



Infrastructure investing maven Lepin is back

Under Ron Lepin (pictured), OTTP and Morgan Stanley became the intelligentsia of a then burgeoning asset class. With Toronto start-up Bastion Infrastructure Group on the horizon, Lepin is making a comeback.

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Upon his arrival there in 2002, Ron Lepin helped mould the Ontario Teachers' Pension Plan (OTPP) into a leading direct investor in infrastructure. Later, with Morgan Stanley, he presided over what would become today a \$4 billion infrastructure fund.

But now, in 2012, Lepin is once again attempting to build a top-flight infrastructure investment business – his own.

Lepin, who left Morgan Stanley Infrastructure (MSI) in 2009, has resurfaced to head his own company, Bastion Infrastructure Group, *Infrastructure Investor* has learned.

A self-described "entrepreneurial start-up infrastructure investment management firm," a basic website for Bastion listed Lepin as president and chief executive, along with naming David Kaposi as partner and head of investor relations. Kaposi, ex-global head of alternative investment consulting with Mercer, will lead fundraising.

Reached in Toronto, where Bastion is based, Lepin refused to go into detail about his latest undertaking, explaining that he wanted to put together a press and marketing plan before discussing the company.

But a recent job offer for an executive assistant placement described Bastion as "a global infrastructure fund focused on infrastructure projects in OECD countries." The job posting also speaks of building a core team of up to eight professionals. Currently, Bastion's website lists four people working for the firm.

The creation of Bastion is a return to form for Lepin – a platform builder whose career and professional resurgence call to mind the rutted rise of infrastructure in institutional asset allocation.

Lepin in the late 1990s broke into the asset class with 'Big Four' accounting firm PricewaterhouseCoopers (PwC), where he worked in project finance law. By 2002, he was with OTTP, a pension fund administrator then managing \$68 billion.

With OTTP, as vice president, infrastructure, Lepin in effect acted as chief operating officer (COO) of the OTTP infrastructure programme, helping to build out the programme during his five years at the firm. By the time he left in 2006, Teachers' was widely regarded as a pioneer – a plan sponsor that invested directly in infrastructure.

His next posting, storied financial institution Morgan Stanley, was a telling one for the industry, as well as the people working in it.

Investing private capital in public infrastructure – a long-standing practice in Australia in the UK – was burgeoning as a novel innovation in America, and Wall Street firm Morgan Stanley was intent on spearheading that trend.

That became apparent in 2008, when Morgan Stanley, in a landmark US public-private partnership (PPP), won an on-street parking concession in Chicago – a deal that netted Morgan Stanley \$1.6 billion upfront.

And for Lepin, that year Morgan Stanley teamed with OTTP to acquire SAESA Group, a utility in Chile, for \$887 million (Morgan Stanley in 2011 sold its stake to Alberta Investment Management Corporation). Morgan Stanley also took an 80 percent ownership in the Montreal Gateway Terminals Partnership.

Lepin left Morgan Stanley in May 2009.

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