



# Preqin Industry News

Olivia Harmsworth provides an analysis of the latest infrastructure industry news. Preqin Infrastructure Online subscribers can click on the investor/firm/asset names to view the full profiles.

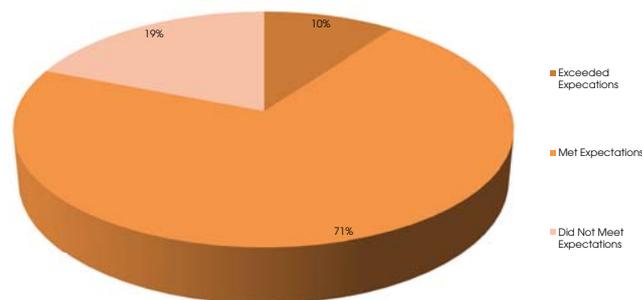
Recent developments in the infrastructure industry indicate that investors are continuing to demonstrate interest in the asset class, with many looking at increasing their allocations to infrastructure over the coming months. The Chart of the Month shows the proportion of investors that are satisfied with their infrastructure investments. A significant proportion of investors surveyed feel that their investments have lived up to expectations (71%), 10% feel that their investments have exceeded expectations, and 19% state that their infrastructure investment have not met their expectations.

A number of insurance companies have demonstrated an interest in increasing their exposure to infrastructure. California-based [Pacific Life Insurance Company](#) targets the North American energy and power sectors, and will continue to invest in funds on a global scale, typically committing between \$15mn and \$25mn to a single vehicle via its private equity allocation. The company's investments provide exposure to energy, distribution/storage and natural resources assets throughout North America. [Manitoba Public Insurance](#) will mainly target core infrastructure assets such as transportation, telecommunications and utilities projects primarily in North America. The insurance company is looking to increase its infrastructure commitments through opportunistic investments in both unlisted funds and direct investments in order to work towards its 7% infrastructure target allocation. [Gothaer Insurance Company](#) invests in infrastructure as part of a 10% real estate allocation; the company expects to focus on late-stage greenfield projects over the next 12 months and will make commitments to unlisted infrastructure funds with a specific focus on Europe and North America. The company also considers secondary stage projects, PPP/PFI investments, and will invest with spin-off teams but not with first-time fund managers.

A significant number of pension funds also display interest in making additional commitments to the asset class. [Omaha School Employees' Retirement System](#) focuses on infrastructure investments purely in the energy industry, and does not target opportunities in traditional infrastructure sectors. The \$1bn public pension fund is looking to increase its exposure to infrastructure via its private equity allocation, and specifically targets North America-focused unlisted vehicles, having previously invested in [Tenaska Power Fund](#) and [Tenaska Power Fund II](#). [Teachers' Retirement Allowances Fund](#) is looking to invest opportunistically in private infrastructure funds over the next 12 months, primarily in North American and European markets, although it is also looking to increase its exposure to China and India. The fund is looking to move closer to its 5% target infrastructure allocation, and will consider co-investments through a club-deal arrangement.

Elsewhere, [Michigan Department of Treasury](#) expects to reach its 3% target allocation to infrastructure within the next two years, and is looking to boost its exposure to the infrastructure asset class

Chart of the Month: Proportion of Investors that Feel Their Infrastructure Investments Have Lived up to Expectations



Source: 2012 Preqin Infrastructure Review - August 2012 Preqin Investor Study

through unlisted fund commitments in the next 12 months. It is also looking to make its debut direct investment in infrastructure, likely through investment in a US-based telecoms company. Japan-based [Shiseido Pension Fund](#), which has an allocation of 1% to the asset class, may increase this allocation over the next 12 months. The pension fund looks to focus on Europe and the US, although it is not interested in infrastructure opportunities targeting developing economies.

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