

INFRASTRUCTURE: PRIVATE VS. PUBLICLY LISTED

Is it time to consider a change from private to publicly listed infrastructure?

IN THE UNITED STATES: FOR GENERAL PUBLIC USE.

IN ALL OTHER JURISDICTIONS: FOR INSTITUTIONAL, PROFESSIONAL, QUALIFIED INVESTORS AND QUALIFIED CLIENTS.

KEY POINTS

- While publicly listed infrastructure companies have delivered a similar risk-reward profile to unlisted infrastructure companies, there have been signals suggesting a decline in private infrastructure deal activity recently.
- At the same time, committed but undeployed infrastructure capital or “dry powder” has nearly tripled in less than a decade, with significant private infrastructure capital sitting idle during solid infrastructure performance.
- Public markets provide instant access to investment opportunities in infrastructure securities, with the potential benefits of liquidity and pricing transparency.

The investment environment for private infrastructure has been challenging—interest rates are high, and historical hurdle rates are becoming more difficult to attain.

At the same time, infrastructure deals in the private equity space have declined, leaving all-time-high levels of committed but unallocated capital, also known as “dry powder,” sitting on the sidelines.

In our view, holding private capital reserves could lead to missed opportunities, particularly as infrastructure markets continue to be robust, boosted by tailwinds from deglobalisation, electrification and artificial intelligence (AI), which continue to drive electricity demand and investments. Prior budgetary measures including the Infrastructure Investments and Jobs Act and Inflation Reduction Act have also helped to spur infrastructure activity. Given this backdrop, we believe this may be an opportune time to consider incorporating publicly listed infrastructure into allocations, as either a complement to, or a substitute for, unlisted infrastructure investments.

Public infrastructure securities are listed on exchanges and offer daily pricing and liquidity.

Private infrastructure is unlisted and may offer limited liquidity, if any.

Advantages of listed infrastructure

Both listed and unlisted infrastructure offer similar characteristics: the potential for yield, capital appreciation, diversification and the potential for inflation protection through an “inflation linkage” – the ability to adjust pricing of materials or services based on an inflation measure. Separately, we believe listed infrastructure has its own distinct set of advantages, including greater liquidity, potentially readily available access to the market, and real-time pricing transparency. The ability to gain immediate exposure to the asset class can be particularly beneficial in this environment given the declining deal activity and long-term risk/return profiles of private infrastructure. Likewise, we believe pricing transparency can be a key factor in determining the true risks of portfolios.

Strong performance profile for listed infrastructure

Through December 2025, publicly listed infrastructure demonstrated superior performance for both the five- and 10-year periods, while also displaying a competitive risk profile —the S&P Global Infrastructure Index (listed infrastructure) rose 10.97% for the 5-year period, while EDHEC Infra300® VW Equity Index (unlisted infrastructure) returned 8.70%. Public infrastructure also had a stronger risk profile for the five-year period.

With a competitive risk/return profile, we believe listed infrastructure could provide access to the potential benefits of infrastructure while seeking to maintain liquidity, pricing transparency and instant access to the asset class.

With an attractive risk/return profile to private infrastructure, public infrastructure opportunities may offer additional benefits, including daily liquidity, pricing transparency and immediate access.

Index	1 Year Total Return	5 Year Annualised Return	5 Year Standard Deviation	10 Year Annualised Return	10 Year Standard Deviation
Listed Infrastructure ¹	22.58%	10.97%	13.89%	9.42%	15.24%
Private Infrastructure ²	14.44%	8.70%	15.33%	6.97%	14.31%

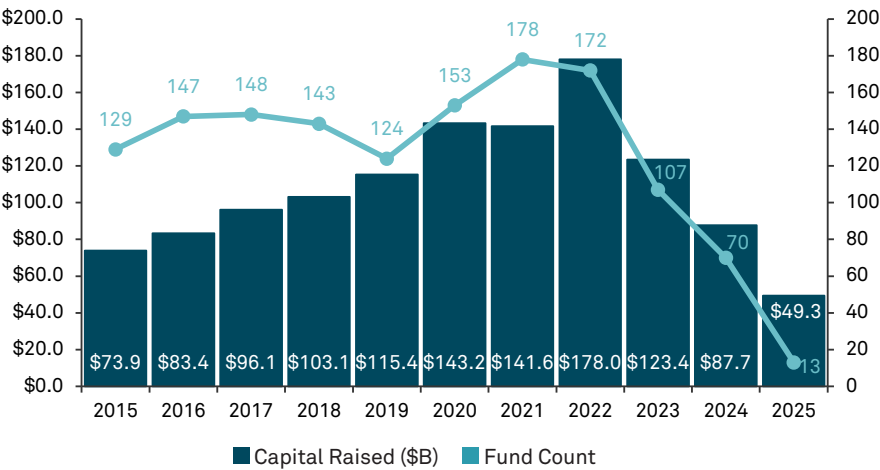
¹ Source: S&P Global Infrastructure TR USD, Morningstar as of 31 December 2025.

² Source: Infra300 Equity Report, Q4 2025

Greater accessibility with listed infrastructure

Private infrastructure has recently experienced a significant slowdown in deal activity. In 2023, fundraising dropped by 39.8% year over year and the number of vehicles reaching final close fell to its lowest level since tracking began in 1990, down 52%. In 2024, fundraising fell a further 29% year over year and the number of vehicle funds fell 35% year over year.

Infrastructure fundraising activity



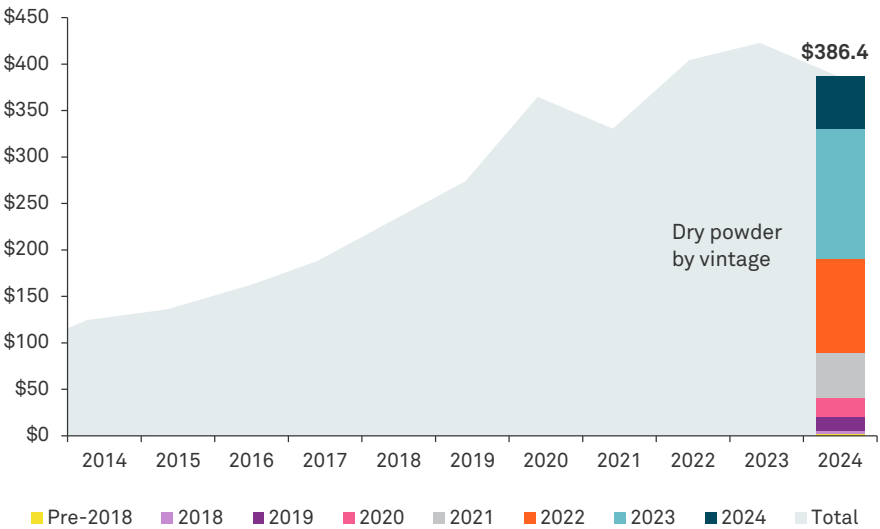
Source: PitchBook, Geography: Global as of 31 March 2025.
Chart is for illustrative purposes only.

Dry powder remains at high levels

Meanwhile, dry powder has nearly tripled in less than a decade. A large sum of the 2020-2022 vintages have yet to be allocated to infrastructure projects, according to PitchBook Data, Inc. In our view, there are missed opportunities here, given that infrastructure equities have risen 68% since the end of 2020 through December 2025 (source: Bloomberg).

In the publicly listed space, infrastructure has produced a more positive story. Public markets provide instant market access, which may make infrastructure investments more attainable, with the additional benefits of liquidity and pricing transparency. In our view, deal activity for existing private infrastructure is likely to remain challenged with uncommitted, liquid assets on the sidelines, owing to the appreciation in private infrastructure valuations over the last decade, combined with higher interest rates. To attract interest from potential buyers, private

Infrastructure dry powder (\$B)



Source: PitchBook, Geography: Global, estimates, as of September 2024.
Chart is for illustrative purposes only.

infrastructure valuations must compress to listed valuation levels, which would likely result in lower returns for current asset owners. Also, private infrastructure deals for the foreseeable future are likely to be financed at higher interest rates than the deals transacted over the last ten years, which could make historical hurdle rates difficult to attain.

Diversifying into listed infrastructure

We value the ability to invest in infrastructure with liquidity and pricing transparency. Private market valuations may continue to contract, and this may drag on the return outlook for private infrastructure, particularly relative to the last decade. For these reasons, and given the macroeconomic regime change over the last few years, we believe now may be an opportune time to consider including public infrastructure in their infrastructure allocations. Diversifying into listed infrastructure may generate similar returns while more effectively assessing the risk/reward trade-off in portfolios.

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