

REAL ASSETS SPOTLIGHT

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REAL ASSETS INVESTOR UPDATE



67%

of investors active in infrastructure are planning to commit fresh capital to the asset class in H2 2018, and 62% of natural resources investors said the same. What does this mean for these industries in the final few months of 2018?

[Find out more on page 3](#)

EXCLUSIVE COMMENTARY – NEW HARVEST INVESTMENT MANAGEMENT



Simon Gray from **New Harvest Investment Management** makes the case for why investors should consider using a dedicated agricultural investment manager.

[Find out more on page 6](#)



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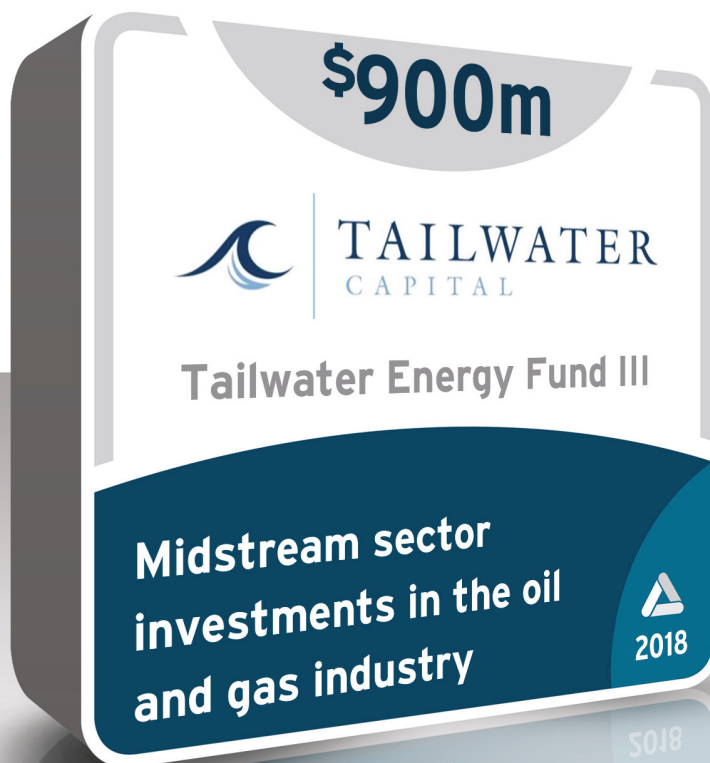


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REAL ASSETS INVESTOR UPDATE

In an excerpt from **Preqin Investor Update: Alternative Assets, H2 2018**, we examine investors' plans for the coming 12 months in both the infrastructure and natural resources asset classes.

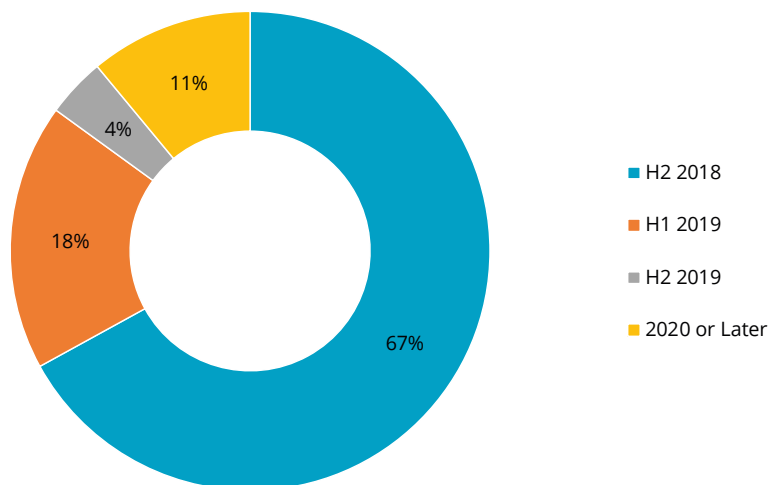
INFRASTRUCTURE

Among active infrastructure investors interviewed by Preqin in June 2018, 67% are planning to make their next commitment to the asset class in the second half of 2018, while 22% intend to do so in 2019 (Fig. 1). A further 11% of respondents have longer-term views for their investments in the asset class, aiming to make a commitment in 2020 or beyond.

Thirty-seven percent of infrastructure investors believe that core-plus funds will present the best opportunities in the market over the next 12 months (Fig. 2), a sizeable increase on 20% of respondents interviewed at the end of 2017. The market for core funds has become increasingly crowded. This could explain the migration of investors towards riskier assets – the proportion of investors believing core strategies offer the best opportunities has fallen from 35% to 29%.

There has been little change in investor sentiment with respect to the most attractive regions since the end of 2017:

Fig. 1: Timeframe for Investors' Next Intended Commitment to an Infrastructure Fund



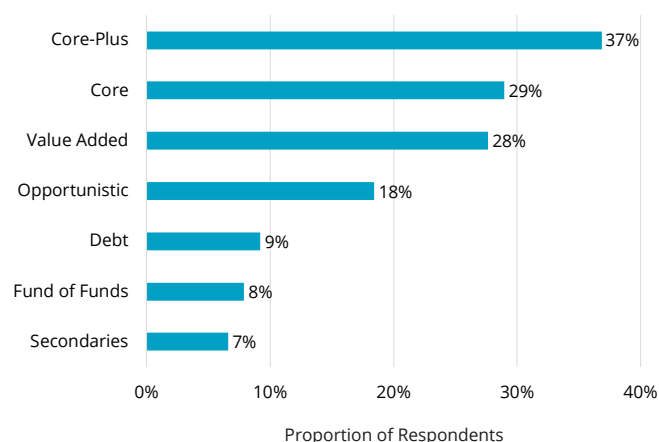
Source: Preqin Investor Interviews, June 2018

unsurprisingly, North America is viewed by the largest proportion (43%) of investors as presenting the best opportunities over the next 12 months (Fig. 3). Europe is close behind, cited by 36% of respondents, followed by emerging markets (28%) and Asia (22%).

NATURAL RESOURCES

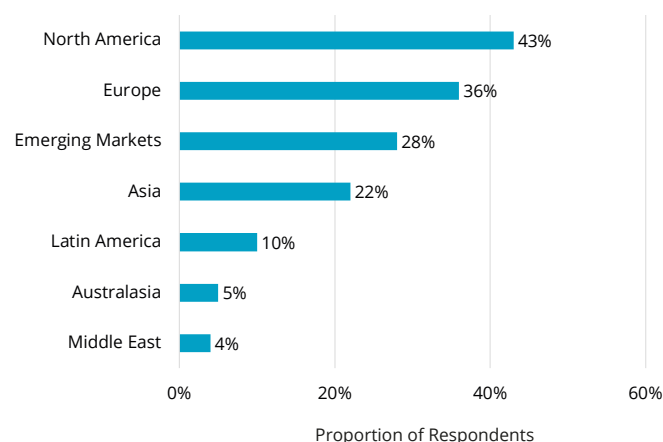
The majority (62%) of investors in natural resources plan to make their next commitment to the asset class in the second half of 2018, while 18% intend to invest in the first half of 2019, suggesting an active year ahead for the industry (Fig. 4). A further 17% of respondents

Fig. 2: Strategies that Infrastructure Investors View as Presenting the Best Opportunities over the Next 12 Months



Source: Preqin Investor Interviews, June 2018

Fig. 3: Regions that Infrastructure Investors View as Presenting the Best Opportunities over the Next 12 Months



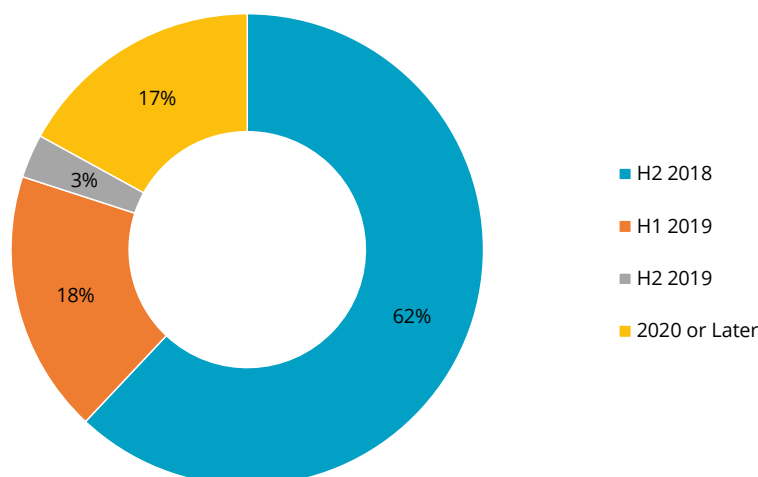
Source: Preqin Investor Interviews, June 2018

have longer-term views to invest in 2020 or beyond.

Foundations and public pension funds represent equal proportions (14%) of investors that invest in natural resources funds (Fig. 5), with private sector pension funds (13%) not far behind. Fund of funds managers make up just 3% of investors active in the asset class.

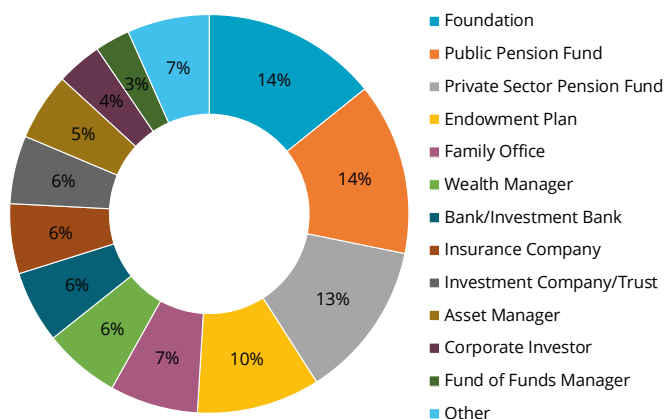
North America was cited by 47% of respondents as presenting the best natural resources opportunities in the next 12 months, followed by emerging markets (26%) and Asia (21%, Fig. 6). The proportion of investors that believe Europe offers the best opportunities over the next 12 months, however, has fallen from 35% a year ago to 19%. This may reflect uncertainty surrounding the UK's impending exit from the EU, including whether deal flow in other EU countries will be affected as a result.

Fig. 4: Timeframe for Investors' Next Intended Commitment to a Natural Resources Fund



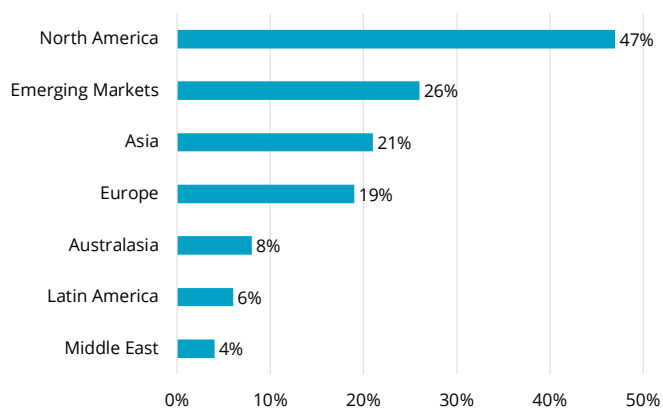
Source: Preqin Investor Interviews, June 2018

Fig. 5: Investors in Natural Resources by Type



Source: Preqin Investor Interviews, June 2018

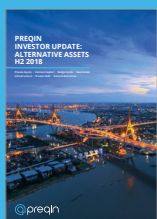
Fig. 6: Regions that Natural Resources Investors View as Presenting the Best Opportunities over the Next 12 Months



Proportion of Respondents

Source: Preqin Investor Interviews, June 2018

PREQIN INVESTOR UPDATE: ALTERNATIVE ASSETS, H2 2018



In this Investor Update, we dive into the results of our surveys with 530 institutional investors, as well as data taken from our award-winning platform, to determine what investors are looking for from alternative assets and how these products are meeting their needs. We also provide an outlook on their future plans for investing in alternative assets in the next 12 months.

To download a copy of the report, please click [here](#).

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THE CASE FOR PROFESSIONAL INVESTMENT MANAGEMENT IN AUSTRALIAN AGRICULTURE

- Simon Gray, New Harvest Investment Management



Simon Gray from New Harvest Investment Management makes the case for why investors should consider using a dedicated agricultural investment manager.

Australian agriculture requires significant additional investment just to maintain its current market share of the growing global demand for produce. This figure is expected to be up to AUD 133bn by 2025.

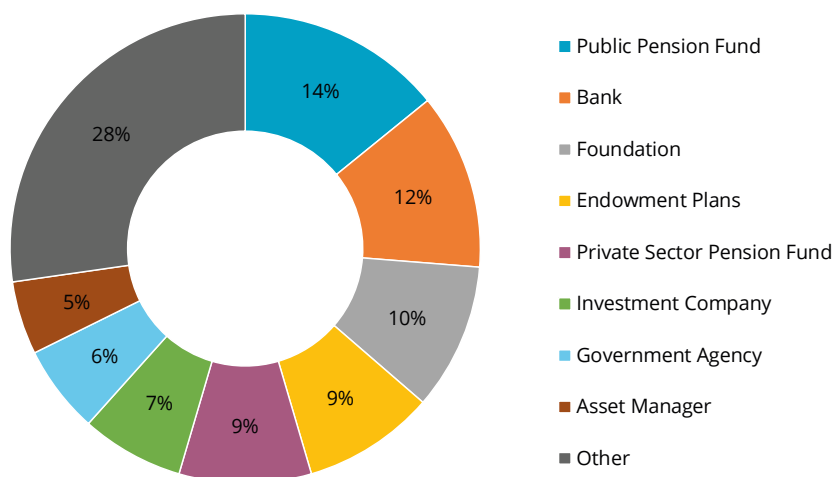
Additionally, Australia has a high proportion of family-owned farms and an ageing farmer population. As they retire, fewer descendants are re-investing into farmland and agriculture. This means that capital will be required to replace the retiring capital, and knowledge will need to be provided to replace the retiring knowledge base.

The ANZ Greener Pastures Report estimated that \$400bn in capital would be required by 2050 to support farm turnover as the ageing population retires.

For now, there appears to be a resistance from the USD 1.8tn Australian Super (the world's fourth largest savings pool) to provide equity. It is estimated that only 0.3% of superannuation funds under management are invested in agriculture, with a small fraction of this invested in farms and operators. We feel that Australian Super is underinvested.

Local debt from commercial banks will not be able to fund the capital gap. The industry will therefore need to look to source alternative and hitherto previously little explored and utilized options. This will come from sovereign wealth funds seeking food security, private equity and debt funds lured by the prospect of returns and overseas pension and endowment funds, which have more experience in the alternate space, seeking diversity. Increasingly, this will be foreign capital.

Fig. 1: Institutional Investors in Agriculture/Farmland by Type (As at September 2018)



Source: Preqin

This article therefore looks at the question from the perspective of a foreign institutional investor. It is to be noted that much of the logic around the benefit of investing in a scheme or fund with an investment manager equally applies for local or individual investors seeking exposure to the asset class.

THE OPPORTUNITY SET

Australia is a producer and purveyor of high-quality, safe products to local and overseas markets. Agriculture is a large contributor to GDP and the fastest-growing sector of the economy. It is clearly worthy of investment consideration. Australia has healthy political stability and low sovereign risk which makes it a secure place to invest. It is a large geographic landmass, being 1.5x the size of Europe, therefore offering exposure to various commodity markets and climatic diversity within a single currency exposure profile. The strict bio-security protocol ensures a level of

brand recognition and satisfaction in global markets. Australian producers benefit from the proximity to the Asian consumer base. With more free trade areas (FTAs) than any other nation, Australia is uniquely placed to profit from growth in global food demand. There is little question among sophisticated investors that Australia represents good value for investment.

THE PROBLEM SPACE

The Australian agricultural landscape, unlike its North American cousins, is significantly under-developed from a corporate perspective. A significant portion of Australian agricultural assets are family owned, and only 2% are classed as corporate with only 18% considered commercial farm operators.

A high reliance on commercial debt, coupled with a farmer population that has not traditionally been exposed to foreign capital markets and the stringent requirements of reporting for equity

investors, translates to only a small minority of farmers and operators being capable of meeting the demands of foreign investors. While investors are willing and operators are in need, the knowledge gap for most could be too wide to bridge.

The result is that the majority of Australian farmers have no access to institutional investment and external sources of equity. But with food security at the forefront of sovereign funds', governments' and private capital industry's minds, there is a marked increase in institutional capital looking to Australia and agriculture to invest.

Structural change is required, as an incredibly small portion of farms are investment ready. Like other sectors, in order to be worthy of investment, agriculture – and in particular farm operators – needs to have an investable product. This product needs to be more sophisticated and robust than the current norm for the vast majority of farm operators. In order for the product to compete with capital demands from other sectors and industries, farm operators need to be able to display better structure around governance, ownership, management and operations.

During his time as treasurer of Australia, Scott Morrison MP changed the requirements of foreigners purchasing Australian farmland. Properties have to be advertised to local residents for a period prior to being offered to the international market. This landscape can be difficult for foreign capital providers to navigate on their own, particularly if their intention is to manage the asset from abroad, without partnering with local capital or operators.

Australia has a tighter regulatory environment than other agricultural economies in Latin America and Central Europe. The penalties for non-compliance can involve financial penalties and criminal prosecution. It is therefore important that owners and investors have the capacity to comply. This landscape means that investors would be wise to consider gaining exposure via an investment in a structure managed by a dedicated agricultural investment manager.

SOLUTIONS TO THE PROBLEM SPACE

■ THE INVESTMENT MANAGER

The investment manager can be the navigator through the problem space. Many of the benefits of using an investment manager fall into the categories of providing experienced guidance through the nuances of the Australian market or economies of scale in agriculture.

The Australian agricultural landscape is littered with both local and foreign investors that have unsuccessfully attempted to source, purchase and manage agricultural assets. The larger asset allocators will be able to internalize the function by employing dedicated staff that will be able to perform many of the functions to assist in investment. For the vast majority of capital and investors, it is rational and cost effective to partner with a local specialist investment manager to perform this function.

■ ECONOMIES OF SCALE

By investing in a structure with a manager, an investor is able to achieve an investment scale that would not be achievable with their own funds in isolation. By pooling funds with a manager, an investor gains the benefit of economies of scale.

Efficiencies in agriculture and improved performance are achieved with an increase in farm size. There is a reasonable correlation between farm size and yield.

By investing in a fund with a dedicated manager the investor achieves the economics of owning a much larger aggregation. There is an argument that the manager pays for themselves from the efficiencies and yield pick-up from operating larger assets.

■ SINGLE INVESTMENT, MULTIPLE EXPOSURES

In the same way that an investor can gain broad stock market exposure by investing in an exchange-traded fund (ETF) without having to invest in and monitor individual stock exposures,

reporting and dividend collections, the fund/manager is able to purchase a number of assets across commodity classes and geographic areas as well as along the supply chain. The investor thereby gains exposure to a broader array of assets than if they were to source, purchase and manage a single asset.

■ COST EFFICIENCY

For an investor to consider investing in an agricultural asset or portfolio, there requires a level of due diligence that is arguably more hands-on and niche than traditional financial due diligence. This requires an analysis that is unique. For an investor to employ such a team is only practical for the large or repeat investor. Investment managers in contrast can be utilized to perform the function on an as needed/as invested basis. The cost and overhead are borne by the fund as opposed to any specific investor.

■ DEAL FLOW/DEAL SOURCING

A local investment manager is better placed to maintain an up-to-date pipeline of products. The nature of the due diligence around agriculture assets means that 'dirt kicking' is a big part of the process. This can be prohibitively expensive for offshore capital to undertake on a regular basis. Investment managers with a combined skillset of financial due diligence and operator experience is a valuable asset for many offshore investors.

Operator and manager diversity
When exposure is gained by investment in a fund or with a dedicated manager, there is greater exposure to the management team of all assets in the fund. If an investor bought a single asset they would gain the exposure of one asset and one management team. By investing that quantum into a larger fund, the investor effectively gets exposure to a broader and deeper level of experience across the breadth of the portfolio.

If an operator or manager moves on from one property they can be more

effectively replaced by other managers within the fund in terms of time and cost

■ **THE CONDUIT BETWEEN LOCAL FARM OPERATORS AND OFFSHORE CAPITAL PROVIDERS**

The agriculture investment manager has a combination of investment management diligence and farm operator experience. This means that they are uniquely placed to assist, and even devise, the plan for local operators to become investor ready, and for investors to source and benefit from these investable assets. Investment managers are able to provide the legal and corporate framework around the traditional operator. They are able to provide capacity with board and governance structures that are outside the reach of many operators. Investment managers are able to infuse a level of corporate

governance and best corporate practice protocols not traditionally seen at the farmgate. By investing in a fund or similar structure, investors can benefit from this conduit function.

■ **AUSTRALIAN FOREIGN INVESTMENT REVIEW BOARD (FIRB) AND REGULATORY COMPLIANCE**

For the foreign investor, there needs to be consideration of the requirement of foreign investors to be approved. Investing in a fund or scheme has a number of benefits for foreign investors. Firstly, if their capital is pooled with local capital there is likely to be a more favourable view of the application. Evidence of this can be noted from the Kidman transaction. Secondly, there tends to be favourable consideration for foreign investors that are investing in or alongside local operators. Finally, the Foreign Investment Review Board (FIRB)

application is best managed by a team that has significant and up-to-date experience in working with FIRB on behalf of a foreign investor.

CONCLUSION

Australian agriculture is in need of significant investment. Such investment is supported by a great underlying investment thesis. Much of this investment will come from institutional and foreign sources and, increasingly, in the form of equity.

Whether local or foreign, small or large, investors looking to gain exposure to agriculture would be wise to consider partnering with a dedicated agricultural asset manager. The largest and bravest will go it on their own. For everyone else, the benefits are likely to outweigh the costs.

NEW HARVEST INVESTMENT MANAGEMENT

New Harvest Investment Management is an asset management firm that manages assets on behalf of institutional investors. The firm focuses solely on the acquisition and operation of Australian Agricultural assets.

The firm offers funds that gives investors the ability to participate in the favourable investment returns from agricultural assets while diversifying exposure across both climatic and commodity types.

NHIM's senior leadership group has extensive and identifiable success across agricultural investments and developments; from the running of Australia's largest agricultural enterprises to the construction and operation of multi-billion dollar asset portfolios.

ALTERNATIVES COVERAGE	FIRMS	FUNDS	FUNDS OPEN TO INVESTMENT	INVESTORS MONITORED	FUNDS WITH PERFORMANCE	DEALS & EXITS
	34,607	63,065	22,612	17,568	29,597	358,880
INVESTOR COVERAGE	PRIVATE EQUITY*	HEDGE FUNDS	REAL ESTATE	INFRASTRUCTURE	PRIVATE DEBT	NATURAL RESOURCES
	7,544 Active Private Equity LPs	5,623 Active Hedge Fund Investors	6,856 Active Real Estate LPs	3,565 Active Infrastructure LPs	3,546 Active Private Debt Investors	3,635 Active Natural Resources Investors
FUND COVERAGE	21,950 Private Equity Funds	27,113 Hedge Funds	7,589 PE Real Estate Funds	1,390 Infrastructure Funds	2,816 Private Debt Funds	2,207 Natural Resources Funds
FIRM COVERAGE	15,891 Private Equity Firms	9,751 Hedge Fund Firms	5,540 PE Real Estate Firms	584 Infrastructure Firms	1,712 Private Debt Firms	1,129 Natural Resources Firms
PERFORMANCE COVERAGE	6,326 Private Equity Funds	19,497 Hedge Funds	1,917 PE Real Estate Funds	288 Infrastructure Funds	941 Private Debt Funds	628 Natural Resources Funds
FUNDRAISING COVERAGE	3,560 Private Equity Funds	16,752 Hedge Funds	1,419 PE Real Estate Funds	180 Infrastructure Funds	388 Private Debt Funds	313 Natural Resources Funds
DEALS & EXITS COVERAGE	BUYOUT	VENTURE CAPITAL	REAL ESTATE	INFRASTRUCTURE	PRIVATE DEBT	
	92,121 Buyout Deals and Exits	168,775 Venture Capital Deals and Exits	58,929 Real Estate Deals	29,479 Infrastructure Deals	9,576 Private Debt Deals	
Alternatives Investment Consultants Coverage:		Funds Terms Coverage: Analysis Based on Data for Around		Best Contacts: Carefully Selected from our Database of over		
606 Consultants Tracked		18,337 Funds		477,054 Contacts		



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*Private equity includes buyout, growth, venture capital, turnaround, private equity fund of funds, private equity secondaries, direct secondaries, balanced, hybrid, hybrid fund of funds, PIPE, co-investment and co-investment multi-manager funds.

As at 3rd September 2018



INDUSTRY NEWS

In this month's Industry News, we detail sample unlisted infrastructure funds currently in market, as well as sample investment mandates and recent infrastructure deals.

UNLISTED INFRASTRUCTURE FUNDS IN MARKET

As at September 2018, there are a total of 181 unlisted infrastructure funds in market, seeking an aggregate \$147bn in institutional capital. The largest fund on the road is [Global Infrastructure Partners IV](#), managed by New York-based [Global Infrastructure Partners](#); the firm also closed [Global Infrastructure Partners III](#) on \$15.8bn in January 2017. Global Infrastructure Partners is seeking a record \$20bn for investments in brownfield infrastructure projects globally, with a focus on emerging markets and OECD countries.

[CR Institutional Infrastructure Multi-Asset Fund II](#) is also looking to raise capital; managed by Germany-based [Commerz Real](#), the Europe-focused energy logistics vehicle is seeking €500mn for investments across the energy, telecoms and transportation sectors.

[EFS Energy Japan Investment](#) launched in June 2017 and is targeting JPY 75bn (\$667mn) in institutional capital. Managed by [GE Energy Financial Services](#), the energy investment arm of General Electric, the fund has already successfully raised JPY 46.3bn (\$412mn) and will invest in operational solar power projects in Japan. The vehicle has attracted investments from institutions including [Daido Life Insurance](#) and [Development Bank of Japan](#).

[CapMan Nordic Infrastructure I](#) is the debut infrastructure fund from Helsinki-headquartered [CapMan Infra](#). The vehicle is seeking €400mn for investments in middle-market Nordic telecommunications, transportation and energy opportunities with growth potential.

INVESTOR MANDATES

As at September 2018, there are 379 active investment mandates for infrastructure. Among these is [Skandia Life Insurance Company](#), which expects to invest SEK 1.7-2.6bn across 2-3 unlisted infrastructure funds in the next 12 months. The Stockholm-based insurance company will look to invest in both economic and social infrastructure projects across North America and Europe using a mixture of new and existing managers in its portfolio.

Mumbai-based [HDFC Life](#) plans to invest in at least one unlisted infrastructure fund in the next 12 months, focusing on core and core-plus assets in Asia-Pacific.

[Old Mutual Colombia](#) will commit at least \$50mn to unlisted infrastructure funds, with a primary focus on North America and Latin America using a mixture of new and existing managers in its portfolio.

[Municipal Employees' Annuity & Benefit Fund of Chicago](#) has issued a RFP for an infrastructure fund manager with at least three years' experience and at least \$1bn in assets under management to run an \$80mn open-ended fund. The pension fund is looking to transition away from focusing on fixed income instruments and towards infrastructure as it pursues diversification and higher yields.

INFRASTRUCTURE DEALS IN 2018

So far in 2018 (as at September), 1,587 infrastructure deals have been completed for an aggregate \$227bn. The largest transaction in this period involved [Innogy](#), a Germany-based company which specializes in the construction, operation and management of renewable energy facilities in the country, and engages in the distribution of energy extracted from renewable energy sources. In March 2018, [E.ON SE](#) acquired a 76.8% stake in Innogy from [RWE Group](#) for €25.4bn, which includes €5bn in transactional debt.

The largest deal to take place in the US in 2018 so far involved [SCANA Corporation](#). The company, which owns and operates nuclear, coal, hydroelectric, biomass, solar and natural gas assets across the US, was acquired through a merger by [Dominion](#) in July 2018 for \$15bn.

Australia played host to the largest infrastructure deal outside North America and Europe. [APA Group](#), an infrastructure firm focused on the development and operation of gas pipeline transmission and distribution networks, was acquired by [CK Infrastructure Holdings](#) in June 2018 for AUD 12.98bn.

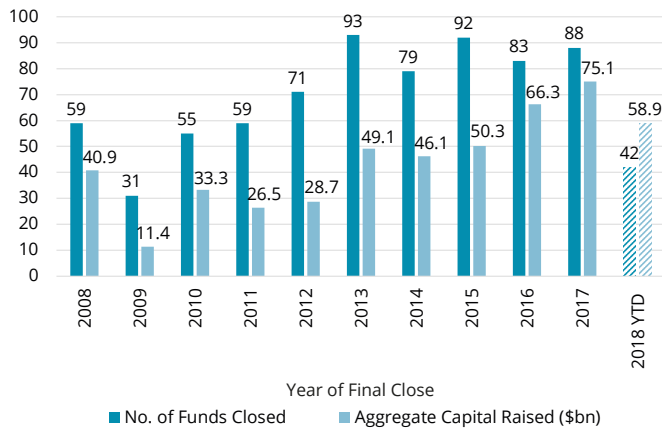
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Do you have any news you would like to share with the readers of Spotlight? Perhaps you're about to launch a new fund, have implemented a new investment strategy, or are considering investments beyond your usual geographic focus?

Send your updates to spotlight@preqin.com and we will endeavour to publish them in the next issue.

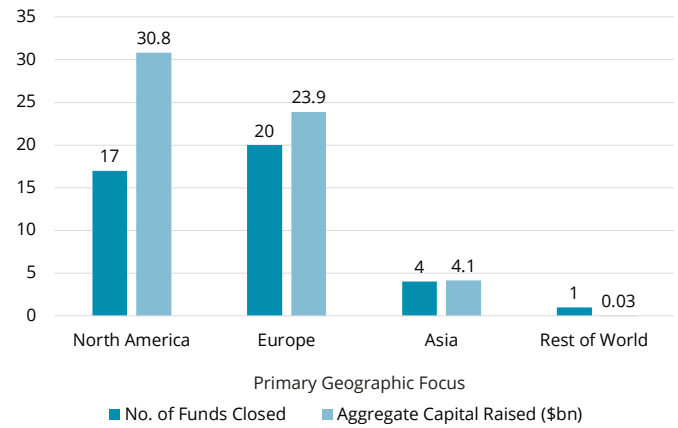
INFRASTRUCTURE FUNDRAISING UPDATE

Fig. 1: Annual Unlisted Infrastructure Fundraising, 2008 - 2018 YTD (As at September 2018)



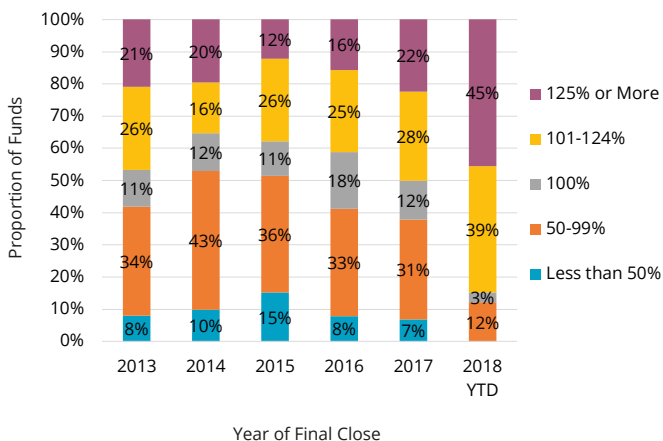
Source: Preqin

Fig. 2: Unlisted Infrastructure Fundraising in 2018 YTD by Primary Geographic Focus (As at September 2018)



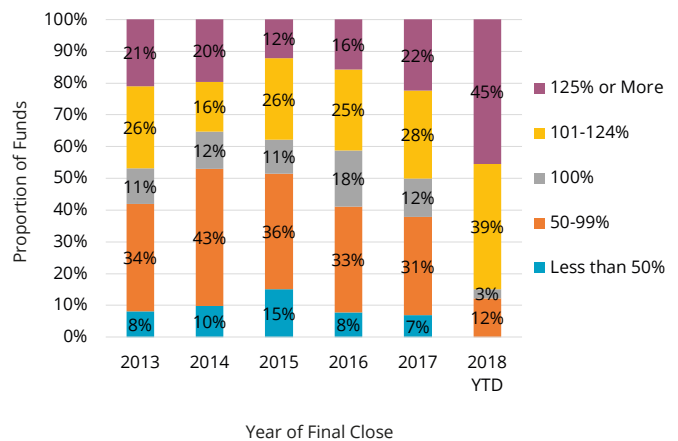
Source: Preqin

Fig. 3: Unlisted Infrastructure Funds Closed by Proportion of Target Size Achieved, 2013 - 2018 YTD (As at September 2018)



Source: Preqin

Fig. 4: Unlisted Infrastructure Funds Closed by Time Spent on the Road, 2013 - 2018 YTD (As at September 2018)



Source: Preqin

Fig. 5: Largest Unlisted Infrastructure Funds Closed in 2018 YTD (As at September 2018)

Fund	Firm	Headquarters	Fund Size (mn)	Primary Strategy	Geographic Focus	Final Close Date
Stonepeak Infrastructure Partners III	Stonepeak Infrastructure Partners	New York, US	7,200 USD	Value Added	North America	Jul-18
ISQ Global Infrastructure Fund II	I Squared Capital	New York, US	6,500 USD	Core-Plus	Global	Jun-18
Copenhagen Infrastructure III	Copenhagen Infrastructure Partners	Copenhagen, Denmark	3,500 EUR	Core-Plus	Asia-Pacific, Europe, North America	Mar-18
Macquarie Asia Infrastructure Fund II	Macquarie Infrastructure and Real Assets (MIRA)	London, UK	3,300 USD	Core	Asia-Pacific	Apr-18
Macquarie Super Core Infrastructure Fund	Macquarie Infrastructure and Real Assets (MIRA)	London, UK	2,500 EUR	Core	Europe	Jul-18
Partners Group Direct Infrastructure 2016	Partners Group	Baar-Zug, Switzerland	2,200 EUR	Core-Plus	Global	Feb-18
Infracapital Partners III	Infracapital	London, UK	1,850 GBP	Core-Plus	Europe	May-18
LS Power Equity Partners IV	LS Power Group	New York, US	2,250 USD	Core	US	Mar-18
DIF Infrastructure V	DIF	Schiphol, Netherlands	1,900 EUR	Core	Australasia, Europe, North America	May-18
John Hancock Infrastructure Fund	John Hancock	San Francisco, US	2,000 USD	Opportunistic	US	Jun-18

Source: Preqin

LEADING UNLISTED INFRASTRUCTURE FUNDS

Fig. 1: Top Performing Unlisted Infrastructure Funds

Fund	Firm	Vintage	Fund Size (mn)	Geographic Focus	Net IRR (%)	Date Reported
Aravis Energy I	Aravis	2009	47 EUR	Europe	448.0	31-Mar-18
Japan Solar Fund	Equis	2014	721 USD	Asia	64.6	31-Mar-18
Harbert Power Fund IV	Harbert Management Corporation	2010	63 USD	North America	37.9	31-Mar-18
Zachry Hastings Infrastructure Partners	Hastings Funds Management	2010	330 USD	North America	36.1	30-Sep-17
iCON Infrastructure Partners	iCON Infrastructure	2010	231 EUR	Europe	35.0	31-Mar-18
Energy Spectrum Partners V	Energy Spectrum Capital	2007	612 USD	North America	32.8	31-Mar-18
Equis Direct Investment Fund	Equis	2015	298 USD	Asia	31.1	31-Mar-18
JPMorgan Global Maritime Investment Fund II	JPMorgan - Infrastructure Investments Group	2015	480 USD	North America	27.9	30-Sep-17
Stonepeak Infrastructure Partners II	Stonepeak Infrastructure Partners	2015	3,500 USD	North America	27.2	31-Dec-17
Energy Spectrum Partners VII	Energy Spectrum Capital	2014	1,225 USD	North America	26.7	31-Mar-18

Source: Preqin

Fig. 2: Unlisted Infrastructure Funds to Watch

Fund	Firm	Vintage	Fund Size (mn)	Geographic Focus	Net Multiple (X)	Net IRR (%)	Date Reported
Grain Communications Opportunity Fund	Grain Management	2016	349 USD	North America	2.05	n/m	31-Dec-17
Kobus Renewable Energy I	Kobus Partners	2016	6 EUR	Europe	1.42	n/m	31-Dec-17
Ares EIF Management V	Ares EIF Management	2016	800 USD	North America	1.34	n/m	30-Sep-17
Taaleritehdas Wind Power Equity Fund III	Taaleri Energia	2016	45 EUR	Europe	1.28	n/m	31-Mar-18
OZNJ Real Asset Opportunities	Och-Ziff Capital Management	2016	100 USD	North America	1.15	n/m	30-Jun-17

Source: Preqin

Fig. 3: Most Consistent Top Performing Unlisted Infrastructure Fund Managers

Firm	Headquarters	Overall No. of Funds with Quartile Ranking	No. of Funds in Top Quartile	No. of Funds in Second Quartile	Average Quartile Ranking
InfraRed Capital Partners	London, UK	5	4	1	1.20
Equis	Singapore	4	3	1	1.25
iCON Infrastructure	London, UK	3	2	1	1.33
Pantheon	London, UK	3	2	1	1.33
Ardian	Paris, France	4	2	2	1.50
Meridiam	Paris, France	3	2	0	1.67
Standard Life Aberdeen	Edinburgh, UK	3	1	2	1.67
Energy Spectrum Capital	Dallas, US	7	4	2	1.71
Harbert Management Corporation	Birmingham, US	6	3	1	1.83
Global Infrastructure Partners	New York, US	3	2	0	2.00
ArcLight Capital Partners	Boston, US	6	1	4	2.00
Innisfree	London, UK	4	1	2	2.00
Actis	London, UK	3	0	3	2.00

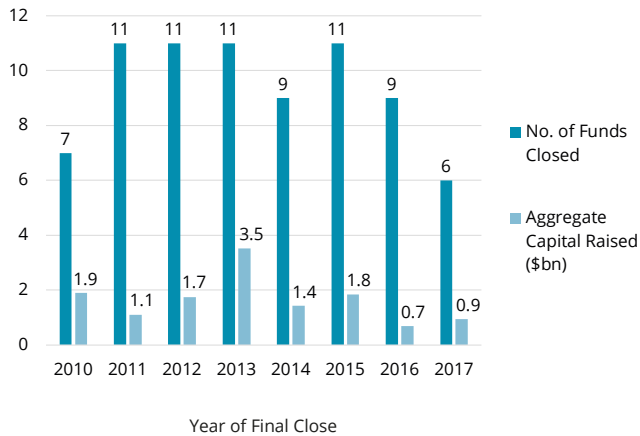
*Based on a universe of 25 firms and 107 funds fulfilling the selection criteria.

Source: Preqin

REAL ASSETS IN KOREA

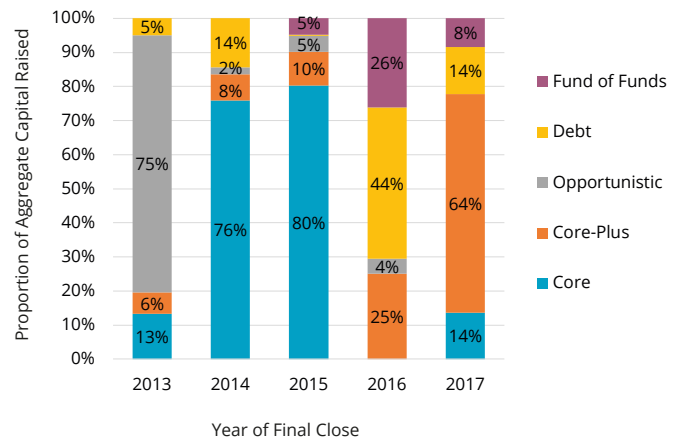
In this article, we use data from the upcoming **Preqin Markets in Focus: Alternative Assets in South Korea** report and take a look at Korea-based fundraising figures over the past eight years, and provide the details of notable funds closed that were based in the region and more.

Fig. 1: Annual South Korea-Based Unlisted Infrastructure Fundraising, 2010 - 2017



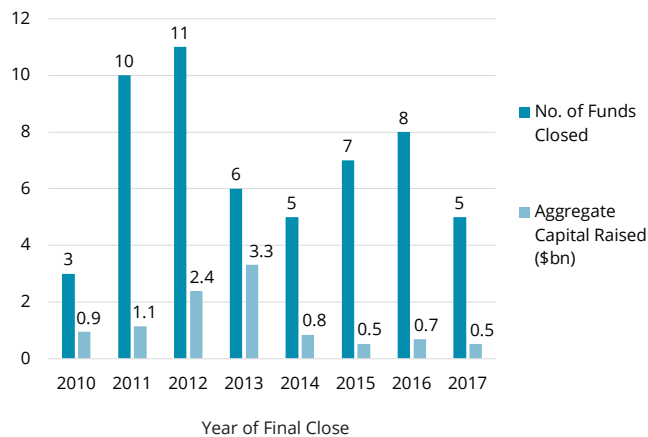
Source: Preqin

Fig. 2: Aggregate Capital Raised by South Korea-Based Unlisted Infrastructure Funds by Primary Strategy, 2013 - 2017



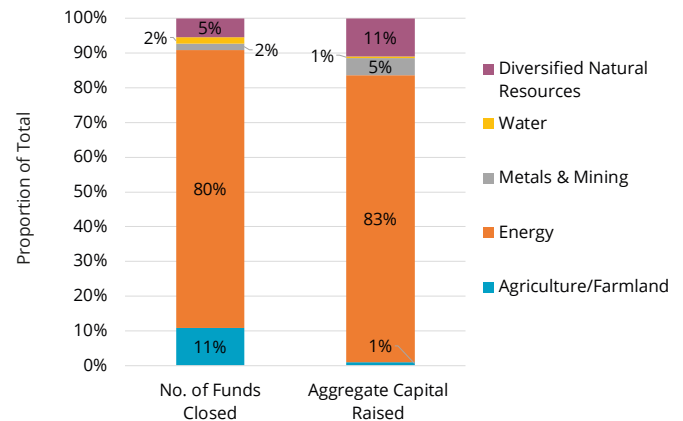
Source: Preqin

Fig. 3: Annual South Korea-Based Unlisted Natural Resources Fundraising, 2010 - 2017



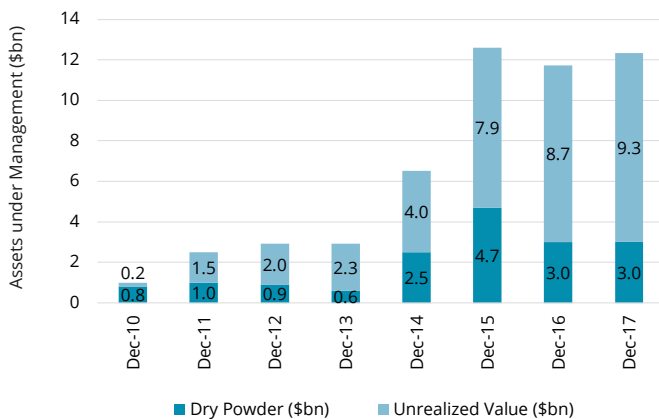
Source: Preqin

Fig. 4: South Korea-Based Unlisted Natural Resources Fundraising by Primary Strategy, 2010 - 2017



Source: Preqin

Fig. 5: South Korea-Based Unlisted Infrastructure Assets under Management, 2010 - 2017



Source: Preqin

PREQIN MARKETS IN FOCUS: ALTERNATIVE ASSETS IN SOUTH KOREA

This report, the first of its kind, thoroughly examines the growing Korean alternative assets market. We break down our findings by asset class and, using data from Preqin's online platform, reveal the areas of growth using comparative statistics over the past 10 years.

This report will be released in November 2018.

Fig. 6: Notable South Korea-Based Unlisted Infrastructure Funds Closed, 2013 - 2017

Fund	Firm	Headquarters	Fund Size (mn)	Primary Strategy	Geographic Focus	Final Close Date
KIAMCO Power Energy Private Fund Special Asset Trust 3	KDB Infrastructure Investments Asset Management	Seoul	2,450,000 KRW	Opportunistic	Asia, Kazakhstan, Malaysia, Pakistan, South Korea	Mar-13
KB Airport Railroad Express Private Special Asset Fund	KB Asset Management	Seoul	1,255,000 KRW	Core	South Korea	Jun-15
KB Gangneung Power Plant Private Securities Fund	KB Asset Management	Seoul	600,000 KRW	Core	South Korea	Sep-14

Source: Preqin

Fig. 7: Notable Infrastructure Deals in South Korea, 2013 - 2018 YTD (As at August 2018)

Asset	Location	Industry	Investor(s)	Deal Size (mn)	Stake (%)	Deal Date
ADT Caps	South Korea	Logistics	Macquarie Infrastructure and Real Assets (MIRA), SK Group	2,976,000 KRW	100	May-18
Seoul Subway Line 9, Section 1	South Korea	Transport	Hanwha Life Insurance, Heungkuk Life Insurance, Kyobo Life Insurance, Shinhan Bank, Unidentified Investor(s)	746,400 KRW	100	Oct-13
Seoul Subway Line 9 Operation	South Korea	Transport	Transdev	525 USD	100	Oct-13
Höegh FSRU#8 Facility	South Korea	Energy	Höegh LNG Partners	230 USD	-	Nov-17
Höegh FSRU#7 Facility	South Korea	Energy	Höegh LNG Partners	223 USD	-	Feb-16

Source: Preqin

Fig. 8: Notable Infrastructure Exits in South Korea, 2013 - 2016

Asset	Exit Type	Investor(s)	Sellers (Firms)	Exit Value (mn)	Exit Date
Seoul Subway Line 9, Section 1	Trade Sale	Hanwha Life Insurance, Heungkuk Life Insurance, Kyobo Life Insurance, Shinhan Bank, Unidentified Investor(s)	Hyundai Engineering & Construction, Hyundai Rotem, Macquarie Infrastructure and Real Assets (MIRA), POSCO, Unidentified Investor(s)	746,400 KRW	Oct-13
Yeongyang Wind Power Corporation	Sale to GP	Macquarie Infrastructure and Real Assets (MIRA)	Acciona	162,000 KRW	Dec-13
Yeong Yang I	Sale to GP	Macquarie Infrastructure and Real Assets (MIRA)	Acciona	151 USD	Nov-13
Busan New Port Phase 2-3	Trade Sale	PSA International	Hyundai Merchant Marine	94 USD	Mar-16
Korea Shipping Partnership Pusan Newport Terminal	Trade Sale	Hyundai Merchant Marine, PSA International	Hyundai Merchant Marine	100,000 KRW	Feb-16

Source: Preqin

Fig. 9: Notable South Korea-Based Unlisted Natural Resources Funds Closed in 2016 - 2017

Asset	Firm	Headquarters	Fund Size (mn)	Primary Strategy	Geographic Focus	Final Close Date
KB RPS Focus Private Special Asset 3	KB Asset Management	Seoul	200,000 KRW	Energy	South Korea	Aug-17
KB Solar Energy Private Special Asset 3	KB Asset Management	Seoul	200,000 KRW	Energy	South Korea	Jul-16
KB North America Energy Private Special Asset 1	KB Asset Management	Seoul	150 USD	Energy	North America	Nov-16
KB Shin Pyeongtaek Power Private Special Fund 2	KB Asset Management	Seoul	145,000 KRW	Energy	South Korea	May-17
KB AMP Infra Fund	KB Asset Management	Seoul	120 USD	Energy	Australia, Europe, North America, OECD	Feb-16

Source: Preqin

CONFERENCES

SEPTEMBER 2018

Conference	Dates	Location	Organizer	Preqin Speaker	Discount Code
Finovate Fall	24 - 26 September 2018	New York, NY	KNect365	-	20% Discount - FKV2343PQT
Brazil Breakfast in association with LAVCA's Annual Summit and Investor Roundtable	25 September 2018	New York, NY	ABVCAP	-	-
Preqin Breakfast Seminar – Future of Alternatives – New York	26 September 2018	New York, NY	Preqin	-	-

OCTOBER 2018

Conference	Dates	Location	Organizer	Preqin Speaker	Discount Code
GAI Asia	2 - 3 October 2018	Tokyo	HighQuest Group	Ee Fai Kam	-
Local Government Pension Investment Forum	3 October 2018	London	KNect365	-	-
Latin Private Wealth Management Summit	8 - 9 October 2018	Panama City	marcus evans Summits	-	-
Preqin Breakfast Seminar – Future of Alternatives - Hong Kong	11 October 2018	Hong Kong	Preqin	Ee Fai Kam	-
IVCA – Agri Investment Leadership Summit	11 October 2018	Mumbai	IVCA	-	-
FLAIA Meeting of the Americas 2018	18 October 2018	Miami, FL	FLAIA	-	-
Private Wealth Management Summit – APAC	22 - 24 October 2018	Macao	marcus evans Summits	-	-
ASK 2018 Real Estate & Infrastructure Summit	23 October 2018	Seoul	The Korea Economic Daily	-	-
Family Office & Private Wealth Forum – West	24 - 26 October 2018	Napa, CA	Opal Financial Group	-	-
Finovate Asia	29 - 30 October 2018	Hong Kong	KNect365	-	20% Discount - FKV2338PQT

NOVEMBER 2018

Conference	Dates	Location	Organizer	Preqin Speaker	Discount Code
FundForum Middle East & Emerging Markets	4 - 5 November 2018	Dubai	KNect365	-	10% Discount - FKN2548PQL
Elite Summit	5 - 7 November 2018	Montreux	marcus evans Summits	-	-
Endowment & Foundation Forum	13 - 14 November 2018	Boston, MA	Opal Financial Group	-	-
thebell Private Markets Investment Forum	20 November 2018	Seoul	thebell	Ee Fai Kam	-
AIM Summit – Alternative Investment Management Summit	26 - 27 November 2018	Dubai	AIM Summit LLC	Amy Bensted	-