

# Setter

## The 25 Most Sought-After Managers

Infrastructure - Q3 2017

First in the Secondary Market.

# Introduction

---

The 'Most Sought-After Manager Rankings' are published by Setter on a quarterly and semi-annual basis to capture the ebb and flow of secondary demand across various fund strategies and geographies.

The rankings are largely based on the Setter Liquidity Rating, which assigns funds a rating of Excellent, Very Good, Good or Unrated depending on the number of secondary buyers that want to buy and/or have recently priced a given fund. Please see Definitions at the end of this report for more details.

The number of interested buyers for a given fund are determined by Setter's team of professionals who passionately track the ever changing shortlists and demand of over 1300 secondary buyers both directly and via [SecondaryLink.com](http://SecondaryLink.com), where buyers can enter their shortlists and connect with agents and access deals through the Deal Section.

From a primary perspective, the 'Most Sought-After Manager Rankings' provide a unique perspective as strong secondary market demand suggests a fund manager is popular among LPs and low secondary market demand may signal diminishing market sentiment and additional future liquidity risk.

We hope you enjoy!

# The 25 Most Sought-After Managers on the Secondary Market

Strategy: Infrastructure - Q3 2017

Rank	Prior Rank	Fund Family	Setter Liquidity Rating	Prime Buyers	First Vintage	Funds in Fund Family	Latest Closed funds	Currency	Fund Size	Vintage
1	—	1 <a href="#">MEIF (Macquarie European Infrastructure Fund)</a>	Excellent	59	2004	5	Macquarie European Infrastructure Fund V Macquarie European Infrastructure Fund IV	EUR EUR	4,000 2,750	2017 2011
2	—	2 <a href="#">Global Infrastructure Partners (GIP)</a>	Excellent	59	2008	5	Global Infrastructure Partners III Global Infrastructure Partners II	USD USD	15,800 8,250	2015 2012
3	—	3 <a href="#">US Power</a>	Very Good	62	1989	14	United States Power Fund IV United States Power Fund III	USD USD	1,690 1,350	2011 2007
4	—	4 <a href="#">Alinda Infrastructure</a>	Very Good	54	2007	3	Alinda Infrastructure Fund II Alinda Infrastructure Fund I	USD USD	4,100 3,000	2008 2007
5	▲	6 <a href="#">Highstar Capital</a>	Very Good	47	2000	4	Highstar Capital Fund IV Highstar Capital Fund III	USD USD	2,000 3,500	2010 2007
6	▲	7 <a href="#">MIP (Macquarie Infrastructure Partners)</a>	Very Good	43	2003	4	Macquarie Infrastructure Partners III Macquarie Infrastructure Partners II	USD USD	3,000 1,600	2013 2008
7	▼	5 <a href="#">LS Power</a>	Very Good	43	2005	3	LS Power Equity Partners III LS Power Equity Partners II	USD USD	2,000 3,100	2014 2007
8	—	8 <a href="#">EQT Infrastructure</a>	Very Good	38	2009	2	EQT Infrastructure II EQT Infrastructure	EUR EUR	1,925 1,170	2012 2009
9	—	9 <a href="#">Morgan Stanley Infrastructure Partners (MSIP)</a>	Very Good	38	2007	2	North Haven Infrastructure Partners I	USD	4,000	2008
10	▲	12 <a href="#">Energy &amp; Minerals Group (EMG)</a>	Very Good	32	2007	9	Energy & Minerals Group Fund IV EMG AENO Co-Investment	USD USD	4,000 124	2016 2014
11	▲	15 <a href="#">Antin Infrastructure Partners</a>	Very Good	29	2008	3	Antin Infrastructure Fund III Antin Infrastructure Fund II	EUR EUR	3,600 2,000	2016 2013
12	▲	18 <a href="#">GS Infrastructure Partners (GSIP-Goldman Sachs)</a>	Very Good	28	2007	3	GS Infrastructure Partners II GS Infrastructure Partners I	USD USD	3,100 6,500	2010 2007
13	▲	24 <a href="#">Fondo Italiano per le Infrastrutture (F2i)</a>	Very Good	24	2007	2	Fondi Italiani Per Le Infrastrutture	EUR	1,850	2007
14	▲	25 <a href="#">KKR Energy &amp; Infrastructure</a>	Very Good	17	2010	4	KKR Infrastructure Fund KKR Global Infrastructure Investors	USD USD	1,044 1,000	2011 2010
15	▼	10 <a href="#">EIG Global Energy Partners (TCW Energy)</a>	Good	38	2003	5	EIG Energy Fund XVI EIG Pelican Spillover Fund	USD USD	6,060 375	2013 2012

# The Top 25

Rank	Prior Rank	Fund Family	Setter Liquidity Rating	Prime Buyers	First Vintage	Funds in Fund Family	Latest Closed funds	Currency	Fund Size	Vintage
16	▼ 11	<a href="#">RREEF Infrastructure</a>	Good	33	2006	1	RREEF Pan-European Infrastructure Fund I	EUR	2,100	2006
17	▲ 19	<a href="#">EISER Global Infrastructure Fund</a>	Good	30	2006	3	EISER Infrastructure Fund I	EUR	1,100	2006
18	▼ 13	<a href="#">Arcus European Infrastructure</a>	Good	28	2007	2	Arcus European Infrastructure Fund I	EUR	2,170	2007
19	▲ >25	<a href="#">Starwood Energy and Infrastructure Fund</a>	Good	27	2008	3	Starwood Energy Infrastructure Fund II - coinvestment	USD	550	2013
							Starwood Energy Infrastructure Fund II	USD	983	2013
20	▼ 15	<a href="#">Dutch Infrastructure Fund</a>	Good	25	2005	5	DIF Infrastructure IV	EUR	1,150	2016
							DIF Infrastructure III	EUR	800	2012
21	▼ 18	<a href="#">Cube Infrastructure</a>	Good	25	2008	1	Cube Infrastructure Fund	EUR	1,080	2008
22	▼ 18	<a href="#">Axa Infrastructure</a>	Good	24	2005	5	AXA Infrastructure Fund III Co-Investment	EUR	300	2013
							AXA Infrastructure Generation III	EUR	1,450	2010
23	▲ >25	<a href="#">Steelriver Infrastructure Fund</a>	Good	24	2007	2	SteelRiver Infrastructure Fund North America II	USD	2,000	2012
							SteelRiver Infrastructure Fund North America	USD	1,913	2007
24	▼ 20	<a href="#">Tenaska Power Fund (TPF)</a>	Good	23	2005	2	Tenaska Power Fund II	USD	2,400	2008
							Tenaska Power Fund	USD	838	2005
25	▲ >25	<a href="#">Brookfield Infrastructure Funds</a>	Good	22	1999	9	Brookfield Infrastructure Fund II	USD	7,000	2013
							Brookfield Americas Infrastructure Fund	USD	2,700	2009

▲ ▼ — Indicate whether the manager has moved up, down or stayed the same rank relative to their rankings on 8/31/16\*.

The rankings are based on the Setter Liquidity Ratings which rates fund families as Excellent, Very Good, Good and Unrated depending on how sought after and saleable they are on the secondary market. The Ratings are in large part determined by the collective shortlists of the 1300+ buyers Setter Capital covers, which are conveyed directly or via SecondaryLink. See the last page for more details and limitations of the Setter Liquidity Rating.

# Who's In & Who's Out

---

## **New Managers That Made the Rankings**

(compared to the rankings on: 8/31/16)\*

[Brookfield Infrastructure Funds](#)

[Starwood Energy and Infrastructure Fund](#)

[Steelriver Infrastructure Fund](#)

## **Managers That Didn't Make The Rankings**

(but were on the rankings on: 8/31/16)\*

[Innisfree](#)

[Meridiam Infrastructure](#)

[UBS Infrastructure Asset Management](#)


\* Note: Only 5% of all managers receive a Setter Liquidity Rating of Good, Very Good or Excellent. Movement in the rankings does not necessarily mean a change in market sentiment towards the manager. Movement may also be caused because Setter Capital has more visibility on the number and quality of buyers that make up the number of Prime Buyers.



To see more Sought-After Funds use the SecondaryLink Fund Screener: [www.SecondaryLink.com/funds](http://www.SecondaryLink.com/funds)

# Most Sought-After Managers Currently Fundraising

Fund Being Raised	Currency	Target Size	Fund Family	Setter Liquidity Rating	Prime Buyers
1 <a href="#">Global Infrastructure Partners Capital Solutions Fund</a>	USD	2500	Global Infrastructure Partners (GIP)	Excellent	59
2 <a href="#">GIP II Co-Invest Holding 1</a>	USD		Global Infrastructure Partners (GIP)	Excellent	59
3 <a href="#">Alinda Capital Partners Fund III</a>	USD	5000	Alinda Infrastructure	Very Good	54
4 <a href="#">Alinda Global Core Infrastructure Fund</a>	USD	3000	Alinda Infrastructure	Very Good	54
5 <a href="#">North Haven Infrastructure Partners II</a>	USD	4000	Morgan Stanley Infrastructure Partners (MSIP)	Very Good	38
6 <a href="#">EMG AE Permian Co-Investment</a>	USD	420	Energy & Minerals Group (EMG)	Very Good	32
7 <a href="#">West Street Infrastructure Partners III</a>	USD		GS Infrastructure Partners (GSIP- Goldman Sachs)	Very Good	28
8 <a href="#">Fondi Italiani Per Le Infrastrutture II</a>	EUR	1200	Fondo Italiano per le Infrastrutture (F2i)	Very Good	24
9 <a href="#">KKR Global Infrastructure Investors II</a>	USD	2000	KKR Energy & Infrastructure	Very Good	17
10 <a href="#">Sophomore Infrastructure Fund</a>			KKR Energy & Infrastructure	Very Good	17
11 <a href="#">EIG Triloma Energy Debt Fund 2015</a>	USD	500	EIG Global Energy Partners (TCW Energy)	Good	38
12 <a href="#">RREEF Pan-European Infrastructure Fund II</a>	EUR	2000	RREEF Infrastructure	Good	33
13 <a href="#">EISER Infrastructure Fund II</a>	EUR	1500	EISER Global Infrastructure Fund	Good	30
14 <a href="#">Arcus European Infrastructure Fund II</a>	GBP		Arcus European Infrastructure	Good	28
15 <a href="#">DIF Infrastructure V</a>	EUR	1000	Dutch Infrastructure Fund	Good	25
16 <a href="#">Brookfield Global Infrastructure Securities Income Fund</a>	CAD	325	Brookfield Infrastructure Funds	Good	22

 Search other Sought-After Managers that are fundraising via the SecondaryLink Fund Screener: [www.SecondaryLink.com/funds](http://www.SecondaryLink.com/funds)

## Why do primary investors look at secondary demand?

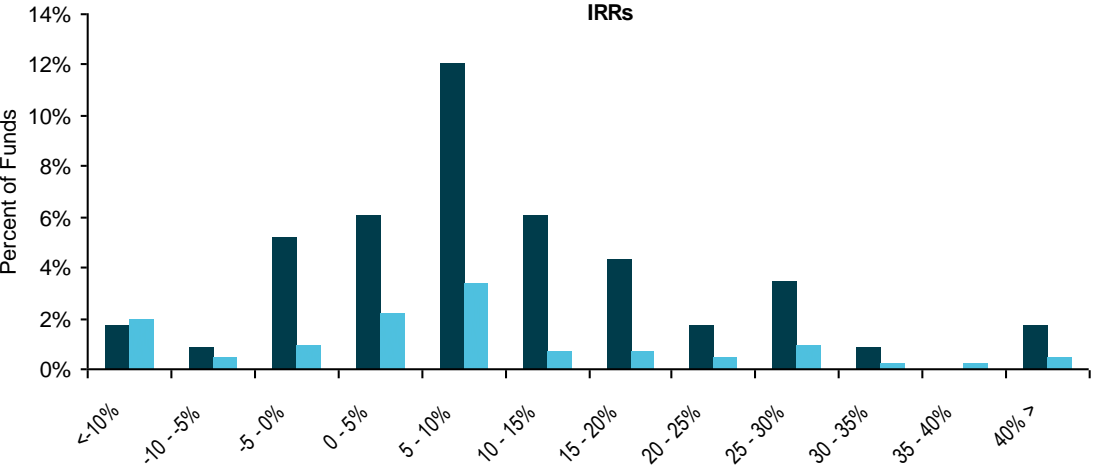
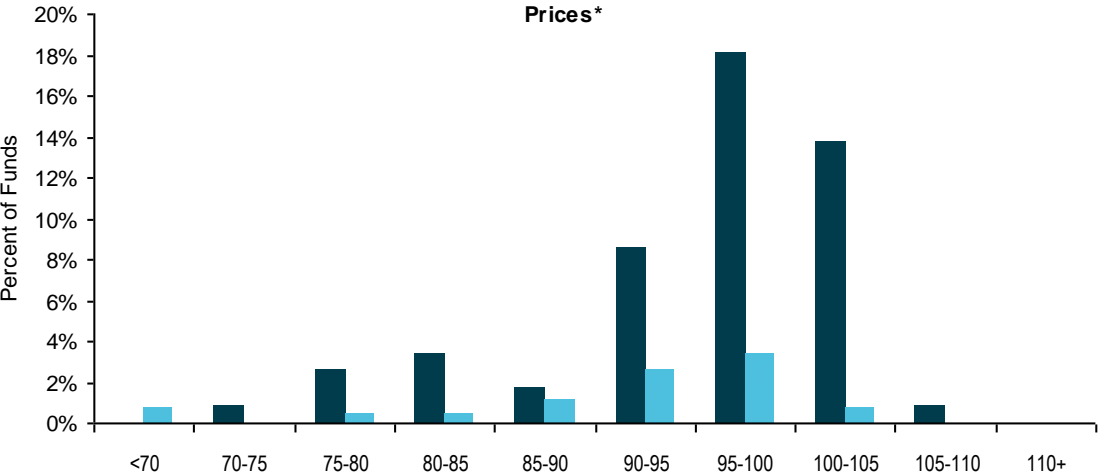
Strong secondary market demand suggests a fund is popular among LPs and may be an interesting primary candidate  
 Low secondary market demand suggests additional liquidity risk in the future

 Search a fund's Liquidity Rating via the SecondaryLink fund screener: [www.SecondaryLink.com/funds](http://www.SecondaryLink.com/funds)

# How do the Most Sought-After Funds Compare to Less Saleable Funds?

Strategy: Infrastructure - Q3 2017

Below is a comparison between the funds of the Most Sought-After managers (which are listed on the previous pages) and funds of Unrated managers.



### Noteable Differences

With respect to buyer demand, there are significantly more Prime Buyers\* for the Most Sought-After Managers than for the managers with a Setter Liquidity Rating of Unrated:

- Avg. Number of Prime Buyers TOP 25: 35
- Avg. Number of Prime Buyers Unrated: 2

Accordingly, the funds of Most Sought-After Managers price better than funds of Unrated managers:

- Avg. Price TOP 25: 94.65% of NAV
- Avg. Price Unrated: 90.75% of NAV

Not surprisingly, the Most Sought-After Managers' funds have performed better than those of Unrated managers:

- Avg. IRR TOP 25: 9.16%
- Avg. IRR Unrated: 6.90%

The Most Sought-After Managers also tend to have raised the most capital - on average they have raised more funds and larger funds than Unrated managers:

- Avg. Fund Size TOP 25: 1,114M
- Avg. Fund Size Unrated: 701M
- Avg. Number of Funds Raised TOP 25: 4
- Avg. Number of Funds in Raised Unrated: 1

\* Please see the last page for definitions and report limitations. This report should not be relied upon to make investment decisions. Pricing is subject to selection bias (e.g. it is more difficult to get pricing for Unrated funds, resulting in lower priced funds being underrepresented).

# Definitions

---

Exposure: NAV + Undrawn

Prime Buyers are buyers that are existing investors in the fund family, have it on their shortlist or have recently priced it. Other buyers, who have a general interest in buying this type of fund but not the fund specifically (“General Buyers”), are not included in the number of indicated prime buyers

The Setter Liquidity Rating (SLR) is a subjective measure of the relative liquidity of non-redeemable alternative investment funds and is not a measure of the investment merits or quality of a fund. The SLR and number of Prime Buyers are determined by Setter Capital and rely in part on subjective assessments of: the seriousness, capacity and number of interested buyers for a fund; and the ease of transfer. The SLR and number of Prime Buyers should not be relied upon to make any investment decision or to predict the future liquidity of a fund. Also, the SLR is not intended as a measure or indicator of the liquidity of a fund's underlying portfolio holdings. The SLR applies to an entire series of funds, or 'fund family', and individual funds within a fund family may be more or less illiquid than the SLR indicates. For instance, lightly funded funds or very old funds are often less liquid than funds that are greater than 30% funded or less than seven years old. Also, smaller interests and very large interests have fewer buyers with less liquidity. The liquidity of a fund and the SLR can change at any time, as demand for a fund family changes or transfer becomes more or less restrictive or Setter Capital re-evaluates or gains new insight into a fund's relative liquidity. See the article 'Setter Capital Liquidity Rating' for more details. The SLR is not provided as a service and Setter Capital, SecondaryLink and DiligenceLink therefore assume no responsibility for any losses alleged to be the result of the use of the SLR or for any purported reliance upon the rating. The SLR may be flawed and Setter Capital welcomes suggestions to improve its usefulness.



# Disclaimer

---

By accepting this document you agree to all the terms hereunder. This document has been provided to you by Setter Capital for information or discussion purposes only & is confidential and may not be copied or distributed, in whole or in part, to any third party without the prior written consent of Setter Capital. This document is not, & should not be construed as, marketing material for any investment opportunity, or an offer, solicitation or a recommendation to take any investment action, or participate in any investment strategy or sale of securities.

Actual price or results may differ materially from those indicated in this document. Return data, prices, benchmarks and performance information contained herein are not indicative of future results and may be out of date and/or inaccurate.

This document may contain opinions, estimates, prices, ratings & forward-looking statements which are subject to various risks, changes & uncertainties. Setter Capital undertakes no obligation to update or revise ratings, prices & other information contained herein.

This document has been prepared without taking into account any party's objectives, financial situation or needs. This document should not be construed as legal, tax or investment advice; any investment action with respect to any investment opportunity that may be referred to herein should be made only after appropriate and independent due diligence.

Setter Capital has not independently verified any information provided or available to Setter. No representation, warranty or guarantee, express or implied, is made as to the accuracy, reasonableness or completeness of the information, observations, opinions, ratings and conclusions contained in this document. Setter Capital and their respective directors, employees or representatives expressly disclaim any responsibility or liability relating to any losses alleged to be the result of the use of or purported reliance upon the Setter Liquidity Rating or any of the information contained herein.

# About Setter

---

Established in 2006, Setter Capital is a leading independent advisory firm specializing in providing liquidity solutions for fund managers and institutional investors in the secondary market for alternative investments. We serve a diverse institutional client base including some of the world's largest pensions, endowments, investment consultants and fund managers. To date, Setter Capital has completed over 5000 transactions, representing more than \$25 billion in liquidity across venture capital, private equity, infrastructure, real estate, real asset, and hedge fund investments.

Setter Capital's mission is to make the secondary market more transparent and efficient for all market participants. To this end, Setter provides the market with complimentary secondary market research and analytical tools such as:

## [The Setter Liquidity Rating™](#)

A unique rating system that allows buyers, sellers and creditors to assess the relative liquidity of over 7000 different fund families.

## [The Setter Volume Report™ and the Setter Price Report™](#)

Two semi-annual reports that provide the most comprehensive and accurate assessments of the secondary market. Data is based on pricing of over 1900 funds and a survey of over two thirds of the most active secondary buyers globally.

## [SecondaryLink.com™](#)

A professional network where over 5000 institutional LPs and GPs connect on primary due diligence and the secondary market.

Setter Capital Inc.  
77 Bloor Street W. Suite 1220  
Toronto, Ontario, Canada  
+1 (416) 964-9555

[www.settercapital.com](http://www.settercapital.com)