

Private Infrastructure: A Resilient Asset Class for Today's Investors

Infrastructure investment offers the opportunity to further diversify portfolios, generate steady income, and protect against inflation.

Private infrastructure has emerged as a resilient and strategic asset class within modern investment portfolios. By complementing traditional stocks and bonds, private infrastructure investments can enhance risk-adjusted returns, diversify portfolios, and provide inflation protection. In addition, infrastructure complements other private market sectors like real estate, private credit, and private equity with different return attributes and degrees of economic sensitivity, necessitating a prominent place in well-diversified portfolios. Accelerated by global megatrends such as the growing demand for energy, digital transformation, and aging infrastructure, this asset class is poised to play a pivotal role in meeting evolving economic demands.

The inclusion of infrastructure within traditional investment portfolios has consistently demonstrated the ability to enhance returns while mitigating risk. Private infrastructure offers stability through its low correlation with other asset classes, stable cash flows, and natural hedge against inflation. This paper outlines the defining attributes of private infrastructure, its role in addressing global investment demands, and its unique contributions to portfolio optimization.

Defining Infrastructure

Infrastructure encompasses a broad range of sectors and sub-sectors that collectively underpin the functioning of an economy by enabling trade, mobility, and overall economic activity. It enhances living standards while creating foundations for global growth and human development.

Traditional infrastructure includes key areas such as energy, transportation, and utilities. In recent years, infrastructure has expanded to include communications, data, and network systems. Examples of infrastructure projects include roads, dams, public utilities, wireless cell towers, transmission lines, power plants, data centers, railways, and airports.

These assets play a vital role in supporting both the physical and digital needs of a growing, interconnected economy. They also have high barriers to entry, produce stable, long-term cash flows, and regularly have pricing contracts linked to CPI. These characteristics tend to limit their sensitivity to economic cycles while offering varying degrees of protection during inflationary periods.



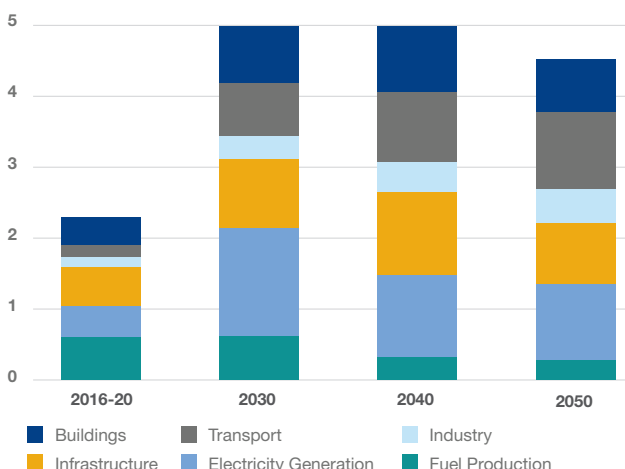
Global Megatrends

Several powerful, long-term megatrends are reshaping the global infrastructure landscape and driving substantial investment opportunities. These include the growing demand for energy and the necessary expansion of transmission networks, the ongoing digital transformation of economies and societies, and the urgent need to modernize aging infrastructure in many developed nations. These fundamental drivers—further amplified by population growth and urbanization—are expected to persist for the foreseeable future, necessitating trillions of dollars of investment and creating a robust investment environment across debt and equity.

Energy Supply, Transmission and Storage

The U.S. and the world more generally face significant deficits in energy supply, transmission, and storage. Technological innovations present an enormous demand for electrical power. In parallel, the desire for sustainable and renewable sources adds additional pressure to transform how energy is generated, delivered, and stored. According to Goldman Sachs, the U.S. will need to invest approximately \$6.6 trillion in renewable power by 2050.¹ More broadly, KKR has forecast that decarbonization to reduce and offset carbon emissions could create a potential \$200 trillion opportunity, spanning buildings, transport, electricity generation, fuel production, and other infrastructure categories.²

FIGURE 1
Annual Average Capital Investment in a Net Zero Emissions Scenario, 2019 US\$ Trillions



Source: Data as at December 31, 2021. Source: International Energy Agency (2021), Net Zero by 2050, IEA, Paris.

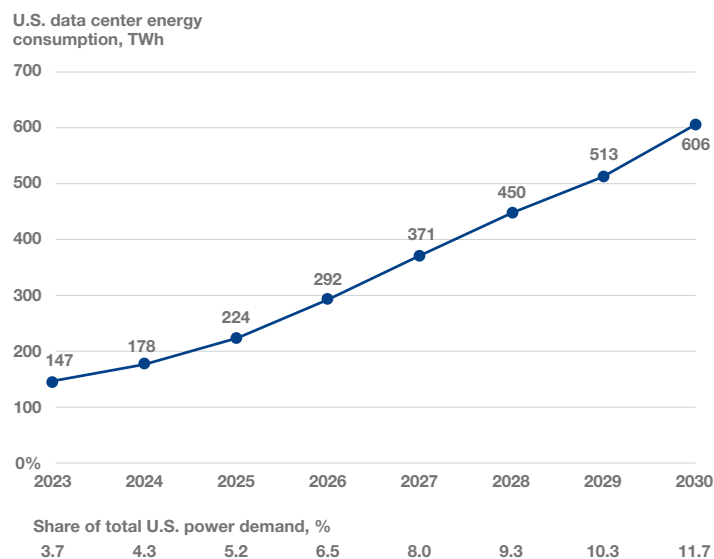
Transmission, the transportation of energy, and storage, the capture and retention of energy for use at a later time, represent additional essential opportunities alongside power generation. U.S. Department of Energy analysis found that the median new transmission need is 47,000 gigawatt-miles of high voltage lines by 2035, a 57% growth from today's system. The agency is actively promoting investment with rule changes that create opportunities for transmission projects.³

Further innovations are occurring in a range of areas, from large-scale battery technology that stores renewably generated power for future use to a more active reconsideration of nuclear power. The U.S. Department of Energy projects energy storage deployment will exceed 125 gigawatts by 2050, more than a five-fold increase from 23 gigawatts of installed capacity in 2020.⁴ The International Atomic Energy Agency (IAEA) has forecast world nuclear capacity to increase by as much as 2.5 times the current capacity by 2050.⁵

Powering the Digital Revolution

Much of the gap in energy infrastructure links closely to the demand created by multiple digital revolutions happening simultaneously. The growing wave of technology innovation includes artificial intelligence and large language models, cryptocurrency and blockchain applications, and augmented reality. McKinsey forecasts the resulting power needs to exceed current capacity by a factor of three, taking an increasing share of U.S. power demand.⁶

FIGURE 2
Terrawatt-hours (TWh) of Electricity Demands, medium scenario



Source: McKinsey, Terrawatt-hours of electricity demand⁷

¹ "The US is poised for an energy revolution." Goldman Sachs. 17 April 2023. <https://www.goldmansachs.com/insights/articles/the-us-is-poised-for-an-energy-revolution.html>

² "An Alternative Perspective Past, Present, and Future," KKR. September 2024. <https://www.kkr.com/insights/alternative-perspective-past-present-future>

³ "DOE study highlights America's transmission needs, but how do we accelerate buildout?" Michelle Solomon, UtilityDive. 31 March 2023. <https://www.utilitydive.com/news/doe-study-transmission-clean-energy/646589/>

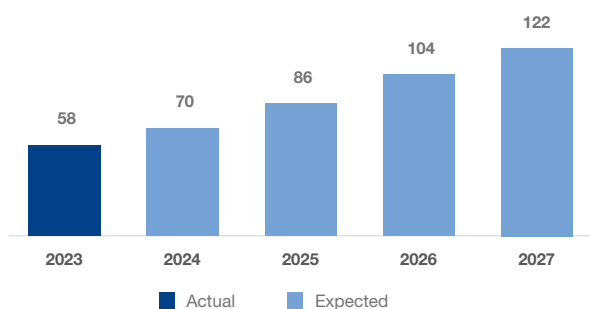
⁴ "Storage Futures Study: Economic Potential of Diurnal Storage in the U.S. Power Sector," U.S. Department of Energy, 2021. <https://www.energy.gov/eere/analysis/storage-futures-study-economic-potential-diurnal-storage-us-power-sector>

⁵ "IAEA Outlook for Nuclear Power Increases for Fourth Straight Year, Adding to Global Momentum for Nuclear Expansion," IAEA, 16 September 2024. <https://www.iaea.org/newscenter/pressreleases/iaea-outlook-for-nuclear-power-increases-for-fourth-straight-year-adding-to-global-momentum-for-nuclear-expansion>

⁶ "How data centers and the energy sector can satiate AI's hunger for power," McKinsey & Company. 17 September 2024. <https://www.mckinsey.com/industries/private-capital/our-insights/how-data-centers-and-the-energy-sector-can-satiate-ais-hunger-for-power>

⁷ "How data centers and the energy sector can satiate AI's hunger for power," McKinsey & Company. 17 September 2024. <https://www.mckinsey.com/industries/private-capital/our-insights/how-data-centers-and-the-energy-sector-can-satiate-ais-hunger-for-power>

FIGURE 3
Actual and Expected Total Data Centers, Gigawatts (GW)



Source: KKR. Actual and Expected Data Center Power Consumption⁸
Data as at December 31, 2023. Source: Morgan Stanley, TD Cowen.

Additional Digital Infrastructure

Statista estimates data creation to exceed 2,000 zettabytes by 2035.⁹ This explosive growth creates new infrastructure needs beyond the energy needed to power data centers, including the need to build network infrastructure and strengthen cybersecurity.

Artificial intelligence (AI) alone may require over \$1 trillion in spending on cloud infrastructure and data center construction.¹⁰ In addition, Cybersecurity Ventures has predicted cybercrime damage costs to reach \$10.5 trillion by 2025, with a growth trajectory of 15% per year, creating the need for significant investment in digital infrastructure protection.¹¹

These new needs far exceed the funding gap beyond repairing and replacing existing infrastructure. Infrastructure projects supporting electricity generation, transmission, storage and the digital revolution will proliferate to meet intensive demand. Those projects, in turn, will require large amounts of private capital.

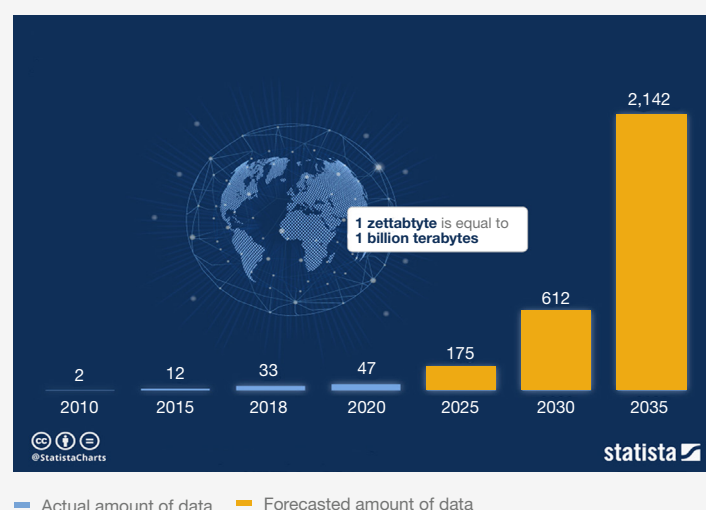
Projected Power and Network Demands of Emerging Tech

- AI data centers specifically could require approximately 14 GW of additional new power capacity by 2030 in the United States.¹²
- The IEA forecasts that the electricity consumption of cryptocurrencies will increase by more than 40% to around 160 TWh by 2026.¹³
- Extended reality, which includes augmented reality and virtual reality (AR/VR), will require pervasive networks that can support bit rates of tens of megabits per second, low latencies of 10-20 milliseconds, and high reliability—much greater than today's mobile broadband services.¹⁴

Source: Various, Power Demand Forecasts (by technology)

FIGURE 4
Global Data Creation is About to Explode

Actual and forecast amount of data created worldwide 2010-2035 (in zettabytes)



Source: Statista, Global Data Creation (in zettabytes).⁹

⁸ "An Alternative Perspective Past, Present, and Future," KKR. September 2024. <https://www.kkr.com/insights/alternative-perspective-past-present-future>

⁹ "Global Data Creation is About to Explode." Statista Digital Economy Compass. 16 April 2019. <https://www.statista.com/chart/17727/global-data-creation-forecasts/>

¹⁰ "AI Infrastructure Spending Forecast to Be Over a Trillion Dollars Over the Next Five Years, According to Dell'Oro Group," PR Newswire. 1 August 2024. <https://www.prnewswire.com/news-releases/ai-infrastructure-spending-forecast-to-be-over-a-trillion-dollars-over-the-next-five-years-according-to-delloro-group-302210735.html>

¹¹ "Cybercrime To Cost The World \$9.5 trillion USD annually in 2024," Steve Morgan, Cybercrime Magazine. 25 October 2023. <https://cybersecurityventures.com/cybercrime-to-cost-the-world-9-trillion-annually-in-2024/>

¹² "Projecting the Electricity Demand Growth of Generative AI Large Language Models in the US." July 2024. Center on Global Energy Policy (CGEP), Columbia University School of International and Public Affairs. <https://www.energypolicy.columbia.edu/projecting-the-electricity-demand-growth-of-generative-ai-large-language-models-in-the-us/>

¹³ "Electricity 2024." International Energy Agency (IEA). <https://iea.blob.core.windows.net/assets/6b2fd954-2017-408e-bf08-952fdd62118a/Electricity2024-Analysisandforecastto2026.pdf>

¹⁴ "Future network requirements for extended reality applications." Ericsson. April 2023. <https://www.ericsson.com/en/reports-and-papers/ericsson-technology-review/articles/future-network-requirements-for-xr-apps>

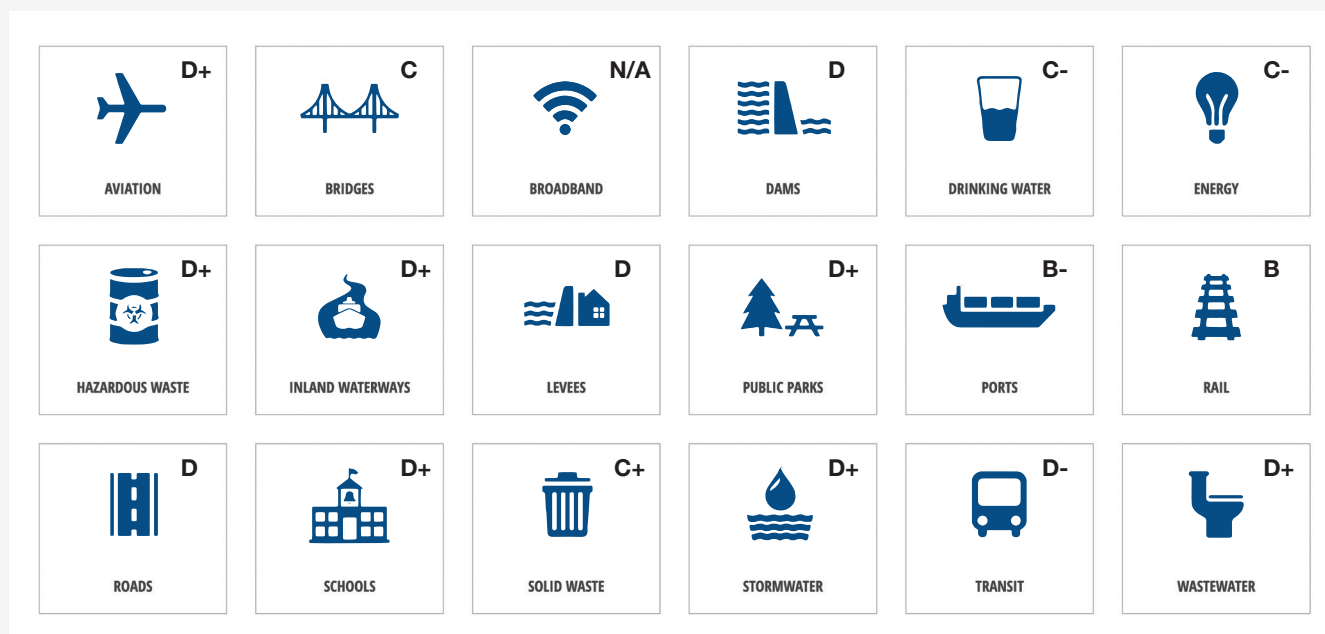
Aging Infrastructure

In the U.S. alone, the infrastructure spending gap is estimated at \$2.6 trillion over ten years from 2020 to 2029. According to the American Society of Civil Engineers (ASCE) continued underinvestment at current rates will cost the U.S. \$10 trillion in GDP by 2039. ASCE emphasizes highways, bridges, rail, transit, drinking water, storm water, wastewater, electricity, airports, seaports and inland waterways as the main areas where gaps could cost the U.S. economy more than three million jobs, \$2.4 trillion in exports, and \$4 trillion in overall trade.¹⁵

FIGURE 5

2021 Report Card for America's Infrastructure

AMERICA'S INFRASTRUCTURE CURRENTLY HOLDS A "C-" AVERAGE



Source: American Society of Civil Engineers, Report Card for America's Infrastructure.¹⁶

Beyond the U.S., trillions in new spending are required to maintain and modernize infrastructure globally. To plug an estimated \$15 trillion spending gap between 2016 and 2040, average annual global infrastructure investment would need to increase by approximately 23% per year, far beyond the reach of public spending programs.

Given these spending needs at the national and global levels, we expect private investment opportunities with solid return profiles to proliferate.

¹⁵ "Deteriorating Infrastructure and Growing Investment Gap Will Reduce U.S. GDP By \$10 Trillion in 20 Years: Economic Study, American Society of Civil Engineers. 12 January 2021. <https://www.asce.org/publications-and-news/civil-engineering-source/society-news/article/2021/01/12/deteriorating-infrastructure-and-growing-investment-gap-will-reduce-us-gdp>

¹⁶ "Report Card for America's Infrastructure." American Society of Civil Engineers. <https://infrastructurereportcard.org/>

Performance of Infrastructure in Different Economic Environments

Infrastructure has historically offered significant portfolio diversification benefits. From late 2003 to Q1 2023, independent analysis has shown that adding private infrastructure to a portfolio would have boosted overall returns by 13% while lowering overall risk by 9%.¹⁷

FIGURE 6

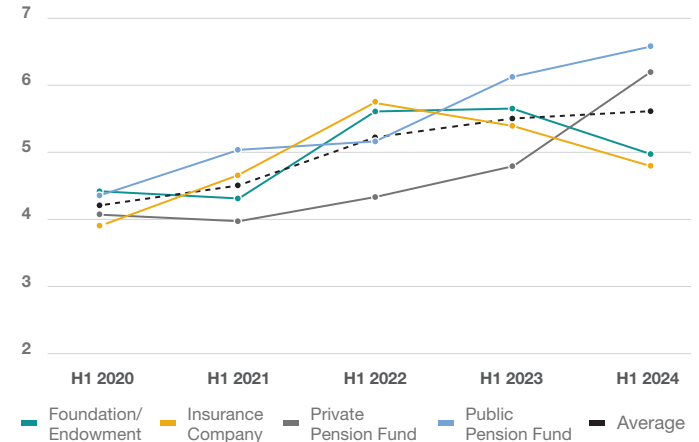
Traditional 60/40 vs 10% Private Infrastructure



Source: CAIS, Comparing real estate and infrastructure in a portfolio context, Cantor Fitzgerald Asset Management ("CFAM") analysis (March 2008 to March 2023).¹⁷

FIGURE 7

Infrastructure Allocations by Institution Type (%)



Source: Infrastructure Investor, Investor Report H1 2024.¹⁸

Infrastructure's reduced volatility and low correlation to other asset classes have played a significant role in the allocations of pension plans, sovereign wealth funds, endowments, and ultra-high-net-worth investors. The impact of global megatrends and infrastructure's role in portfolio construction have helped drive positive investor sentiment and steady increases in institutional allocation over the past four years.



¹⁷ CAIS introduced historical allocations of 10% each to private real estate and private infrastructure to stock and bond allocations ranging from 10% bonds and 90% equities to 90% bonds and 10% equities. They also added 10% of both to the same hypothetical portfolios. CAIS, "Comparing Real Estate and Infrastructure in a Portfolio Context," November 3, 2023. <https://www.caisgroup.com/articles/comparing-real-estate-and-infrastructure-in-a-portfolio-context>

¹⁸ "Infra Allocations Continue to Rise in H1 2024 (Investor Report H1 2024)." Infrastructure Investor. August 9, 2024. <https://www.infrastructureinvestor.com/download-infra-allocations-continue-to-rise-in-h1-2024/>

Comparison with Other Private Market Asset Classes

Compared to private market alternatives such as real estate, private equity, and private credit, infrastructure has delivered above-average returns with below-average volatility, yielding one of the best risk-adjusted returns of any private market asset class over the ten years ending December 31, 2023. The long-term contracts and essential services that infrastructure projects typically exhibit result in enhanced stability, making investments less susceptible to market fluctuations.

FIGURE 8

Private Market Sector Relative Returns

										2014-2023	
2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	Ann.	Vol.
Venture Capital 26.0%	Transport 16.2%	Infra 14.2%	Private Equity 21.3%	Venture Capital 21.3%	Venture Capital 20.3%	Venture Capital 58.3%	Venture Capital 49.5%	Transport 23.5%	Transport 25.4%	Venture Capital 16.2%	Venture Capital 13.2%
Infra 13.9%	Infra 15.5%	Transport 13.4%	Transport 20.2%	Infra 11.6%	Private Equity 17.0%	Private Equity 24.4%	Private Equity 37.5%	Infra 9.7%	Direct Lending 12.1%	Private Equity 14.6%	Transport 10.5%
U.S. Core RE 12.5%	Venture Capital 15.1%	Private Equity 12.4%	Venture Capital 14.9%	Europe Core RE 9.9%	Infra 11.5%	Asset Allocation 12.0%	U.S. Core RE 22.2%	U.S. Core RE 7.5%	Private Equity 9.1%	Transport 13.9%	Private Equity 8.5%
Europe Core RE 12.3%	U.S. Core RE 15.0%	Direct Lending 11.2%	Asset Allocation 12.2%	APAC Core RE 9.4%	Europe Core RE 9.4%	Transport 10.6%	Asset Allocation 19.3%	APAC Core RE 6.9%	Infra 8.1%	Infra 10.7%	U.S. Core RE 5.5%
Asset Allocation 11.2%	Europe Core RE 12.9%	APAC Core RE 10.5%	Infra 12.2%	Private Equity 9.2%	Asset Allocation 9.2%	Hedge Funds 8.9%	Transport 18.8%	Direct Lending 8.3%	CML - Senior 5.6%	Asset Allocation 10.6%	Hedge Funds 5.4%
Private Equity 10.1%	APAC Core RE 11.8%	U.S. Core RE 8.8%	APAC Core RE 11.6%	Asset Allocation 8.7%	Direct Lending 9.0%	CML - Senior 6.3%	Europe Core RE 14.2%	Europe Core RE 4.6%	Hedge Funds 4.5%	Direct Lending 8.8%	Europe Core RE 4.2%
Direct Lending 9.6%	Asset Allocation 10.4%	Asset Allocation 8.5%	Europe Core RE 9.8%	U.S. Core RE 8.3%	CML - Senior 8.1%	Direct Lending 5.5%	Hedge Funds 13.9%	Asset Allocation 2.4%	Asset Allocation 4.3%	APAC Core RE 7.5%	CML - Senior 4.0%
APAC Core RE 9.4%	Private Equity 9.4%	Europe Core RE 8.1%	Direct Lending 8.6%	Direct Lending 8.1%	APAC Core RE 6.6%	Europe Core RE 4.8%	Direct Lending 12.8%	Private Equity -1.6%	Venture Capital -2.0%	U.S. Core RE 7.3%	Infra 3.4%
CML - Senior 7.4%	Direct Lending 6.9%	Hedge Funds 3.2%	Hedge Funds 8.5%	Transport 7.7%	Hedge Funds 5.6%	U.S. Core RE 1.2%	APAC Core RE 12.0%	Hedge Funds -2.8%	APAC Core RE -2.5%	Europe Core RE 7.2%	Asset Allocation 3.0%
Transport 6.9%	CML - Senior 2.7%	CML - Senior 2.9%	U.S. Core RE 7.6%	CML - Senior 2.6%	U.S. Core RE 5.3%	Infra 0.2%	Infra 10.5%	CML - Senior -9.0%	Europe Core RE -5.0%	Hedge Funds 4.4%	Direct Lending 2.9%
Hedge Funds 4.3%	Hedge Funds -0.2%	Venture Capital 0.6%	CML - Senior 5.7%	Hedge Funds -1.2%	Transport -0.5%	APAC Core RE 0.1%	CML - Senior 1.9%	Venture Capital -20.6%	U.S. Core RE -12.0%	CML - Senior 3.3%	APAC Core RE 2.7%

Source: J.P. Morgan Asset Management, Guide to Alternatives 2024.¹⁹

FIGURE 9

Return Correlations by Asset Class (%)

	Global Equities	Global Bonds	Listed Real Estate	Listed Infrastructure	Private Equity	Private Credit	Private Real Estate	Private Infrastructure
Global Equities	1							
Global Bonds	0.35	1						
Listed Real Estate	0.88	0.41	1					
Listed Infrastructure	0.86	0.41	0.89	1				
Private Equity	0.78	0.13	0.70	0.69	1			
Private Credit	0.70	-0.02	0.66	0.69	0.79	1		
Private Real Estate	0.38	-0.15	0.37	0.40	0.70	0.60	1	
Private Infrastructure	0.04	-0.09	0.08	0.11	0.26	0.12	0.39	1

Lower Correlation Higher Correlation

Past performance is not indicative of future results. Information does not represent returns of a fund. An investor cannot invest in an index. For the period January 1, 2008 through September 30, 2023. Global Equities represented by MSCI World Index, Global Bonds by Bloomberg Global Aggregate Bond Index, Listed Real Estate by FTSE EPRA Nareit Developed Index, and Listed Infrastructure by the FTSE Global Core Infrastructure 50/50 Index after December 31, 2014; data from July 30, 2008 through December 31, 2014 represented by the Dow Jones Global Infrastructure Index. Private Equity represented by the Preqin Private Equity Index, Private Credit by the Cliffwater Direct Lending Index, Private Infrastructure by the Preqin Infrastructure Index, and Private Real Estate by the Preqin Real Estate Index. Source: Bloomberg; Preqin; data as of September 30, 2023.

¹⁹ "Guide to Alternatives 2024." J.P. Morgan Asset Management. 31 May 2024. <https://am.jpmorgan.com/us/en/asset-management/adv/insights/market-insights/guide-to-alternatives/>

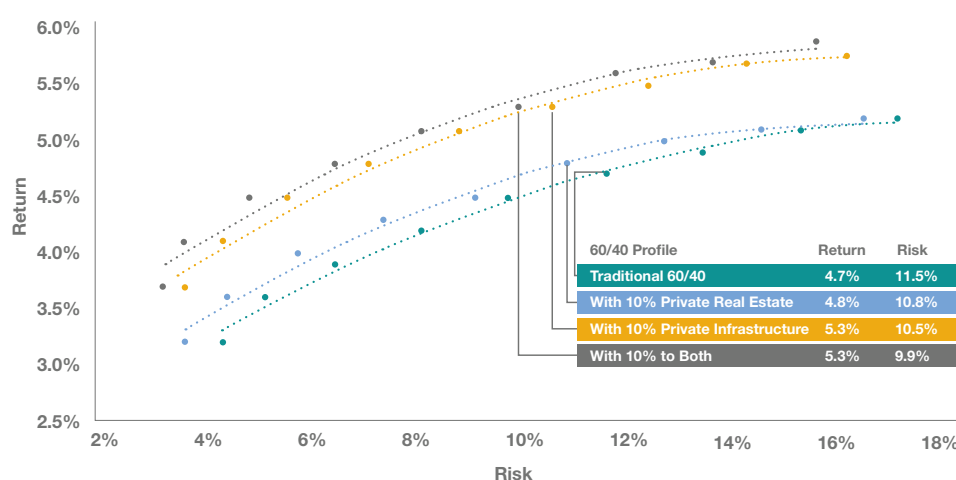
At the same time, private infrastructure funds have demonstrated a low correlation to private equity (0.26) and private credit (0.12), while exhibiting a low to moderate correlation with private real estate (0.39), reinforcing the case for private infrastructure's inclusion in a diversified portfolio to enhance risk-adjusted returns.

Despite some similarities, private infrastructure and private real estate are distinct asset classes with different economic drivers, risk exposures, and return characteristics. Many investors conflate the two, assuming that exposure to private real estate negates the need for private infrastructure. However, their relatively low correlation to each other and to equities and fixed income more broadly highlight the diversification benefits of holding both, as they respond differently to inflation, economic cycles, and policy changes.

A comparison of a 10% allocation to private infrastructure versus a 10% allocation to private real estate in a traditional 60/40 portfolio further underscores the complementary nature of these asset classes. While both improved portfolio efficiency, private infrastructure delivered a more meaningful benefit to overall performance, generating higher returns while reducing risk to a greater extent over the 15-year period ending March 31, 2023. The inclusion of both asset classes—10% allocated to each—provided the strongest enhancement to portfolio diversification and stability, reinforcing the case for a dedicated infrastructure allocation alongside real estate.

FIGURE 10

Impact of Adding Private Infrastructure and Private Real Estate to a Traditional 60/40 Portfolio



Source: CAIS, Illustrative risk and return for asset allocations across the risk spectrum.²⁰

As a result, investors are increasingly looking to infrastructure to anchor their private markets allocation. Ultimately, incorporating multiple private market asset classes, including infrastructure and real estate, delivers better long-term investment outcomes.

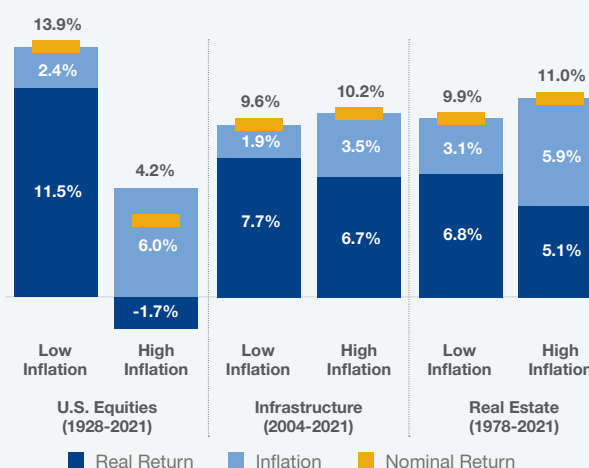
Analysis of Inflation in Private Infrastructure

Private Infrastructure investments have performed well versus other asset classes in both high and low inflationary periods. They often have built-in inflation protection through regulatory frameworks or long-term contracts that adjust revenues contractually and with inflation rates.

Source: KKR, Real and Nominal Return of Select Asset Classes (Annual total returns from 1928 to 2021 for the S&P 500 from 1978 to 2021 for Real Estate and from 2004 to 2021 for Infrastructure).²¹

FIGURE 11

Asset Class Returns During Periods of Low and High Inflation



²⁰ "Comparing real estate and infrastructure in a portfolio context," CAIS. 3 November 2023. <https://www.caisgroup.com/articles/comparing-real-estate-and-infrastructure-in-a-portfolio-context>

²¹ "How to Think about Private Infrastructure as Inflation Finds its Resting Point." Raj Agarwal and Paul Workman, KKR. September 2023. <https://www.kkr.com/insights/how-to-think-about-private-infrastructure-as-inflation-finds-its-resting-point>

Macroeconomic, Monetary, and Market Factors: Summary

Private infrastructure's low economic sensitivity, hedge against inflation, low correlation to stocks, bonds, and other private markets asset classes, and attractive historical return profile warrant consideration as a complement to a traditional 60/40 portfolio.

Factor	Analysis of Infrastructure
GDP Growth	- Projects closely tied to economic growth as demand increases - Projects support economic development by enhancing productivity and efficiency
Inflation	- Provides a hedge against inflation - Long-term contracts often linked to inflation rates so that revenue streams can adjust
Interest Rates	- Lower interest rates reduce borrowing costs for financing large-scale projects - Rising rates can increase the cost of capital but may also enhance the attractiveness of stable income generation
Correlations	- Low correlation with traditional asset classes, including public equities, fixed income, and other private market assets - Enhances portfolio diversification, reducing overall risk and smoothing out returns during market volatility
Volatility	- Stable and predictable cash flows - Appeal for investors seeking to mitigate risk and achieve steady returns



Accessing Infrastructure

Until recently, private infrastructure has only been accessible to institutional investors who can commit multiple millions of dollars to multiple funds. Many private funds have minimum investment requirements between \$5 and \$25 million, thus the bar for direct private fund participation is high.

However, two other options exist. The first is listed securities accessible through mutual funds, ETFs, or individual equities. These have long been available to most investors. However, their accessibility and liquidity are accompanied by increased volatility and correlation to the overall equities market compared to private infrastructure.

The second is interval funds. These structures make private infrastructure accessible to investors who cannot access private partnerships or who prefer the increased transparency, liquidity, investor protections, operational efficiencies, and tax delivery (1099 vs K-1) of a '40 Act fund. Interval Funds often combine public and private infrastructure investments into a single vehicle that offers positive attributes of both while providing significant diversification across infrastructure sectors, geographies, vintages and investment managers.

FIGURE 12

Characteristics of Different Infrastructure Investment Structures

Characteristics	Listed Infrastructure Securities, Mutual Funds, ETFs	Private Infrastructure Partnerships	'40 Act Interval Fund
Liquidity →	Daily liquidity at market price ✓	Minimal to no liquidity	Quarterly liquidity at NAV typically limited to 20% per year ✓
Correlation to U.S. Equities →	Medium to high correlation	Low correlation ✓	Low correlation ✓
Volatility →	More volatility	Less volatility ✓	Less volatility ✓
Disclosure Obligation →	Public SEC filings ✓	Minimal required disclosure	Public SEC filings ✓
Accessibility →	Accessible to all investors ✓	Typically, qualified purchaser or institutional investors only (minimums often exceed \$1M per fund)	Accessible to all investors ✓
Diversification →	Generally large portfolios with broad diversification ✓	Generally smaller, more concentrated portfolios	May provide broad access to public and private infrastructure markets ✓
Tax Reporting →	Depreciation ✓	Depreciation ✓	Depreciation ✓
	Single 1099 tax form ✓	K-1 tax reporting (often multiple K-1's)	Single 1099 tax form ✓



The Opportunity in Brief

Investing in infrastructure presents a compelling opportunity for global growth, driven by long-term structural trends. This asset class has consistently delivered attractive returns across both high and low inflationary environments, offering stable and predictable income streams, often benefiting from depreciation expense. With its low sensitivity to economic cycles and inherent inflation protection, infrastructure can play a key role in diversifying investment portfolios effectively.

A '40 Act interval fund, which can provide broad access to both public and private infrastructure assets, may be an ideal vehicle for gaining exposure to this asset class. By blending the stability of public infrastructure with the growth potential of private investments, interval funds may offer a balanced approach to capitalizing on infrastructure opportunities.

Moreover, infrastructure investments align with high-impact national development objectives, fostering greater economic progress and prosperity. In the U.S., for instance, these investments support efforts to reshore manufacturing, meet the growing data center and energy demands of the AI revolution, advance energy independence, and more. By investing in infrastructure, investors may achieve strong risk-adjusted returns while enhancing portfolio resilience, all while contributing to job creation, economic competitiveness, and sustainable growth.



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