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News & Analysis

HK Summit: 'Is listed infra fake or real?'

EDHECinfra's Frédéric Blanc-Brude went head-to-head with David Bentley, of GIP-backed ATLAS Infrastructure, in an Oxford-style debate.

By **Nia Tam** - 18 hours ago



Finadvice's Jeffrey Altman (middle) moderating the big debate on listed infra between EDHECinfra's Frédéric Blanc-Brude (left) and ATLAS' David Bentley.

It has become, somewhat unexpectedly, one of the **hottest topics of the year**: is listed infrastructure real or fake? Frédéric Blanc-Brude, director at Singapore's EDHEC Infrastructure, has been crystal clear that he sees listed infrastructure as **"fake infra"**. At our Hong Kong Summit today, he went head-to-head with David Bentley, a partner at listed manager **ATLAS Infrastructure**, which is backed by one of the biggest names in the industry – **Global Infrastructure Partners**.

Blanc-Brude started off by stating that "listed infrastructure, as an asset class, does not exist". He cited his institute's research looking at more than 100 products tagged listed infrastructure and pointed out that around half of these funds' capital was not invested in infrastructure-related companies, but was rather invested in the likes of Microsoft and Amazon, among other non-infrastructure companies.

In terms of returns and performance, the “actively listed infrastructure sector” not only is as risky as the ‘regular’ stock market, but also fails to deliver traditional infrastructure characteristics. “If investors put money into listed infrastructure products and they crash with the stock market, these infrastructure investments will not save them,” said Blanc-Brude.

Bentley, however, argued that EDHECinfra’s viewpoint doesn’t account for the mandates of large institutions. He pointed to the “real” listed infrastructure market – now worth around \$100 billion – which is concentrated on a narrow range of specialist managers, through funds and separate accounts. He also stressed that real listed infrastructure products – fundamentally, infrastructure projects and companies that are listed on stock exchanges – do exist.

Bentley admitted volatility is a listed market’s reality and fund managers need to adjust their portfolios from time to time and do the hard work of analysing the underlying assets of these listed products. “Portfolio strategies don’t change every day and fund managers should ensure good communication with investors, so they don’t panic and are patient for the long term,” he said.

What is more, Bentley’s analysis showed that, over the long term, both listed and unlisted infrastructure assets behave almost the same in terms of performance and recovery.

So, is listed infrastructure real or a fake? We polled our audience after the debate and... it was a tie. Expect this discussion to continue for many months to come.

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