

## Westbourne Capital seeks \$300 million for new fund

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Infrastructure debt specialist Westbourne Capital is about to start raising capital for a second fund. After the first vehicle, established in late 2010, attracted more interest than expected, closing at \$272 million against a target of \$200 million, this time around the Westbourne crew is aiming for \$300 million. A soft close is slated for the end of September.

Potential investors can expect a portfolio containing a wide range of Australian and international infrastructure debt. The first vehicle participated in loans to ConnectEast, the owner and operator of the EastLink motorway between Melbourne and Frankston in Victoria, the Dampier to Bunbury natural gas pipeline in WA and the Dalrymple Bay Coal Terminal. Offshore, it extended loans to Heathrow Airport, Thames Water and Peel Ports in the United Kingdom and a toll road in France.

Since its inception, the fund has returned 8.2 per cent gross annually to its 11 investors, most of which are superannuation funds.

Westbourne's success in amassing \$1.8 billion of capital since it was set up by a group of former Hastings Funds Management executives is a signal of super funds' determination to diversify their portfolios as much as possible. It also points to the evolution of Australia's financial system towards one in which retirement, rather than bank, savings, play a much bigger role .

A major study published earlier this month by the Australian Centre for Financial Studies argues that banks will lose importance as financial intermediaries because they are unlikely to succeed in replacing falling retail deposits with deposits from other sources, such as super schemes.

Most of Westbourne's \$1.8 billion of capital is managed on an individual mandate basis, with cornerstone investors including the Future Fund.

The Australian Financial Review



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