

Third close on cards for abrdn fund

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abrdn Core Infrastructure is building a head of steam on the third iteration of its core infra investment strategy with momentum taking it towards third close in the middle of next month (February 2023).

Aberdeen Standard Core Infrastructure Fund III (ASCIF III) has a target size of €1 billion (\$1.1bn) and has so far pulled in:

- first close – €311 million – February 2022
- second close – €411 million – July 2022
- third close – bringing in a further €125-150 million to take it to €536-561 million – mid-February 2023

The vehicle focuses on European small-to-mid market Core / Core+ infrastructure opportunities in the utilities, transport, energy and digital sectors with equity investments ranging in size from €100 million to €200 million.

ASCIF III targets net IRR of 8-10% with a running yield of 4-5% paid semi-annually. It has a term of 10 years from final close (investment period runs up to 3 years from final close) with LP options to extend in 5-year increments or orderly realisation over 3 years.

Its first investment was made in September 2022 when the fund manager [acquired Wessex](#) – a rural fibre business in the UK.

ASCIF III is a direct continuation of abrdn's strategy adopted by the fully-invested [SL Capital Infrastructure Fund II](#) which has a vintage year of 2019 and raised €669 million, having hit final close in November 2020. It has closed 8 deals across district heating, storage, solar, fibre and train rolling stock segments.

The first iteration – SL Capital Infrastructure Fund I – has a 2015 vintage having made it to final close at £516 million in February 2017. It has closed 7 deals across utilities, storage and transport.

The new vehicle – ASCIF III – has management fee of 80bp on NAV (no fees on commitments or undrawn capital) and scale discounts of 5bp for commitments of greater than €50 million and 10bp for commitments of more than €100 million.

Advisers to the fund include:

- Macfarlanes – legal

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