

BNY MELLON'S ROLE IN INFRASTRUCTURE INVESTING

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Alan Flanagan: There is a significant shortfall in public finances to meet the demand for investment into infrastructure. As the increase in competition for quality assets and projects takes hold, managers are starting to diverge away from maybe core infrastructure into value-add and opportunistic-type allocations. This ultimately does require a different skillset that is needed within the management team equipped to hold those strategies.

I think some of the main challenges is really around the competition for assets. The price compression that has occurred in the market is putting more pressure on asset managers in the alternative space to do more with less. This comes at a time when institutional investors are seeking greater transparency into their allocations. There is a lot more ad hoc reporting being requested and that is putting more and more demand on asset managers' back office.

Sonal Patel: There are many challenges to investing in infrastructure. One of the main challenges is transparency of information. The information that is really gathered in some of these complex instruments can be very time consuming, and the way that it is given to investors as it relates to the complexity of the fund, the information around what is actually accessible is something that needs to be given to the investor in a timely manner. A service provider and any one that you're partnering with to get this information has to understand the deliverables and the timeliness that you need to actually capture the data and actually give it back to the investor base.

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