

2017 Marks Record Year for Infrastructure Industry

Asset class reaches record size as fundraising, dry powder and deals all see highs

The total assets under management of the unlisted infrastructure industry reached a new high of \$418bn as of the end of June 2017 (the latest data available) – three times the size it was at the end of 2009. 2017 saw fundraising surpass \$65bn for the second consecutive year, driving dry powder available to fund managers past \$150bn for the first time. However, the year also saw record deal activity, and the ratio of dry powder to capital called in the preceding 12 months fell to its lowest level since 2012, a sign of managers putting capital to work. Given these successes, it is unsurprising that 93% of investors feel their investments have met or exceeded expectations in 2017, and 91% have a positive or neutral perception of the asset class. Furthermore, nine out of ten expect to commit as much or more capital to infrastructure in 2018 as they did in the previous 12 months.

See the sample pages of the 2018 Preqin Global Infrastructure Report [here](#).

Members of the press can request a complimentary copy of the report. Please email press@preqin.com for more details.

2018 Global Infrastructure Report Highlights:

- **Global infrastructure assets under management reached \$418bn as of June 2017**, with \$150bn in dry powder and \$268bn in unrealized value – both record highs.
- **Sixty-nine unlisted infrastructure funds raised a total of \$65bn**, the second-highest annual total ever.
- At the same time, there were **2,378 infrastructure deals announced through the year**, more than any other year except 2016.
- Despite this, the **ratio of year-end dry powder to capital calls in the preceding 12 months fell** from 2.9 in December 2016 to 2.5 a year later, indicating managers have been deploying capital at an accelerating pace.
- **Investors are happy with the asset class**: 53% hold a positive perception of the industry, while just 9% feel negatively towards it.
- Moreover, **25% report that their investments exceeded expectations in 2017**, twice the proportion that said so 12 months prior. A further 68% feel their portfolios have met expectations in the past year.
- As a result, 51% expect to commit as much capital in 2018 as they did in 2017, and a further **39% intend to increase their commitments**.
- This may be in part to meet targets: **two-thirds of infrastructure investors remain under-allocated to the asset class**.

Tom Carr, Head of Real Assets Products:

"2017 was a year of significant positives for the unlisted infrastructure industry. Assets under management continued to grow to another record high over the year, and strong investor demand drove fundraising activity. At the same time, deal activity remained strong, and despite record fundraising managers have been able to put commensurate amounts of capital to work. With investors satisfied with the performance of their portfolios, the industry has swelled in recent years, and this looks set to continue in the months ahead."

However, the sustained level of growth presents challenges. While demand for infrastructure assets is strong, fund managers have reported that it is becoming more difficult to deploy capital into attractive opportunities that will deliver strong, risk-adjusted returns. Although the influx of capital is making more money than ever available to fund managers, increasing proportions are held by a small number of the largest firms, while competition among smaller and less well-known fund managers is fierce. The industry will have to adjust to these conditions if it is to keep investors' favour."

Preqin is the leading source of information for the alternative assets industry, providing insight and analysis gathered by its global teams of dedicated researchers. Founded in 2003, the company is a frequent source of intelligence used in the global financial press, through its online databases, regular publications and bespoke data requests.

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