

INVESTMENT

AMP Capital's Irish infra fund eyes up healthcare assets



Ireland is renowned for its folklore and fairy tales. But there's nothing fanciful about the nation's case for infrastructure investment. AMP Capital's Irish Infrastructure Fund (IIF), formed in 2012, is on course to grow its portfolio of assets to €1 billion in the next five years as it sets its focus on Ireland's healthcare sector

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Co-managed by AMP Capital and Irish Life Investment Managers, the IIF is well-diversified with assets across the energy, communications, healthcare and social/PPP sectors. These include cyclone wind farms, telecoms tower business Towercom, the Dublin Convention Centre and Enet, an open-access fibre and wireless provider that is the sole remaining bidder for rolling out the Irish state's rural broadband scheme.

But it's the healthcare sector that provides some of the most attractive investment opportunities as the fund conjures up plans to deploy €500 million of capital over the next three-plus years.

Why the focus on infra health?

The importance of investing in health has long been acknowledged as a key social goal, underpinned by strong political and historical commitment. At AMP Capital, we believe the provision of health services is considered by most, if not all developed societies, to be the very definition of an essential service.

Despite this, the concept of infra health is not a term traditionally used within the infrastructure space. There is still some confusion around what exactly is meant by infra health but, essentially, it's

an opportunity within the broader health sector that encompasses asset heavy healthcare providers.

Pharmaceutical brands and biotech companies sit outside the infra health umbrella. Instead, AMP Capital is focused on services that encompass primary, social, elderly and specialist care. Private hospitals also sit within our target definition, reflecting our perception of trends in patient-centred healthcare leading to a desire on the part of policy makers to move away from acute care environments that are typically more expensive and unsuitable.

Shoulder to shoulder

The IIF is looking to leverage AMP Capital's in-house expertise across infra health. Having successfully managed Opal – a market-leading aged care provider in Australia – since 2005, we have a strong track record of acquisition and integration of healthcare assets, with 10 completed transactions worth over \$1.6 billion on behalf of funds and clients over the past decade. The recent acquisition of Regard – the UK's fourth largest specialist care provider – marks our first foray into the UK specialist care market and provides a telling example of how deal experience and proficiency can

be transferred to similar care environments across geographies.

Early last year, the IIF established Valley Healthcare as a vehicle targeting primary care centres (PCCs) in Ireland. Since then, Valley Healthcare has acquired three PCCs with a further €100 million to spend in similar vein. The target is to expand the network to 15 centres within three to five years as the fund looks to build and manage centres across rural Ireland, while delivering improved non-acute health services more efficiently. The IIF is also actively assessing the currently fragmented Irish private hospital market.

As a local investor, the IIF has a unique advantage across the infrastructure market. Ireland is the Eurozone's fastest growing economy and that translates into a strong pipeline of investment opportunities across infra health and social housing, as well as data centres and Ireland's nascent solar PV sectors being other areas of interest.

Ireland's calling, and the opportunities are plentiful. ■

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