



**Q3 2025**  
***INFRASTRUCTURE LENS***

# Infrastructure market summary

Investor focus has switched to Core+ and Value Add strategies – demand for renewable power remains high, and will likely persist even in the US

- **Fundraising demand for Core+ strategies**

- LP risk preference demonstrates increased demand for Core+ strategies
- 2025 fundraising largely within Core+ and Value Add across Europe and North America

- **Buyers' market**

- Recalibrated expected equity returns due to higher interest rates and reduced dry powder
- Current environment remains attractive for Core/Core+ strategies, with equity returns up by over 200bps since the beginning of 2023

- **AI growth boosting data centre demand**

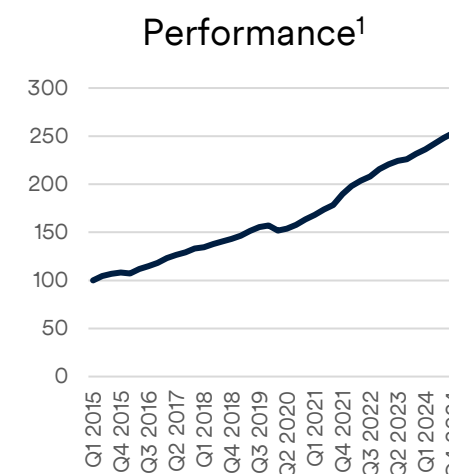
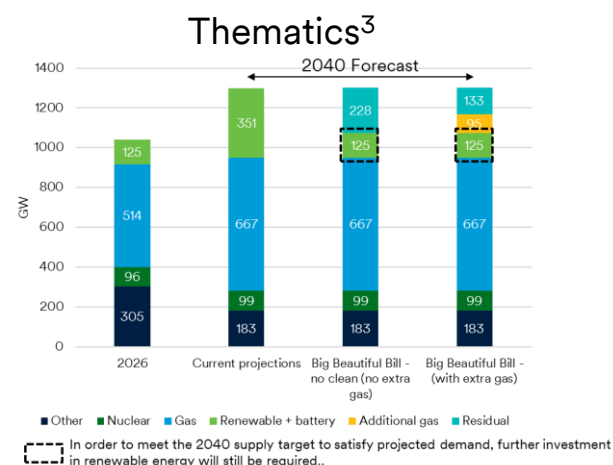
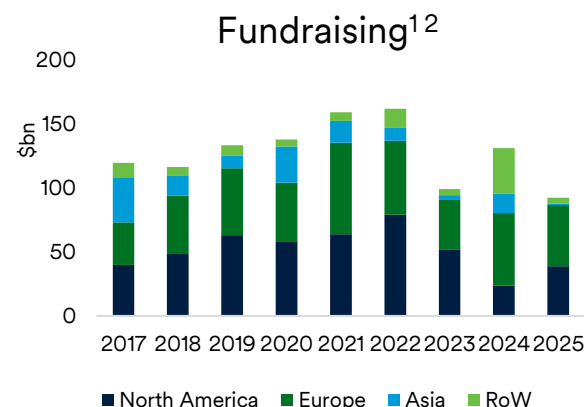
- Data centre deal activity surged in 2024, and this has carried into 2025
- Data centre deals more likely to involve infrastructure funds
- Broader deal activity remains subdued amid an uncertain environment

- **US renewables required to support growing energy demand**

- US gas expansion insufficient on its own
- Solar and onshore wind expected to remain competitive in certain markets without subsidy

- **Steady infrastructure returns over the past decade**

- Consistent performance over multiple time periods



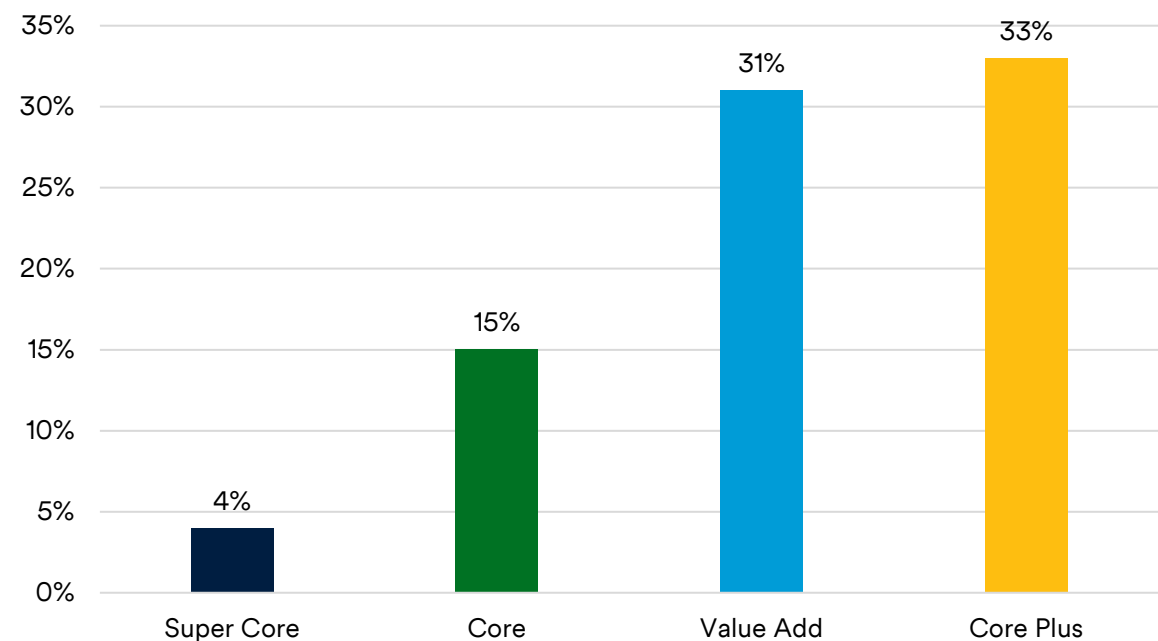
Past performance is not a guide to future performance and may not be repeated.

Source: <sup>1</sup> Preqin Pro. Data as of August 2025. <sup>2</sup> Inclusive of all infrastructure strategies. <sup>3</sup> Baringa Partners LLP, July 2025.

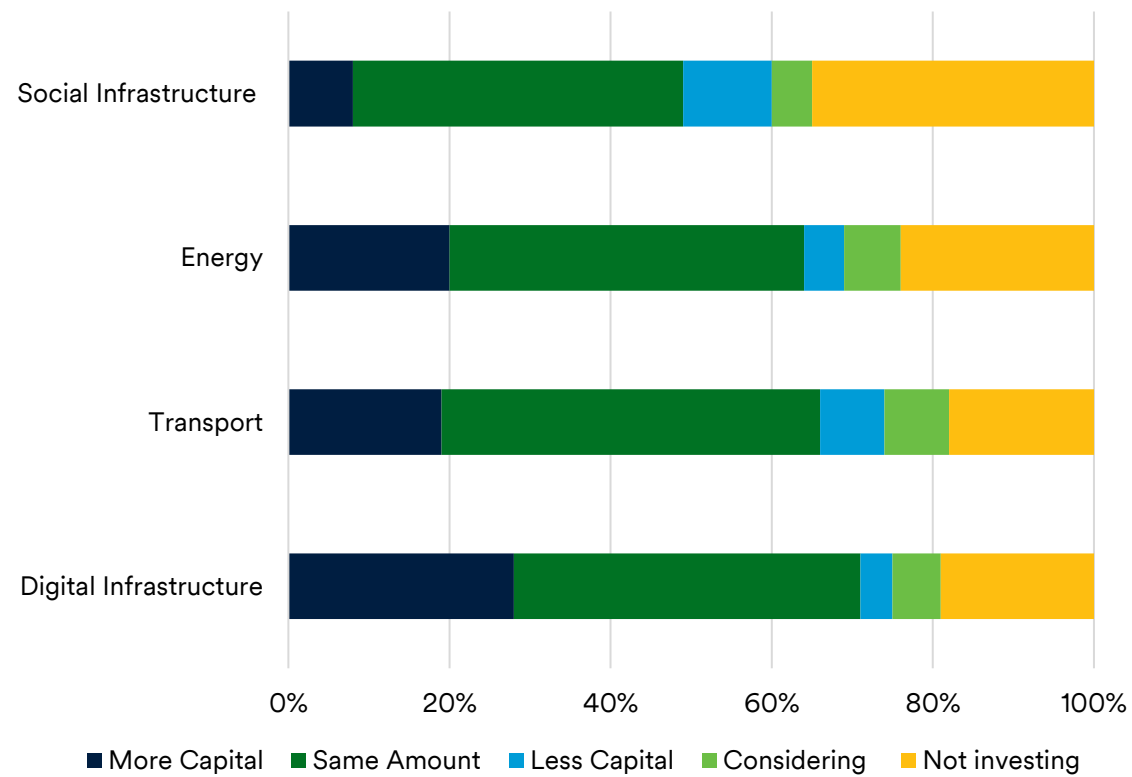
# Sustained appetite for Core+ infrastructure investments

Energy remains a key sector focus, with only Digital Infrastructure seeing more investors intending to invest further capital

Risk preference for LPs demonstrate increased demand for core-plus strategies<sup>1</sup>



Investor preference by sector<sup>1</sup>

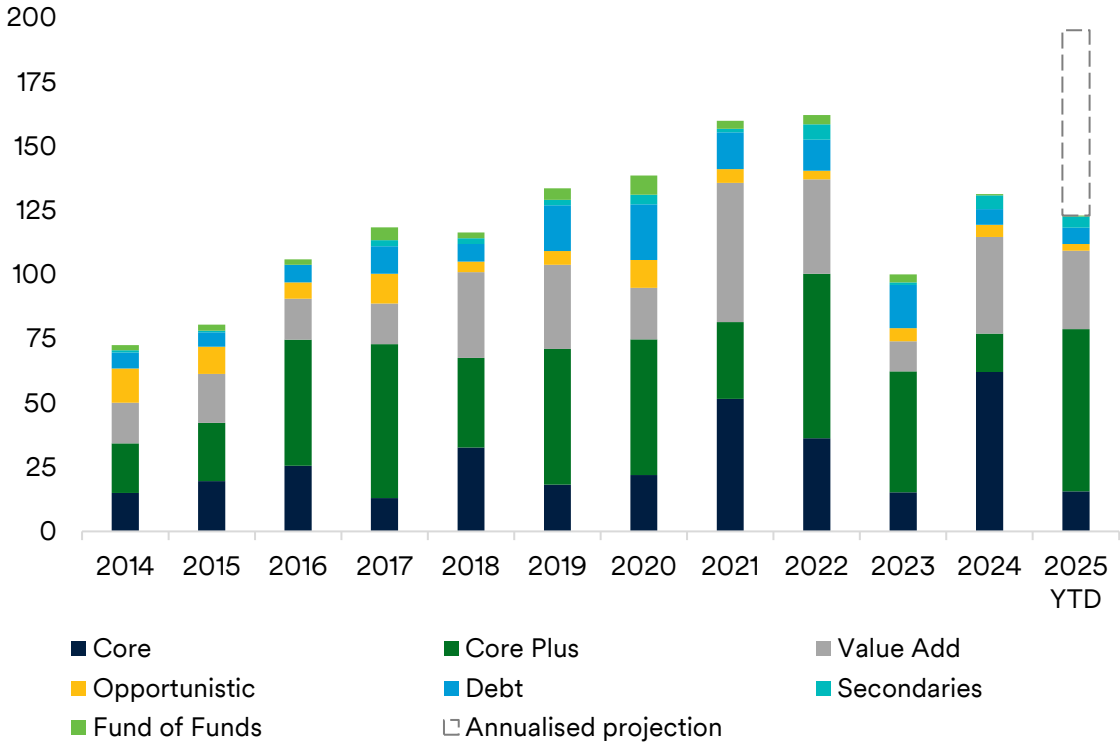


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Source: <sup>1</sup>CPIP and Hodes Weill & Associates' 2025 Institutional Infrastructure Allocations Monitor, Barclays Research June 2025

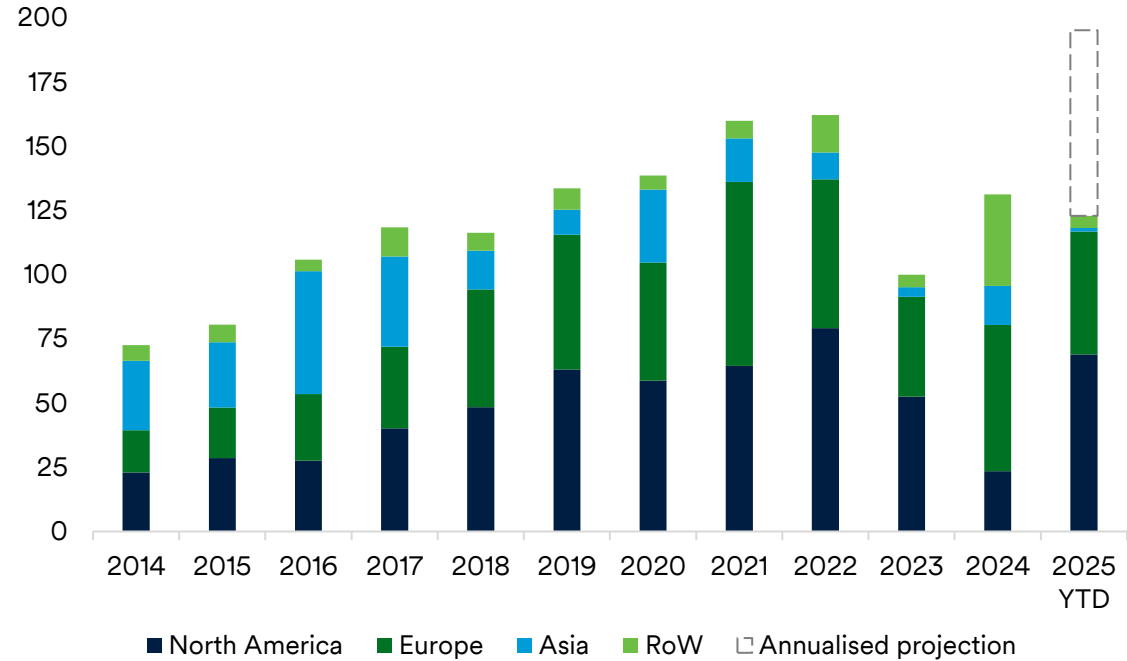
# Fundraising picking up after prolonged slowdown

2025 fundraising largely within Core+ and Value Add across Europe and North America

Fundraising by strategy (USD bn)



Fundraising by region of investment focus (USD bn)

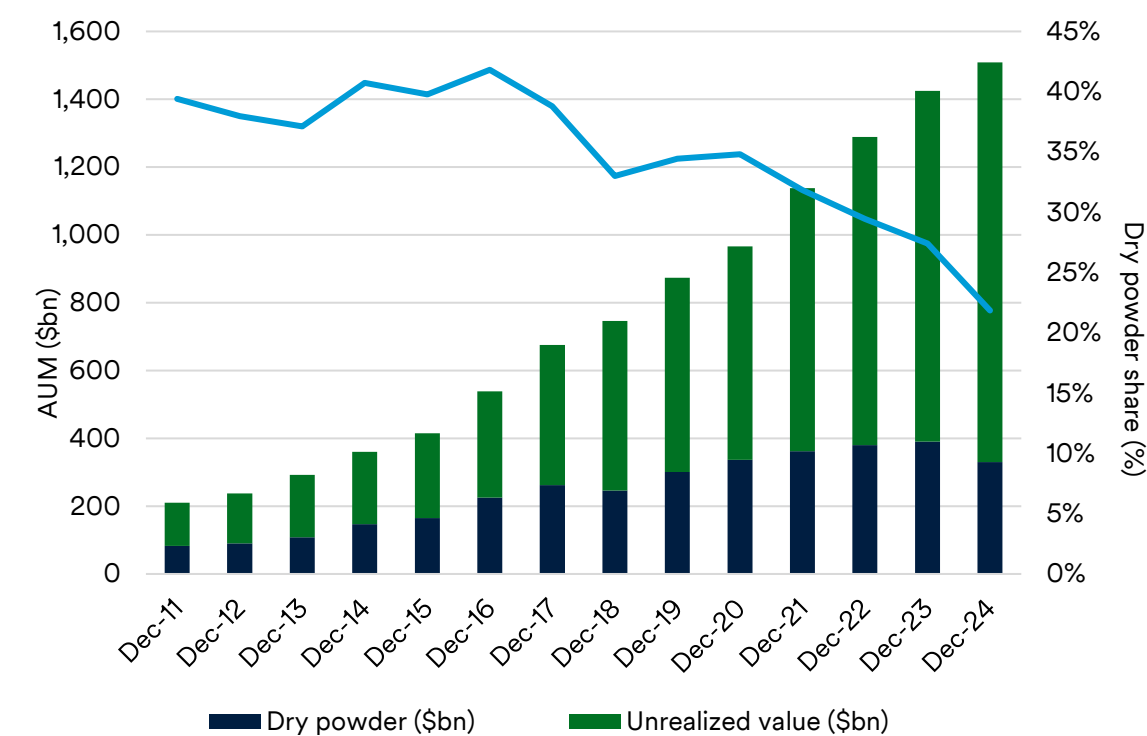


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Source: Preqin Pro, Schroders Greencoat LLP. Data as of 19 August 2025.

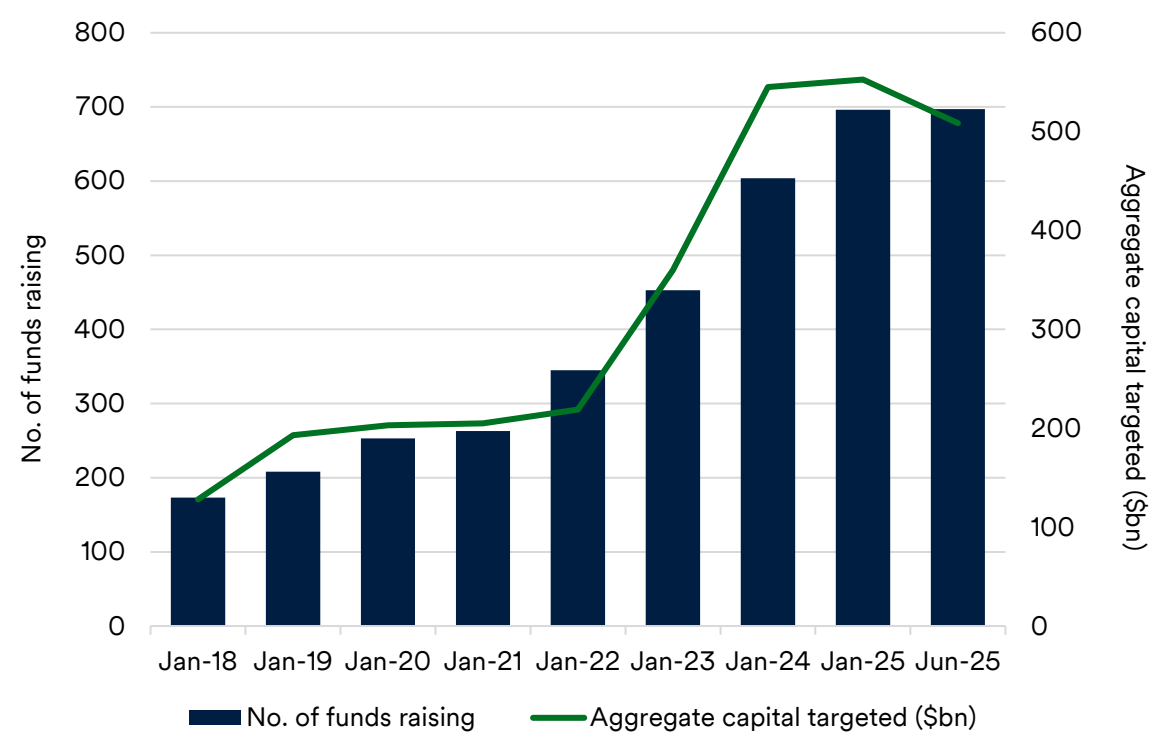
# Dry powder has fallen

Funds available to invest have declined as result of the lower fundraising environment, even as AUM continues to rise

Unlisted infrastructure AUM and dry powder<sup>1</sup>



Funds in market stabilises, while capital targeted has fallen



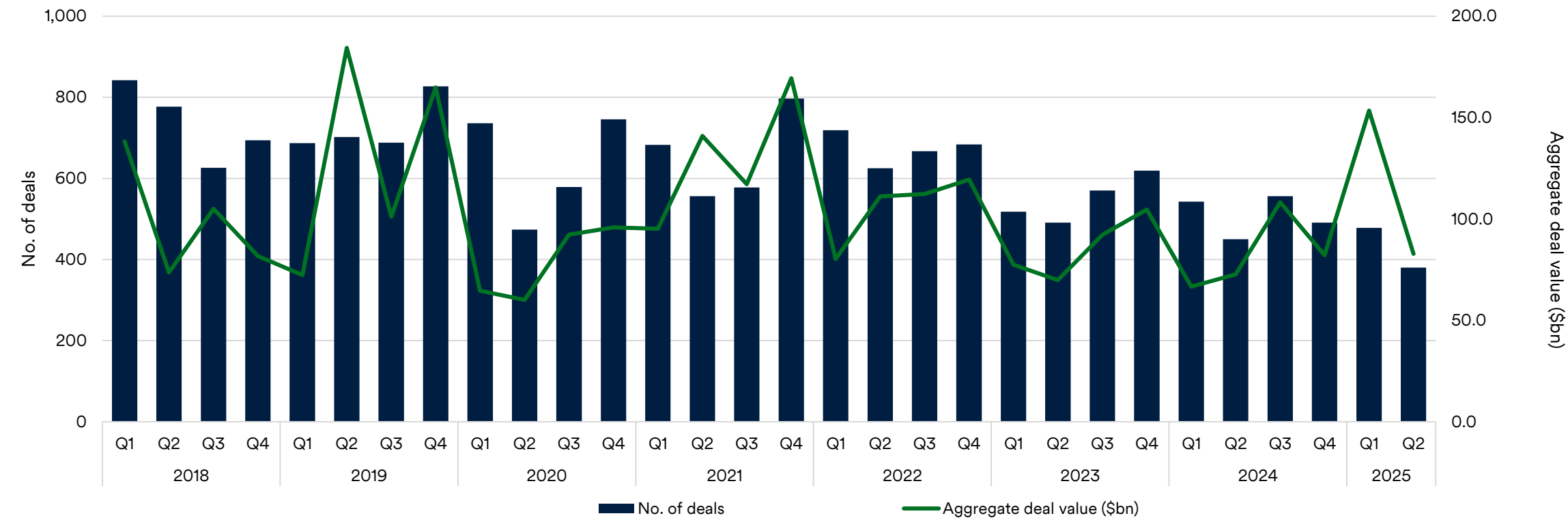
Scarcity of available capital has contributed to increasing equity returns

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Source: Preqin Pro. Data as of 5 August 2025. <sup>1</sup>Does not include fund of funds or secondaries.

# Deal activity remains slightly subdued

Aggregated deal value spiked in Q1 2025

Global infrastructure deal activity by volume and value

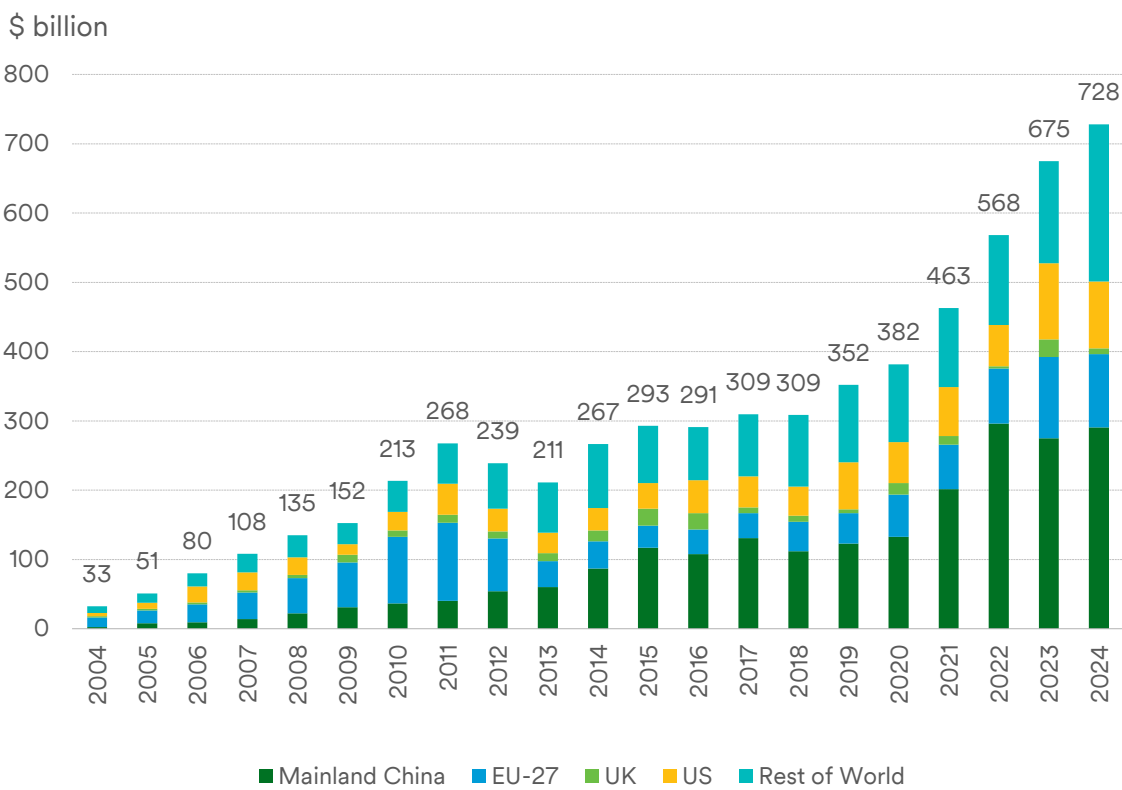


Past performance is not a guide to future performance and may not be repeated.  
Source: <sup>1</sup>Preqin Pro. Data as of 5 August 2025, Schroders Greencoat, 2025.

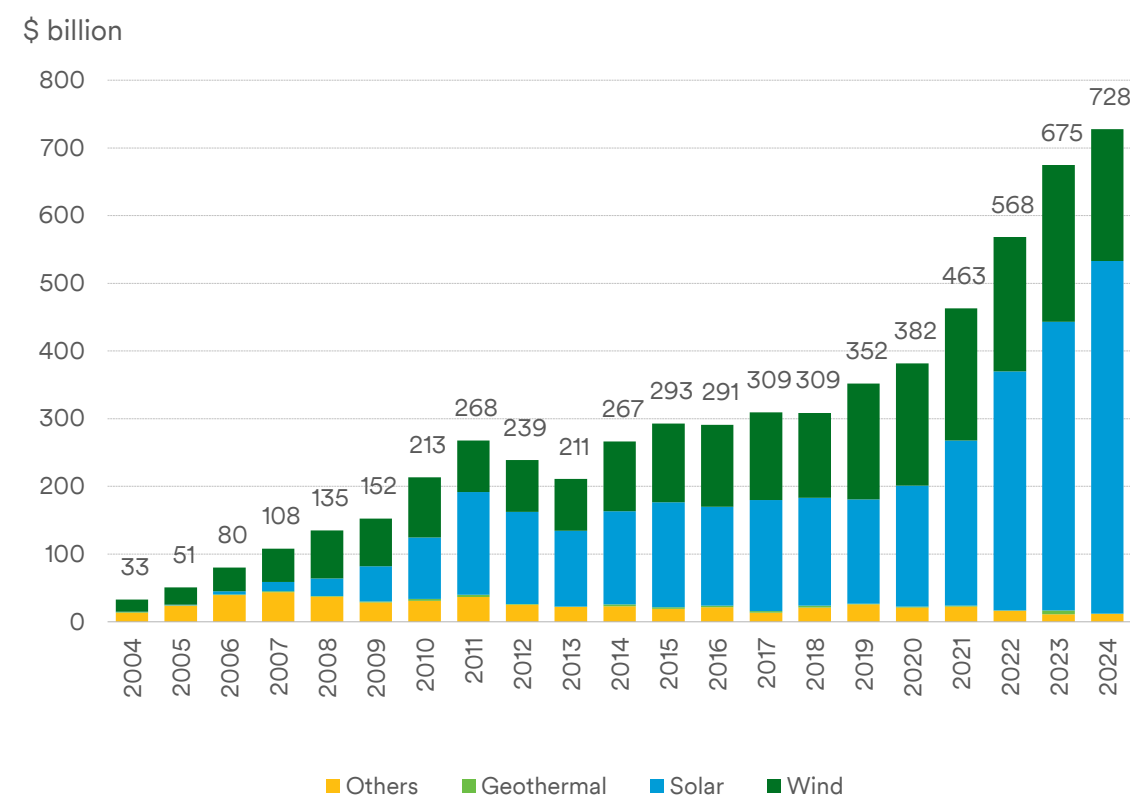
# Proliferation of renewable energy

Investment growth driven within China and solar technologies

Renewables investment by region



Renewables investment by technology

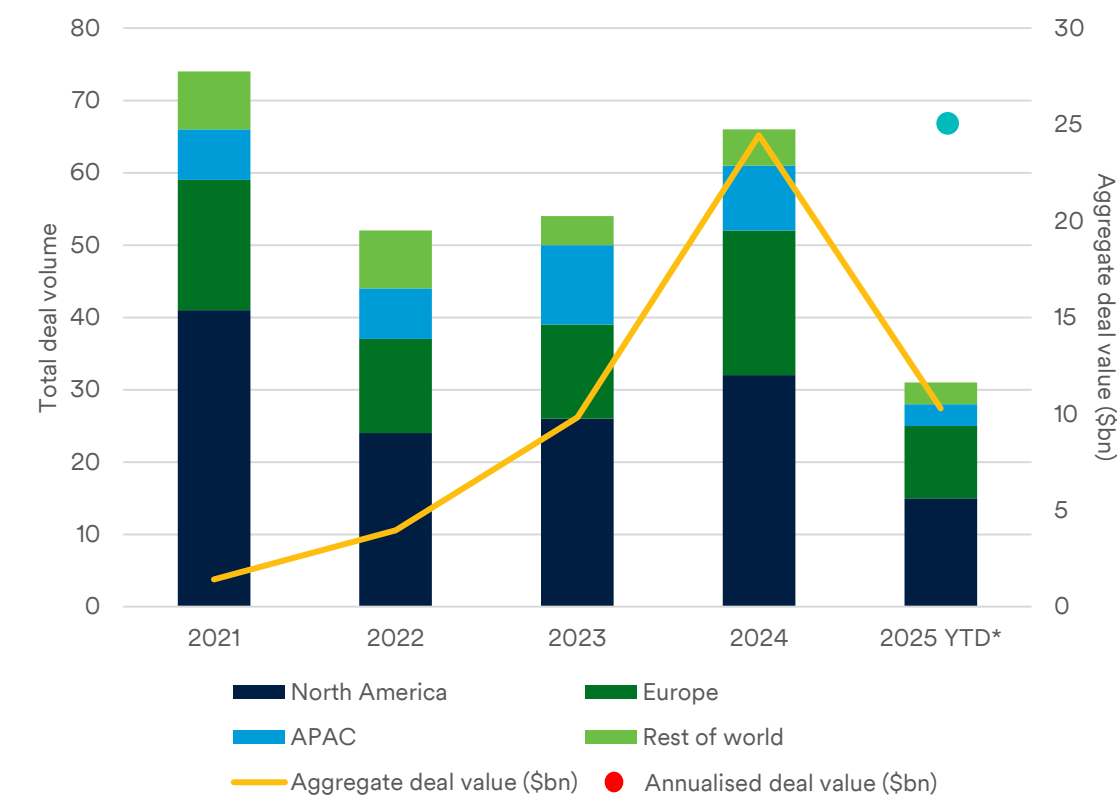


Past performance is not a guide to future performance and may not be repeated.  
Source: BloombergNEF, 2025

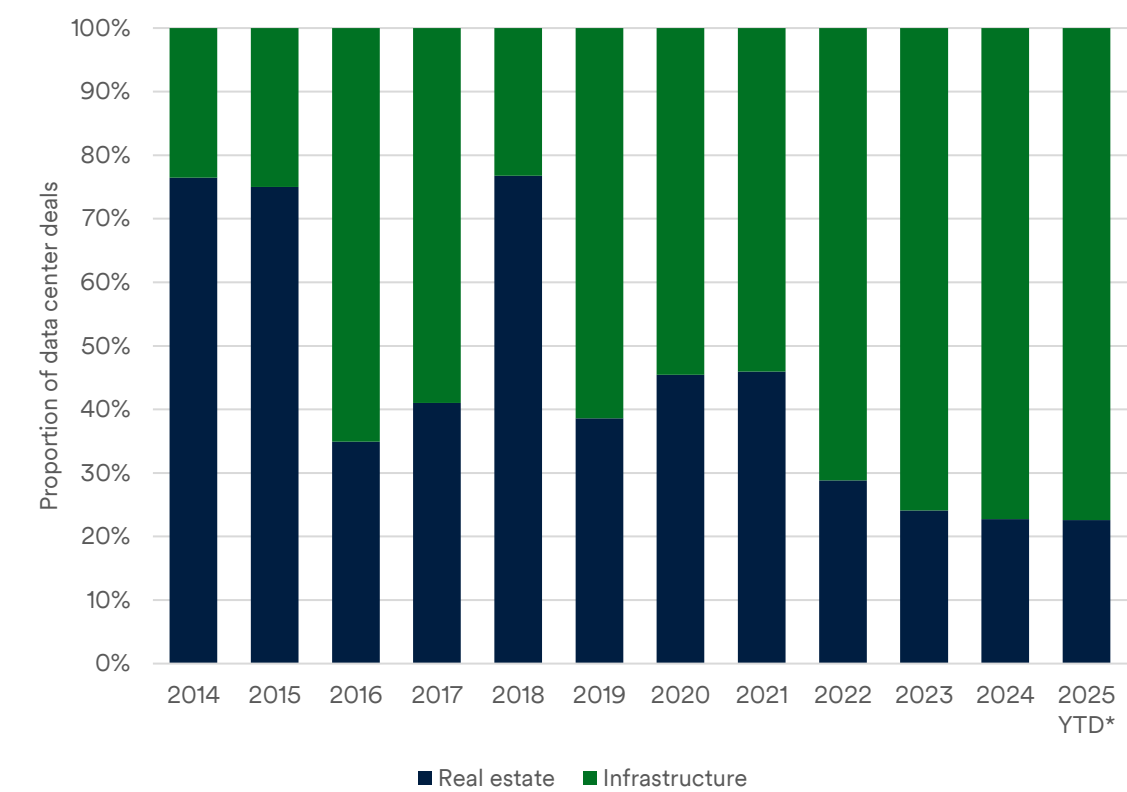
# Data centre focus

AI growth boosting data centre demand, creating new deals for infrastructure managers

Data centre deal activity spikes in 2024 and carries into 2025



Data centre deals more likely to involve infrastructure funds



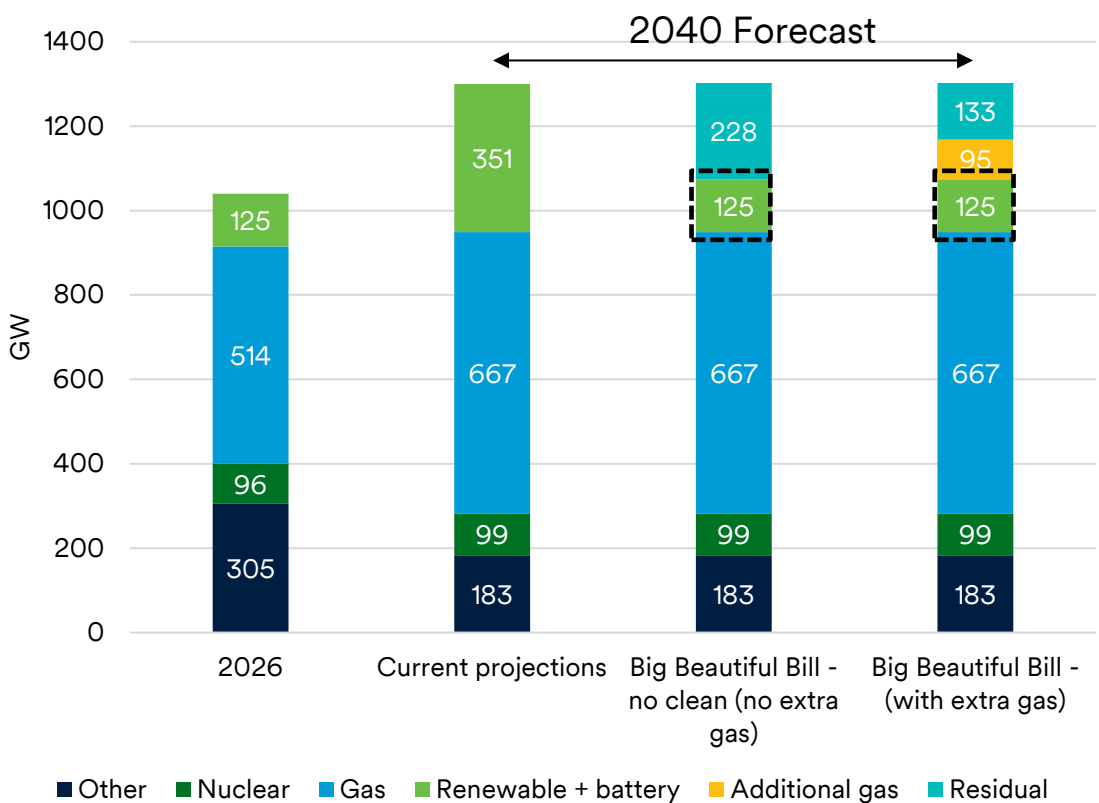
Past performance is not a guide to future performance and may not be repeated.  
Source: Preqin Pro, May 2025



# US renewables: Impact of the Big Beautiful Bill

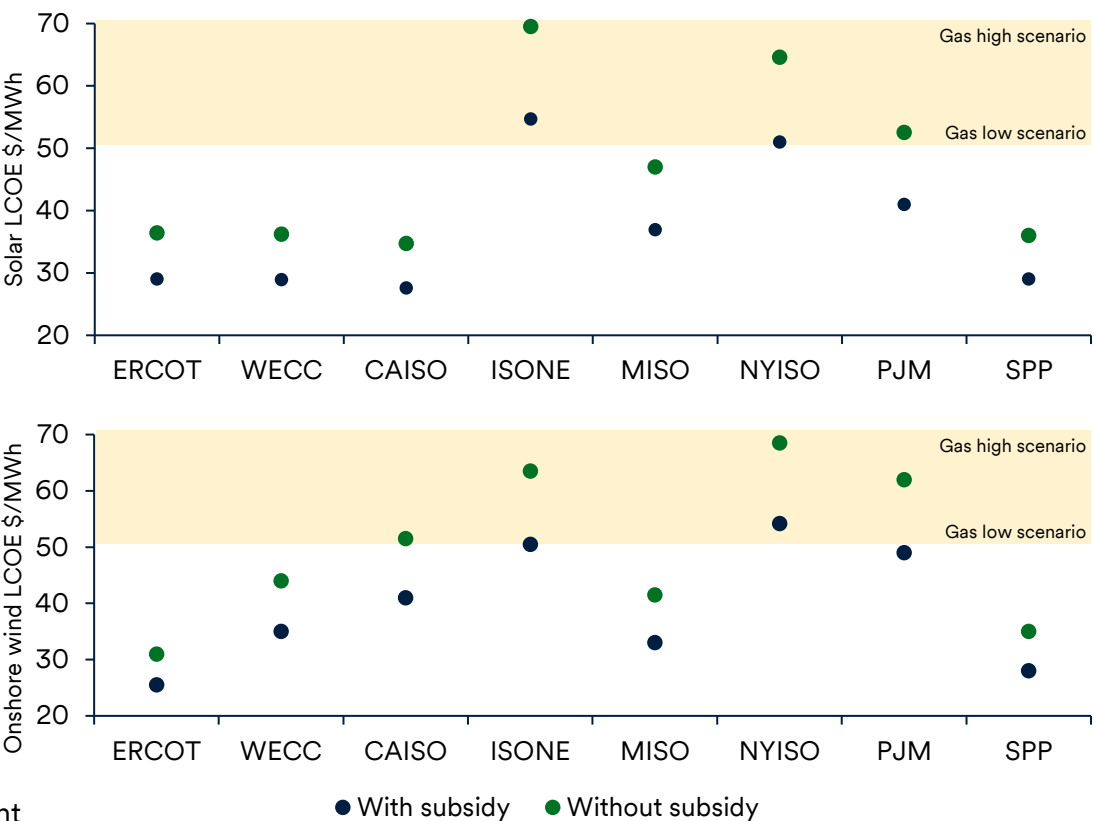
Renewables still required to meet growing energy demand

## US gas expansion insufficient to meet growing energy demand by 2040



In order to meet the 2040 supply target to satisfy projected demand, further investment in renewable energy will still be required..

## Solar & onshore wind expected to remain competitive in certain markets as cost remains below gas even without subsidy<sup>1</sup>



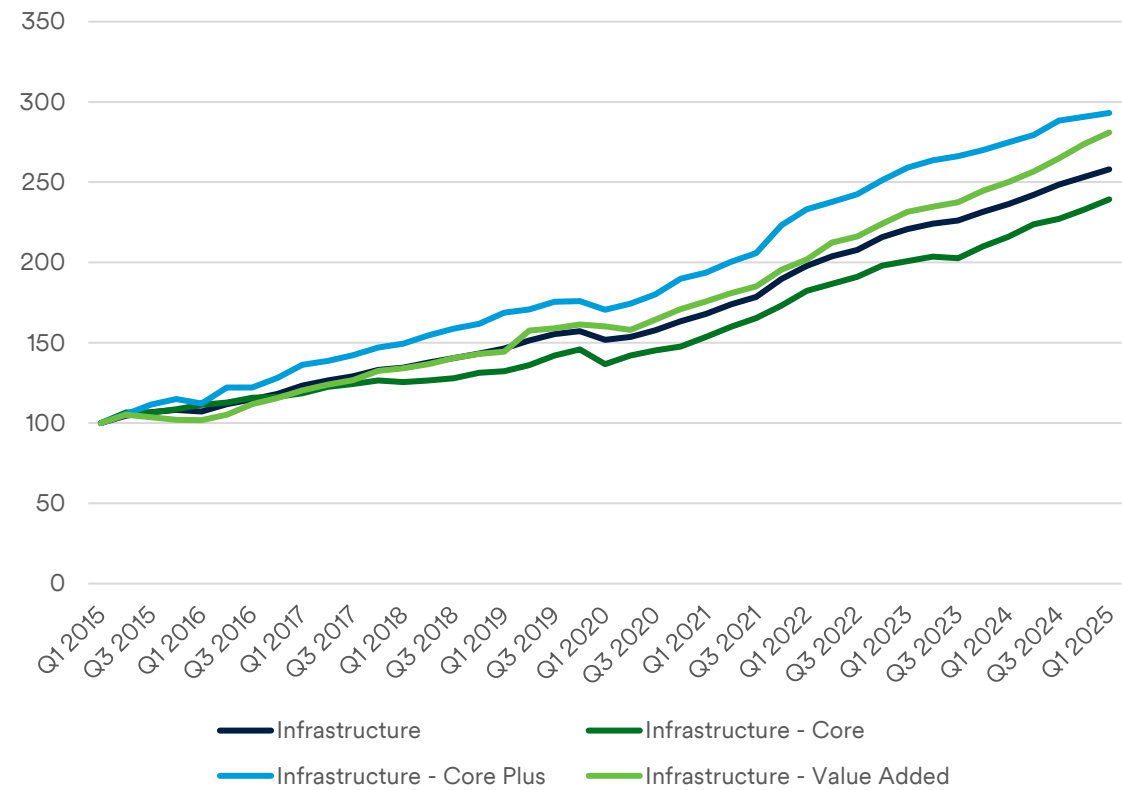
Past performance is not a guide to future performance and may not be repeated.

Source: Baringa Partners LLP, July 2025. <sup>1</sup>2030 forecast. LCOE refers to Levelized Cost of Energy. The x-axis represents various grid locations across the United States. There is no guarantee that forecasts will be realised.

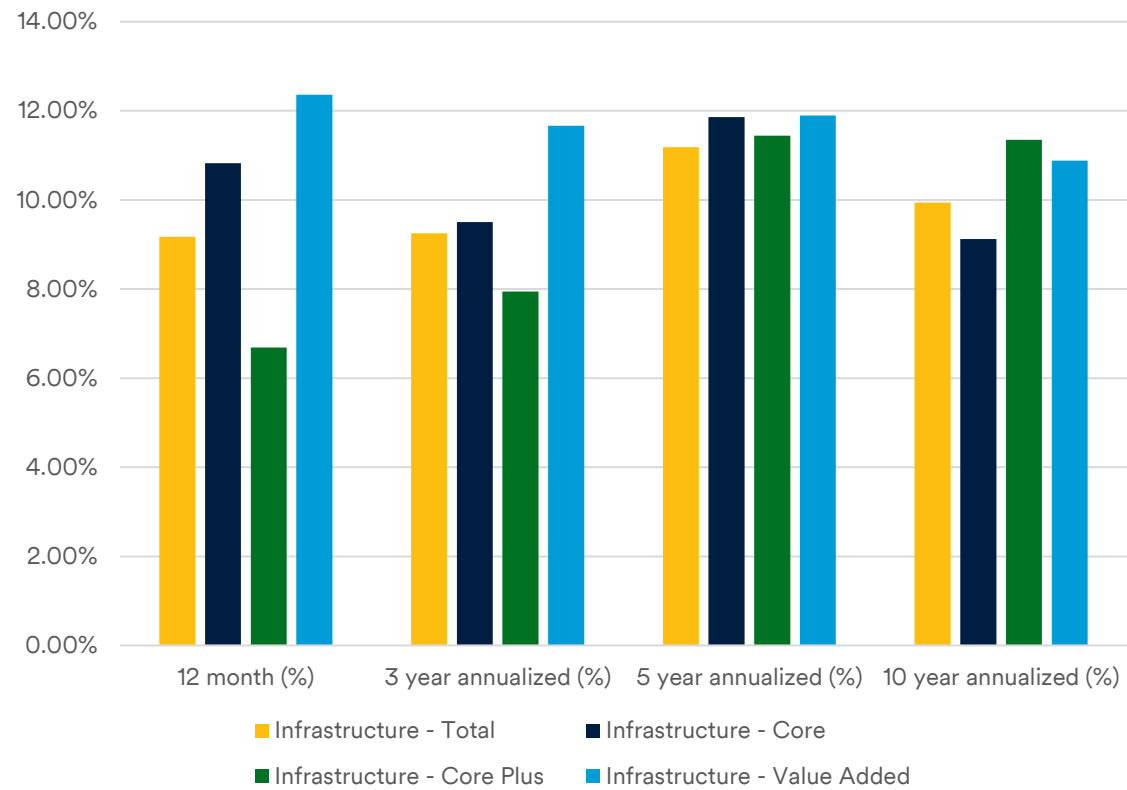
# Infra performance consistent over multiple time periods

Consistent performance over multiple time periods

Infra performance by subsector



Performance summary



Past performance is not a guide to future performance and may not be repeated.  
Source: Preqin Pro Indices. NAV based performance calculation using Modified Dietz. Data as of 31 March 2025

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