



## Q2 2025: Strong Fundraising Environment Boosts Resilient Private Infrastructure Space

By [Danielle Correa](#)

Commitments to the private infrastructure fund market ticked up amid a stronger fundraising environment as institutions seek strategies that offer inflation protection and stability.

“In today’s environment, infrastructure remains highly relevant for institutional investors. Despite macroeconomic uncertainties, we see sustained appetite for infrastructure exposure, particularly in sectors aligned with long-term structural trends such as energy transition, digital connectivity, and supply-chain logistics. These assets offer resilience, predictable cash flows, and diversification benefits, making them attractive in volatile markets,” said **Perry Offutt**, partner and head of North America at global infrastructure manager **Morrison**.



**Perry Offutt**

The key attractor of infrastructure for investment consultant **Callan**’s limited partners is the resiliency of the asset class and the cash flows.

“They’re very, very resilient and with either direct or indirect inflation hedges. And really that’s the crux of what our LPs and a lot of LPs out there are looking for is that resiliency of cash flow and the sustainable yield that the asset class is able to provide. It’s not as high return potential as some other asset classes, but it’s the resiliency and sustainability of the cash flows and of the return profile, especially in environments like we just saw with higher interest rates and higher inflation,” said **Jonny Gould**, a senior v.p. who leads private infrastructure research in Callan’s Real Assets Consulting Group.

Infrastructure has been a resilient asset class across the market cycle, benefiting from a strong and reliable income component derived from long-duration inflation-linked contracts, according to investment consultant **Wilshire's Alternatives 2025 Mid-year Outlook** research from July.

“Moreover, the infrastructure market has begun to mature, with expectations for a return to stronger fundraising and transaction activity in 2025. Energy transition and digitalization remain major areas for capital deployment, with transport assets also poised for increased activity,” the outlook stated.

**FIN Searches** data showed 36 commitments made to private infrastructure managers during the second quarter of 2025, nearly double the 20 commitments made to the space during the first quarter.

During the second quarter, the largest commitments to infrastructure funds were a \$1.3 billion infrastructure digital assets commitment to **Ares Management's** inaugural data center fund Japan DC Partners I made by the \$525.2 billion **Canada Pension Plan Investment Board**; an up to \$300 million tangible assets commitment made to **Stonepeak's** Infrastructure Fund V by the \$211.4 billion **Washington State Investment Board**; and a \$300 million commitment to **Sandbrook Capital's** Sandbrook Climate Infrastructure II & Co-Invest by the \$60 billion **New Mexico State Investment Council**.

Offutt indicated that the uptick was expected and aligns with what Morrison is seeing on the ground.

“While fundraising was sluggish in 2024, investor confidence has returned in 2025, particularly in high-conviction sectors like energy and data infrastructure. This rebound is driven by the need for resilient, future-oriented assets amid geopolitical and macroeconomic uncertainty. Investors are reallocating capital toward infrastructure strategies that offer inflation protection, stable returns and alignment with long-term policy shifts. The rise in commitments reflects a strategic pivot toward assets that can weather volatility and support broader economic goals,” he said.

In fact, infrastructure fundraising came in stronger during the first half of 2025 than all of 2024, according to [Infrastructure Investor](#).

Private markets investment management firm **Hamilton Lane** has also seen an uptick in commitments to the space this past quarter and year with **Brent Burnett**, global head of infrastructure and real assets, finding it could be driven by a couple of things.

“If you look long term at infrastructure on a distribution to NAV basis, our data suggests that over a long period of 15 years, you should see distributions to NAV within infrastructure that are somewhere between 18% and 20% of NAV value,” he said.



Brent Burnett

“It’s not that different actually from private equity, so infrastructure has typically provided a pretty consistent distribution pace [in] 2023 and 2024. There were exceptions to that where you saw distributions as a percentage of NAV value that were only about 8% to 10% on that NAV, so about half of what those long-term norms have been. And when institutions aren’t getting money back from their infrastructure portfolios, it can be harder for them to commit to new funds. I think a lot of institutions invested a lot of capital in 2021-2022 into infrastructure. Then you compound the allocations that they made in those years with lower distributions in 2023 and 2024, and institutions by and large, have less capital to deploy in the infrastructure in those years. So, I think you saw infrastructure fundraising come off materially in [20]23 and [20]24, whereas in 2025, we’re seeing that distribution activity has picked up a little bit. It’s still not back to what it was in 2021 and 2022, but I think there’s an expectation that the distribution environment is going to get better this year.”

Meanwhile, Gould noted that a lot of closes that were targeted for the end of last year or into the first quarter kept getting pushed, but a lot of funds that Callan observed were sort of reaching the final end of their fundraising periods and had to hold final close.

“Not totally surprising given that there was sort of a deadline for a lot of these funds to finish their fundraising for funds that had actually been in the market for quite a bit of time. And that dates back to a couple of years ago when there was a lot of funds that were raising capital, and they were facing the denominator effect across a lot of LPs where they didn’t have a lot of the capital to commit given that they were over allocated to infrastructure. And they also just came out of a high fundraising period. In previous years, a lot of that capital was still being put to work and a lot of these funds were coming right back to market. I think a lot of LPs were taking their time, and really not ready to make commitments right away after they just made significant commitments in prior years. Those factors all led to an extended fundraising period,” he said.

Burnett also thinks that investors continue to see target increases in allocations for infrastructure from asset allocation studies.

“We’re oftentimes hearing from our institutional partners that their generalist consultants have upped their allocation to infrastructure from 3% to 5% to 7% to 10% of their portfolios. I think those strong return and risk characteristics within infrastructure continue to lead institutions to allocate more. I think that’s part of the driver of the uptick in fundraising that we’ve seen this year is that institutions are coming back into a growth mode to build out increased allocations to the space,” he said.

[Recent insights](#) from Hamilton Lane find that infrastructure fundraising remained sluggish in 2024, with the average time in the market increasing 31 months in 2024 from 22 months in 2023, but the firm has better expectations for the foreseeable future.

“I do think it’ll pick up. You’re seeing a natural evolution in the infrastructure manager space today in that the fundraising environment has moved disproportionately large cap and there’s a gap in that capital that’s available to small- to mid-market assets and companies. And because of that, you’re seeing more spin-out teams that want to focus on that small- to mid-market of infrastructure,” Burnett said. “I would say, infrastructure as an institutional asset class is probably 10 to 15 years behind private equity, but you’re seeing a rise in those emerging managers, and as a result of some strong market drivers where the asset market is still very much driven by small[-cap] and mid[-cap]. But the capital

raising market has moved disproportionately large, and because of that, you're seeing better entry prices in small and mid-assets. You're seeing more opportunities to add value to those assets and then you've got a better liquidity profile for those assets when they're ready to be sold, and that's driving some growth in the emerging managers space that are looking for teams that are looking to fill that gap that exists in the asset versus fundraising market today.”

Investment consultant **Verus'** [2025 Real Assets Outlook](#) indicated that infrastructure returns have held steady, outperforming other private market asset classes in recent years, which have struggled with the higher rate environment.

“We have voiced our skepticism of this unusual disparity given the infrastructure's links to interest rate movements, but returns have defied our expectations,” the outlook stated.

Private markets investment returns are reported on a lag, so second quarter figures are not available yet, but investment consultant **Marquette Associates'** *2025 Halftime Market Insights* webinar held on July 17 indicated that the first quarter of 2025 saw a 3.1% quarterly return for private infrastructure, with a solid 7.8% return over one year and consistent performance over even longer periods including returns of 7.9%, 10.7% and 9.6% over the three-, five- and 10-year periods, according to the Burgiss Infrastructure Index that covers private infrastructure.

“This indicates steady and reliable performance for private infrastructure, making it a very attractive option for investors seeking a stable, contractual revenue stream tied to inflation,” Research Analyst **Dennis Yu** said, in the webinar.

## Relevant Opportunities For Investment & Risks

The private infrastructure space offers numerous sectors and strategies that can be beneficial for institutions in today's environment.

Private infrastructure first became noteworthy to the private market universe around 2006 and over the last decade or so has averaged 9.2% of the total annual assets under management across all private asset classes, according to investment consultant **Meketa Investment Group's** education *Introduction to Private Infrastructure*, which notes that infrastructure includes long-lived tangible assets that derive value from their intrinsic physical characteristics and is the foundation for the production and delivery of goods and services that are critical to the global economy.

Infrastructure offers a compelling set of benefits for institutional investors – stable cash flows, inflation linkage and low correlation with other asset classes, according to Offutt.

“These characteristics make it a powerful diversifier in portfolios, particularly in volatile or uncertain markets. Beyond financial resilience, infrastructure investments often contribute to economic growth, sustainability, and efficiency, aligning closely with institutional sustainability mandates and long-term stewardship goals,” he said.

Some infrastructure sectors highlighted by Meketa include transportation like airports, roads, rails, and terminals; energy and power; digital and communications such as towers, fiber and data centers; and sustainability, like solar, wind, battery storage and LED lighting.

Burnett, who has been with Hamilton Lane for eight years, finds more interest in certain sectors such as digital infrastructure and power infrastructure.

“I would say the digital side has seen the most interest in terms of capital formation. This is around data centers and infrastructure required to enable AI. This could also include fiber connectivity to the premises which often includes data centers. And then, I would say, an extension of that, a derivative of that data infrastructure has been the power that is required to power these data centers. The power infrastructure, both in terms of natural gas fire generation, but also renewable generation and battery storage have seen increased investor interest. Those technologies have enabled the expansion of some data center capacity. So, power and data infrastructure go hand in hand. And I think both of those continue to see very favorable market dynamics,” he said.

Hamilton Lane has a fairly sizeable footprint in infrastructure in any given year and commits \$3 billion to \$5 billion in infrastructure funds and close to \$1 billion into infrastructure transactions every year.

When it comes to investment themes, Marquette’s webinar noted that the power demand in the U.S. is rising significantly, especially with the growth of digital assets. U.S. power demand grew 2% in 2024 while U.S. Real GDP dropped roughly 1% the same year, according to the firm’s findings.

“Power demand growth is tracking closer to, or in some cases actually outpacing GDP growth. It is fair to say that infrastructure investment increasingly tapping to structural growth especially in the energy and renewable sector,” Yu said. “Surging power demand driven by digital assets is creating long-term investment potential in critical infrastructure assets.”

Callan’s Gould, who joined the firm 15 years ago, finds the sectors in infrastructure have evolved and there is still high demand for transportation to really serve as the bedrock, as well as utilities.

“Increasingly, we’ve seen data centers and the broader energy sector grow in terms of interest and appetite from our clients. They’re pretty interrelated with one another. And so, seeing a lot of opportunities in that space. Some of our clients are really leaning more into the data centers given the AI trends there and then others see that trend but are a little unsure on sort of how to underwrite it and maybe don’t or maybe [have] a little bit less of a risk approach, so they’re leaning more to the energy side or the power side of that since it’s a converging team because the data centers need so much energy. And so, [they’re] leaning more to that side of the equation to participate in that positive trend, but not investing directly in data centers if they aren’t quite sure how to navigate it,” he said.

Wilshire found that renewables and digital infrastructure had the most deal volume by sector in the first quarter. Thirty percent of U.S. infrastructure deals were in renewables, digital infrastructure provided about 20% of deals during the quarter, while other notable sectors included power, energy and transport.

“The U.S. infrastructure market is being shaped by artificial intelligence and the energy transition, with investments focused on decarbonization, energy efficiency and renewable energy projects, alongside advancements in electrification and digitization. Absent significant repeal, the \$1 trillion Infrastructure Investment and Jobs Act should continue to provide substantial government support and increasing public prioritization across the infrastructure spectrum from clean energy to broadband,” Wilshire’s report stated.

Since 2014, 80% of the capital raised in infrastructure has been to funds that identify as energy transition or an energy transition sector as a target for the fund, according to private markets research analysis firm *PitchBook*.

Similarly, Burnett indicated that the one sector that there has been a lot of talk on recently has been renewables as it relates to the [One Big Beautiful Bill Act](#) passed in early July.

“The One Big Beautiful Bill and the executive order which quickly followed, interjected some uncertainty around the future of renewables in the U.S. I think that uncertainty will slow some investment initially,” he said. “But I think our view is that there’s some very strong market drivers that will continue to make renewables a favorable place to deploy capital. They remain one of the cheapest and most easily dispatchable forms of bulk generation. There remains a very strong corporate offtake market for renewables. And so, although the changes in the One Big Beautiful Bill certainly changed the future credit environment for those types of assets, we still think there are some strong market drivers that will continue to see uptake of renewables. So even in that space where there’s been some regulatory change, we think that you’re going to continue to see increased build out, a renewable capacity which is also largely driven by the power needs from data centers.”

Morrison, which was founded in 1988 in New Zealand, invests across the infrastructure risk spectrum, with a particular emphasis on mid-market platforms undergoing transformation and Offutt, whose journey to Morrison was shaped by two decades in infrastructure, indicated the firm is excited about two sectors that are being reshaped by secular tailwinds – digital infrastructure and supply chain logistics.

“From hyperscale-ready data centers to bulk fiber platforms, digital infrastructure is becoming foundational to sovereign capability and economic resilience. The rise of AI, cloud computing, and data sovereignty is driving demand for scalable, secure, and locally anchored digital assets. Significant capital is needed throughout supply chains to improve efficiencies and create resiliency; Covid demonstrated that supply chains were more fragile than expected. Infrastructure capital can play a critical role to embrace automation solutions,” Offutt said. “These sectors reflect our belief that infrastructure is not just about physical assets – it’s about investing in platforms that shape the future. Our thematic approach allows us to source opportunities beyond traditional boundaries and build businesses that matter.”

Infrastructure strategies – core, core-plus, value-add and opportunistic – are differentiated by their risk-return profiles, but not mutually exclusive, Meketa purported.

Since 2006, the consultant noted that core and core-plus have represented 27% and 34% of global annual capital raised, respectively, while value-add comprised 22% and opportunistic comprised 8%.

Historically, core/core-plus and non-core infrastructure returns have been in line with expectations, Meketa indicated. Since 2008, the core/core-plus annualized return was 7.2%, lower than non-core’s 7.6%.

Burnett thinks most institutions are focused on the core-plus and value-add area of infrastructure.

“If you looked at our portfolios, they’re about 90% between core-plus and value-add and about 10% in core. We may be a little heavier in that core-plus and value-add space versus core, but I think the market, generally speaking, is focused mostly on that core-plus and value-add. Some core. Not a lot in the opportunistic space,” he said.

For most of Callan’s clients, the core and core-plus side of the risk spectrum is the most appealing.

“Having that strong income inflation protection really comes from the core/core-plus side of the risk spectrum. That’s why that strategy has been favored. It’s also tied to the vehicle options there. A lot of the core and core-plus strategies have either started or have evolved into open-end or evergreen fund formats. And so, from an implementation standpoint, it’s been much easier for our clients to adopt infrastructure as opposed to historically, when there were very few options in the open-end space. It made less sense for their real assets portfolios and was more seen as sort of lower risk, private equity. That’s why we’ve seen increased adoption,” Gould said.

Verus’ outlook finds that market uncertainty, particularly in the U.S., is likely to benefit core infrastructure relative to other sectors more exposed to slowing economic growth in the current environment.

“Core infrastructure often benefits from revenues and expenses that are almost entirely tied to the country in which they are domiciled. Tariffs, protectionism, and onshoring are, in most cases, either tailwinds or neutral to the operations of the businesses. The asset class remains fully valued by historical standards, leaving the spread between equity returns and debt yields uncomfortably tight,” the outlook read.

Verus has a neutral outlook for the core infrastructure strategy given that the interest rate environment changed but sees value in its stability, yet prefers global core funds with light exposure to assets that are reliant on global trade and transportation volumes.

Marquette’s Yu further highlighted a strong microeconomic installation for core private infrastructure relative to other asset classes, making it better positioned to weather volatility.

“Among the lowest total micro sensitivities, core infrastructure offers resilience through market cycles. Compared to other asset classes, infrastructure demonstrates significantly lower exposure to micro factors like interest rate and inflation. This reduced the beta preserved downside protection especially during economic stress. As a result, core infrastructure continues to play a very valuable role in portfolio allocation delivering strong, long-duration, income-generating exposure with limited correlation to broader market risks,” Yu said.

Another trend observed in the infrastructure space is the rise in infrastructure secondaries with deal flow increasing at 24% annually over the past decade, according to Marquette.

“LP-led transactions remain the dominant driver there, but GP-led deals also gained momentum in recent years as GPs seek liquidity solutions in a very challenged exit environment. The current market environment presents compelling opportunities in secondary markets where institutional demand and liquidity are unlocking access to high quality, cash generating assets at a scale,” Yu said.

As of the fourth quarter of 2024, global private markets investor **Pantheon** estimated the total amount of capital raised and invested by infrastructure funds to be approximately \$1.1 trillion and an estimated \$400 billion of capital committed to but not invested by infrastructure funds.

Pantheon's [recent research](#) finds that infrastructure secondaries are "powering up" as recent increases in the cost of capital, coupled with a wider slowdown in transaction activity and increased public market volatility, have eroded fund managers' ability to create liquidity for their investors through traditional exit routes such as sales to other GPs or strategics.

"This liquidity crunch has created an unprecedented opportunity in the market for secondary interests in infrastructure funds and private markets funds more generally. By acquiring such fund stakes from LPs, infrastructure secondaries investors can access the asset class at prices that are typically below the fair market value of the underlying assets, providing additional downside protection and future return potential, leading to attractive risk-adjusted returns compared to other investments within the private infrastructure market," the firm's research stated.

Private markets data and research analysis firm *Preqin* estimates infrastructure secondaries deal flow will reach \$70 billion by 2028, Pantheon's paper stated.

"We expect growth in infrastructure secondary deal flow to continue into 2025, and most likely well beyond, as institutional investors continue to generate liquidity from their infrastructure portfolios due to the limited exits by their fund managers," Pantheon indicated.

FIN Searches found four infrastructure secondaries commitments were made in 2025 thus far, all during the second quarter to Ares, **HarbourVest Partners** and Pantheon, while none were made in 2024.

Callan has seen infrastructure secondaries grow quite a bit and as a lot of new managers enter the space, Gould indicated that several clients go into it for the opportunity.

"There's a lot of appealing attributes to it that LPs really like and then the overall need for secondaries transactions has grown quite a bit given a lot of the liquidity questions that need to be addressed. A lot of these funds have raised a lot of capital and they're still investing. And a lot of these assets are sort of mid business plan or mid stage in terms of their value creation. But a lot of the LPs need the liquidity to commit to the next fund, or for other purposes. And so, the desire to get liquidity feeds the secondaries market. I think there's a lot of opportunities there as well," he said.

Morrison expects continued growth in the infrastructure secondaries space, especially as more funds reach mid-life and investors look to optimize their holdings. The trend also supports broader market efficiency and transparency, according to Offutt.

"Infrastructure secondaries are gaining traction as investors seek liquidity and portfolio rebalancing options. The rise reflects a maturing market where LPs are more actively managing their exposures. At Morrison, we view secondaries as a natural evolution of the asset class, offering both buyers and sellers flexibility and access to seasoned portfolios or assets," he said.

Infrastructure secondaries is a space that has grown a lot in the last five years and Hamilton Lane is constantly looking at the secondary market, which is a good 10 years behind private equity, but

Burnett finds we are reaching the point now where there is a significant amount of NAV that exists in infrastructure funds that is creating a secondary opportunity set.

“This year, it’s expected that somewhere between \$25-\$30 billion of infrastructure secondary capital will trade in the market. The private equity secondary market is a \$150-\$200 billion secondary market. So, you’re still talking about a fraction of what trades in the PE space, but that \$25-\$30 billion is up from \$5-\$7 billion five years ago. So, you’ve seen immense growth in that area of the market,” he said, adding. “I think it’s growing because there’s a NAV base now that makes sense to transact. You’re seeing more brokers pick up secondary pieces as key parts of their business and you’re seeing institutions tap that secondary market in infrastructure similar to the way they’ve used it in PE, and that is primarily as a portfolio rebalancing tool. The pricing for infrastructure secondaries remains very strong. It’s not uncommon to see high-quality infrastructure positions today still pricing in the mid to high nineties. This is not an asset class that that you find very steep discounts in the secondary market, generally speaking. I think the asset quality lends itself to tighter pricing in that secondary dynamic.”

Like any investment strategy, infrastructure does come with some risks that investors must be mindful of when allocating to the portfolio including regulatory risk and capital stack risk.

“Regulatory risk is one key one that investors and GPs are looking at closely. I think it’s especially when you take into account the growth in data centers and AI in the sort of the strain it puts on the power grid and how much that affects regular everyday consumers of energy and how much of the costs are being passed through to them indirectly. And so, the ability to control that and whether there’s regulatory risk there of a regulator stepping in and really disrupting that in terms of the data center and AI side. I think that’s certainly a risk that a lot of GPs are looking at closely,” Gould said.



Jonny Gould

Because these are large asset-intensive businesses, Burnett indicated that there is some operating risk, but the other piece of risk that Hamilton Lane has seen in infrastructure more recently is a stretching of the definition of what infrastructure is and adding that entry valuation risk is also top of mind for the firm today.

“You’re seeing some infrastructure investors go into infrastructure-adjacent businesses where they’re wearing more service model risk, more commodity price or merchant power risk or they may be taking some technology or business model risk. I do think by and large infrastructure is a very downside-protected asset type when done correctly. And that’s focused on heavy assets, focused on pricing power, focused on long-term contracts. But we’ve seen that definition get stretched a little bit as more capital has come into the space. Entry valuation risk is also top of mind for investors, especially in the hotter sectors of infrastructure. You take data centers, for example, or fiber and tower companies. Long term, the multiples in that space have been 16 to 18 times on an entry multiple basis. It’s not uncommon to see platforms in those sectors today trading in the mid-twenties on an entry multiple.

So, there's a belief that those sectors are best positioned for growth. But you're paying a lot on that hope that they're going to continue to grow in some instances," he said. "So, this entry valuation risk and this stretching of the definition of infrastructure go hand in hand in some ways. Because some of these infrastructure assets are expensive, infrastructure investors are looking to other types of assets that may have 'infrastructure-like' characteristics, but not be a traditional infrastructure asset. Some of those plays are going to work and some will not."

Infrastructure investments are not without risks, according to Offutt, who noted regulatory changes, operational complexities and geopolitical shifts can all impact asset performance. In today's environment marked by volatility, policy uncertainty and rapid technological change, scenario planning and robust risk management are essential.

"We emphasize diversified portfolio construction, stress testing, and active ownership to ensure resilience. Our focus on the mid-market is deliberate: it allows us to engage directly with management teams, shape strategy, and respond quickly to emerging risks. This hands-on approach is especially valuable in sectors undergoing transformation, where operational agility and regulatory awareness are critical," he said.

Meanwhile, financing or capital stack risk is also something that LPs and even GPs are looking at just given that rates are higher and sort of how much leverage is being used in the infrastructure asset class, Gould added.

"It can vary in terms of sort of where you are on the risk spectrum, but a lot of assets have benefited from lower fixed-rate debt for quite a while. And as these assets come up for refinancing, what does that do to the economics of them? And that's in regards to long-term core holdings but then, also what effect is that going to have in the current environment when there's shorter term, more value-add and opportunistic-type business plans and the strain of leverage with higher rates in the current environment. There's a lot of questions around the financing and leveraging of these assets and how that's going to play out over a longer-term period," he said.

Verus indicates that now may be the time to manage risk in infrastructure.

"For several years, we have discussed the shift in strategy among infrastructure managers toward private equity-oriented industries and companies. With fewer regulated and monopolistic businesses available to purchase, what qualified as 'infrastructure' became a moving target. In general, that trend meant taking more risk. The prospect of slowing economic growth in the U.S. market is likely to impact investments that were more reliant on business cycles than those that are defensive, regulated businesses that traditionally meet the definition of infrastructure. We would take this opportunity to build more defensive infrastructure portfolios and look outside the U.S. market," the outlook read.

Verus has become increasingly concerned with non-core infrastructure moving up the risk spectrum in today's environment and several factors have driven this shift including a wave of core capital acquiring assets and the rise of new subsectors within energy transition and digital.

"There remains a significant need for investment in modern infrastructure to support the digital economy and electrification, which presents an investable opportunity. However, it's important for investors to remain objective regarding the risk being taken in their current infrastructure investments.

We expect transactions to increase in 2025, as GPs look to return capital to investors and buyers feel confident in the asset class's ability to hold up to its inflation-protected reputation. This should also help the slower fundraising environment of late," the outlook read.

With non-core having broadly drifted away from traditional infrastructure characteristics, Verus is neutral on the space and finds investors should anticipate a broader range of outcomes and place greater importance on manager selection.

## Outlook For The Future

The majority still view infrastructure as a relevant strategy in institution's portfolios and find it will continue to be a resilient investment.

Callan continues to have a very positive outlook on the infrastructure space.

"We've seen how resilient the asset class has been really, over a rising interest rate environment as well as an inflationary environment, and it's continued to perform very well and serve the purpose that it has in a lot of our client portfolios that they were seeking. A lot of that is an income-oriented return with a strong, resilient yield inflation protection, low volatility and uncorrelated returns. Its ability to do that in an inflationary environment and rising interest rate environment has been a very positive experience for our clients. We continue to think of it in a positive light and support increasing target allocation to the space," Gould said.

Hamilton Lane's general outlook on infrastructure in the current market is good and if you think about why institutions allocate to the space, Burnett finds a combination of "current income yield, strong relative and absolute returns" and an "inflation hedge" are all characteristics of infrastructure that still hold true.

"In addition to the return and diversification benefits of infrastructure, the macro themes play strongly to infrastructure's favor. If you think about the major themes that will drive capital formation across private markets for years to come, you would think about data and AI, you would think about energy security, reliability and transition, you would think about global trade and supply chain optimization. All of these are, fundamentally, infrastructure-enabled themes and playing these themes through hard asset ownership is a better way to approach them," he said.

Verus remains cautious on the asset class broadly, but believes "they will stay elevated as long as capital continues to flow into the asset class," its outlook stated.

As infrastructure rapidly evolves, the lines between infrastructure and private equity are blurring, so investors must adapt to new dynamics, according to Morrison, which finds success lying in thematic investing, proactive engagement and long-term partnerships.

"We're optimistic about the opportunities ahead and remain committed to delivering value through forward-looking strategies that meet the needs of institutional investors in a changing world," Offutt said. "For us, infrastructure investing isn't just an asset class — it's a way to shape the future."