgement based on applicability according to our definition.

**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 2010. You may count the full amount of a fund if it has a close after this date. And you 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.

#### 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. The reason is that the co-investment vehicles are a reflection of a fund manager's deal-making prowess and represent direct investment capital created for the asset class. 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, you should 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:** You may count as capital raised any seed capital committed to any fund raised by your 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:** You may count infrastructure capital raised by affiliated entities so long as your firm has control over those entities, or the vehicles raised bear the clear branding of your firm.

**Contributions from sponsoring entities:** Where a larger entity has earmarked capital to your firm for a dedicated, direct infrastructure investment programme, you should count the amount of capital your 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 cre-

ated total. While such strategies are similar to infrastructure in that they provide an investment in a physical, tangible asset or contain an element of inflation protection, they do not meet the core criteria of providing exposure to stable, predictable, long-term cashflow streams (timber demand, for example, is cyclical, as are commodities and natural resource-driven strategies like oil and gas exploration).

**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:** No matter how confident you are about your eventual fundraising goals, 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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