



# Preqin Industry News

Paul Bishop examines which investors in unlisted infrastructure funds are planning to make new investments in the coming 12 months and which regions they will be targeting.

Many investors are seeking exposure to North America- or Europe-focused infrastructure funds over the next 12 months:

[Amundi Private Equity Funds](#) handles a series of infrastructure-focused separate accounts on behalf of its clients and plans to commit to up to six new unlisted infrastructure funds in the coming 12 months. The firm has a global mandate including emerging markets, but maintains a preference for opportunities in the US and Europe.

[Nordea Life & Pensions](#) is seeking to invest in a Europe-focused renewable energy infrastructure fund in the coming three months as part of its expanding allocation to private equity. The insurance company is in the process of examining different opportunities with a view to finalizing a commitment before the end of Q3 2013. Nordea Life & Pensions invests in infrastructure via unlisted fund commitments only and traditionally prefers to gain exposure to assets located in the developed European and North American markets.

[Nationwide Building Society Pension Fund](#) is considering a further commitment to a globally-focused unlisted infrastructure fund in the coming 12 months. The pension scheme maintains an allocation to infrastructure of between 5% and 10% of total assets under management. Nationwide will continue to invest on an opportunistic basis going forward and typically invests between £50mn and £100mn in a single unlisted fund. It has previous exposure to North American and European assets in both economic and social industries.

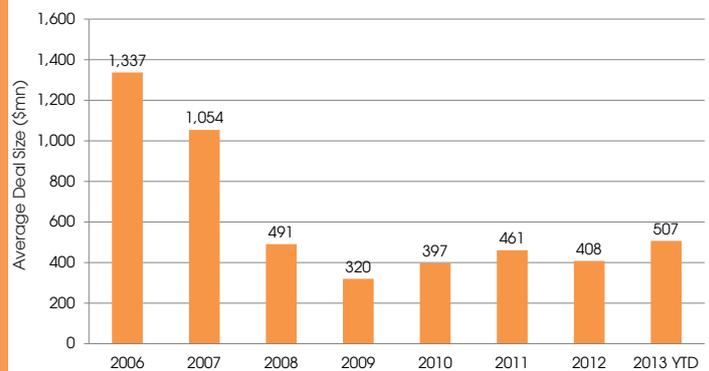
Other investors are targeting infrastructure exposure to specific countries:

[Kuwait Investment Office](#) has announced plans to commit up to \$5bn of capital to UK infrastructure investment over the coming three to five years. KIO views the current UK market favourably and expects to focus on acquiring operational assets, which are heavily regulated and cash generating. It has previously targeted mainly economic infrastructure assets and recently partnered with [OMERS](#) (via Borealis) and [Universities Superannuation Scheme \(USS\)](#) in an attempt to acquire UK water utility Severn Trent.

[National Pensions Reserve Fund](#), a €6.4bn Irish sovereign wealth fund, has moved away from commitments to internationally-focused unlisted infrastructure funds to start a new program dedicated to domestic projects. NPRF plans to invest directly in Irish infrastructure assets through both debt and equity routes, and will partner with private investors and government agencies targeting economic and social industries.

How has the average infrastructure deal size changed in recent years?

Chart of the Month: Average Annual Infrastructure Deal Size, 2006 - 2013 YTD (As at 08 July 2013)



Source: Preqin Infrastructure Online

The average annual infrastructure deal size has increased by almost \$100mn in the first half of 2013 compared to 2012, as the Chart of the Month reveals. In 2013 to date, the average deal size was \$507mn, compared to \$408mn for the whole of 2012. This represents the largest average deal size since 2007. Nonetheless, current average deal sizes are still well below the 2006 peak of \$1.3bn.

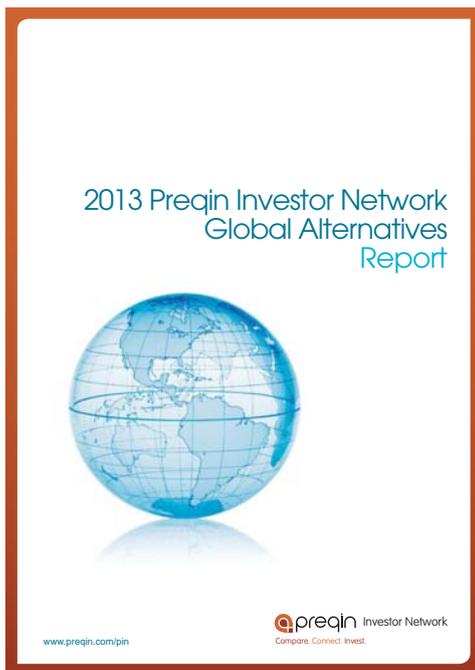
Do you have any news you would like to share with the readers of Spotlight?

Perhaps you're about to launch a new fund, have implemented a new investment strategy, or are considering investments beyond your usual geographic focus?

Send your updates to [spotlight@preqin.com](mailto:spotlight@preqin.com) and we will endeavour to publish them in the next issue.

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The Report is the most comprehensive review of the alternatives industry aimed exclusively at institutional investors ever undertaken. It includes in-depth analysis on:



- ▶ **Methods of investing** in alternative assets.
- ▶ **Performance** of alternative assets, including industry benchmarks.
- ▶ Alternative **funds open for investment**, including league tables.
- ▶ **Consistent performing** managers, and top performing funds.
- ▶ **Terms and conditions, funds of funds, secondary market**, and more.

**Plus** hear from some of the industry's most significant voices, including David Rubenstein, Josh Lerner, and Luke Ellis.

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