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Contact: Markus Anliker (markus.anliker@istfunds.ch; +41 44 455 37 02)

Successful 3rd closing of IST3 INFRASTRUKTUR GLOBAL: Swiss pension funds are increasingly investing in infrastructure assets

The IST Investment Foundation was able to bolster its leading position in providing alternative investment solutions to the Swiss pension fund community. In a successful fund raising effort for IST3 INFRASTRUKTUR GLOBAL, a discretionary vehicle focusing on private infrastructure equity investments, the fund's total commitments increased to more than CHF 784 millions as part of a third closing held on 30 September 2018.

The number of limited partners in the fund expanded significantly on the back of not only existing investors increasing their commitments, but also new investors joining the offering. This illustrates the increasing importance of private infrastructure equity as an asset class and in a portfolio construction context for Swiss pension funds.

Since its launch in December 2014, the dedicated and growing investment team was able to continuously deploy the fund's capital through the completion of 18 transactions. The existing portfolio is defensive in nature and well diversified across geographies and sub-sectors, targeting to offer stable cash yields and a certain level of inflation protection to investors. Selected milestones in the continuous development and expansion of the portfolio were the direct acquisition of a minority stake in a major Swiss gas transmission pipeline, the majority acquisition of the largest forest wind park in Bavaria with 53 MW installed capacity, and the majority acquisition of a large 24 MW solar park in Germany.

IST3 INFRASTRUKTUR GLOBAL aims at pooling Swiss pension fund capital to provide its investors with exposure to infrastructure assets at the lower end of the risk / return spectrum across OECD countries. The investment strategy includes the capability to do direct and indirect investments, whereas blind pools are generally avoided. Eligible sectors are transportation, energy generation and transmission, water systems, communication, and social infrastructure, with a focus on operational assets as well as predictable cash flow patterns. Military, nuclear energy and prisons are excluded from the vehicle's direct investment activities.

IST3 INFRASTRUKTUR GLOBAL is part of the IST Investment Foundation, which was founded in 1967 and manages around CHF 9 billion in capital for more than 500 Swiss pension funds, providing transparent, cost efficient and best in class traditional and alternative investment services. The platform and its offering are governed by Swiss law and regulated by the Federal Occupational Pension Supervisory Commission (OPSC).