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North American institutions are planning long-term investments in foreign infrastructure and are pumping billions of pounds into Europe, a report from Armstrong International shows.

Based on a survey of 305 North American institutional investors in the first quarter 2015, it indicates that managing liabilities in a low interest rate environment is proving particularly tough. Now, in a search for yield, they are looking for fresh

increase their allocations in Europe. Of the remainder, three quarters said that they are actively considering European investments.

"This is a pivot point for Europe," said Martin Armstrong, Chairman of Armstrong International. "We've never detected this level of positive sentiment on the part of North American institutional investors. It feels very much like a land grab. After a tepid decade, this level of investment enthusiasm implies that Europe is a re-emerging economy."

The report finds that institutional investors have concluded that even though the assets are illiquid, they deliver a high income at a time when other traditional fixed income yields are at historic lows.

The government of China has been a substantial investor in infrastructure beyond its borders for a decade now, with some experts estimating that it is responsible for funding up to half the world's infrastructure projects. The Armstrong study suggests that by increasing their exposure to this sector, North American investors active overseas will add interesting competition to the marketplace. 'Could this be a harbinger of future international bidding wars between the two trading superpowers?' speculated one financial commentator.

Armstrong's survey of investment bodies encompassed public pension funds, public universities, private foundations and endowments in the U.S. and Canada with assets under management ranging from $1billion to $200+ billion.

Among its key findings were that alternative investments – especially private equity, real estate and infrastructure – are becoming increasingly attractive to North American investors, with European investment opportunities high on the shopping list.

Second and third place destinations for foreign investment are Asia and Sub-Saharan

Increasing direct investment and having boots on the ground are two of the themes that come out of the report. There is an interesting positive correlation: investors who are increasing their allocations to foreign alternative investments also indicated that they would in all likelihood need to build a talent base in London and Europe's other major financial centres.

'Against the backdrop of a fast-recovering economy here in Britain, these findings can only be seen as an encouraging sign of future growth in the financial jobs sector,' said Martin Armstrong.

Armstrong International, an independent, specialist executive search firm

focused on financial services – particularly asset management and capital markets – carried out its survey after receiving an increasing number of enquiries from North American Institutional Investors regarding the establishment of direct investment activities in Europe.

The majority of those investors emphasised alternative Investments, particularly in the private markets, as the primary sector of interest.

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