



INFRASTRUCTURE PULSE AMERICAS

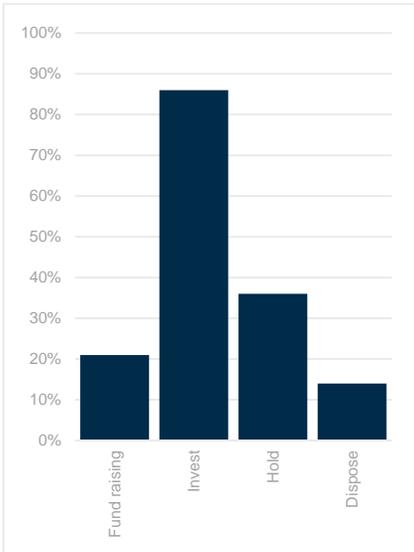
Q2 2020

KEY FINDINGS FROM Q2 2020 REPORT

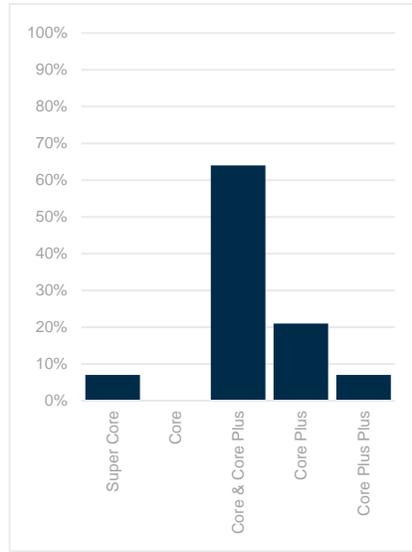
Welcome to the inaugural Quarterly Infrastructure Pulse, compiled by Alvarez & Marsal in collaboration with the GIIA. This pulse survey is designed to provide a regular temperature check of sentiment in the sector and emerging trends. Against a backdrop of Covid-19, a number of interesting themes are noted in the Q2 2020 survey:

1. While investor sentiment is mixed, most respondents raising capital expressed a neutral or marginal positive view of the fund raising environment. For those investing new capital, more than three quarters of respondents indicated that infra debt markets remain favorable. In general, the banks remain open for funding of new infrastructure deals.
2. Respondents indicated that the most positive outlook was for the United States and Canada while Mexico and Brazil were negatively viewed. Mexico sentiment was negative despite last year's announced first phase of a five-year infrastructure plan consisting of private-sector commitments totaling \$44 billion stretched across 147 projects in the transportation, tourism and telecommunications sectors.
3. In terms of general outlook, respondents were most positive about the outlook for transactions in communications infrastructure (reflecting increased appetite for, and number of, recent opportunities in fiber, telco towers and datacenters) and the renewable generation sectors (which is partly driven by ESG motivations discussed more below). The most negative sentiment was reserved for airport transactions and education infrastructure. While the rationale for the airport sentiment is clear with flight volumes down 90% in the United States since Covid-19, education pessimism may be driven by concerns for changes in education patterns (moving more to online) and state government budgets being constrained.
4. Respondents were unequivocal that the most significant adverse impact on their portfolios of Covid-19 was in the transport space, and particularly airports. The only sector positively impacted by Covid-19 has been the communications space, where connectivity has taken on an more important role as many people work from home.
5. ESG is emerging as an important consideration for investors and their LP's. Our view is that Covid-19 and recent police brutality incidents will only accelerate the E and S agenda with a flow through to investment criteria. ESG diligence is becoming an increasing feature in transactions, which continue to be resilient for the non-transportation sectors of infrastructure.

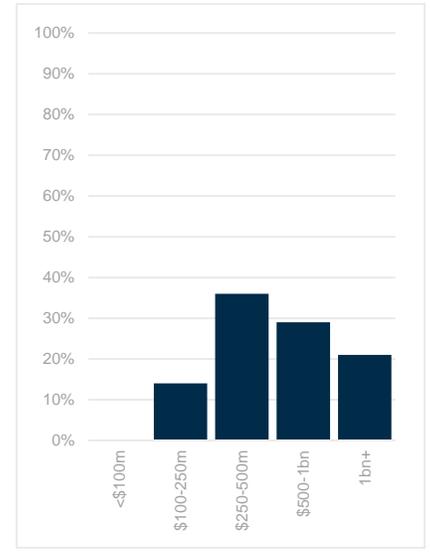
How would you describe your current focus?



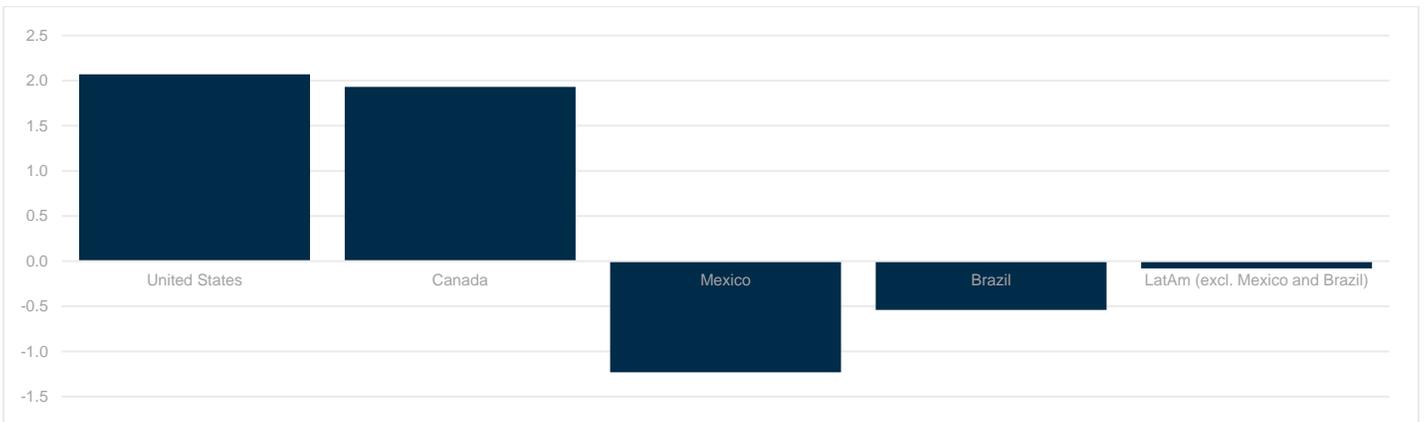
How would you describe your investment criteria?



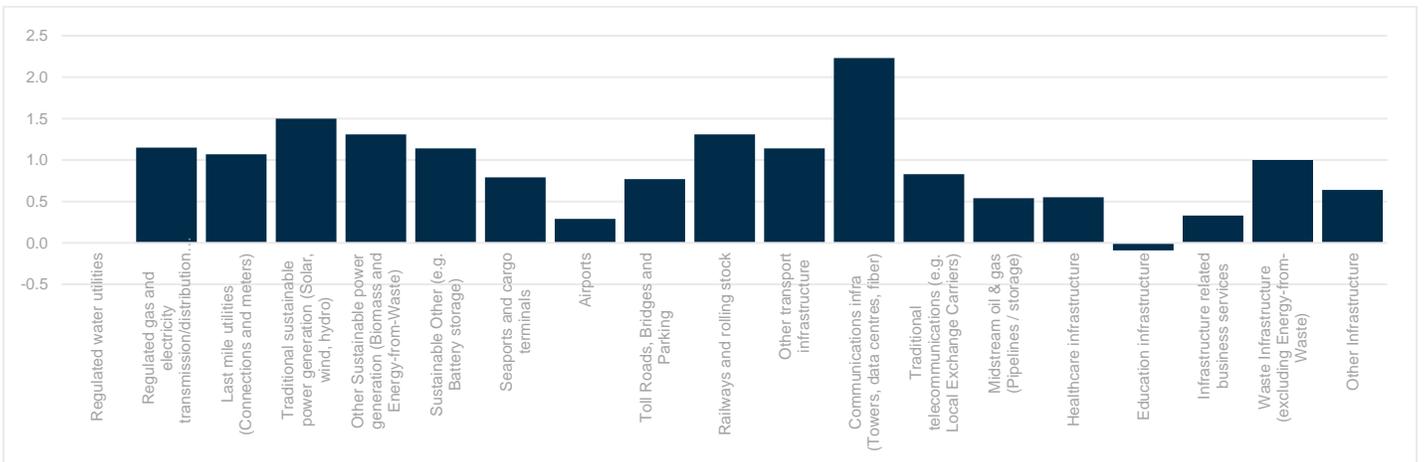
What is your target equity check?



What is your outlook for the attractiveness of, and opportunities for, your fund(s) Infrastructure investment in the following countries in the next quarter? (Please score using the following rating scale: -5 Extremely negative, 0 Neutral, +5 Extremely positive).



What is your outlook for overall infrastructure opportunities for your fund(s) in the following sectors in the next quarter? (Minus 5: extremely negative, 0: neutral, 5: extremely positive).



If fund raising, how favorable is the current equity fund raising environment? Please score using the following rating scale: -5 Extremely unfavorable, 0 Neutral, +5 Extremely favorable.



If deploying capital how much equity do you anticipate deploying in the next 12 months:



If deploying capital, how favorable do you consider the infra debt markets for current deals to be? (Minus 5: extremely unfavorable, 0: neutral, 5: extremely favorable).



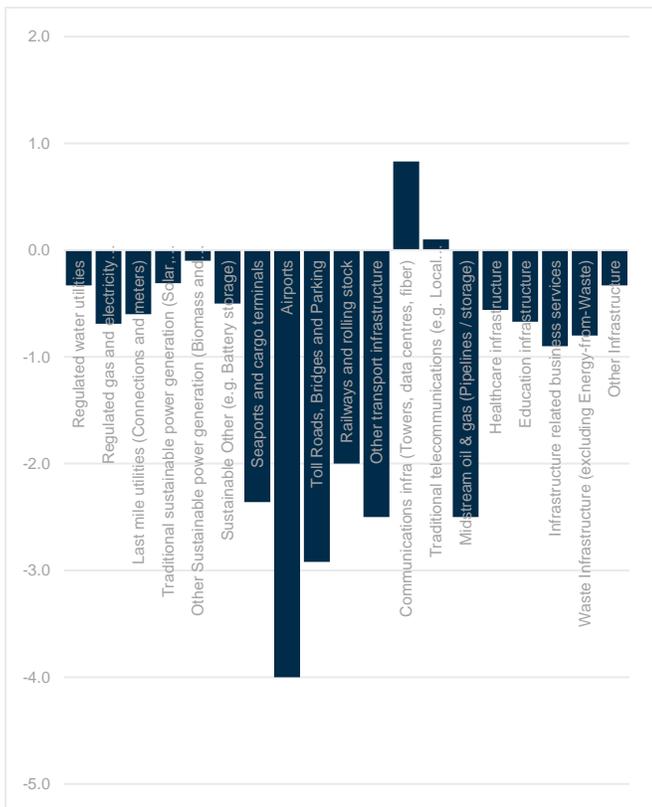
How many assets do you anticipate divesting in the next 12 months?



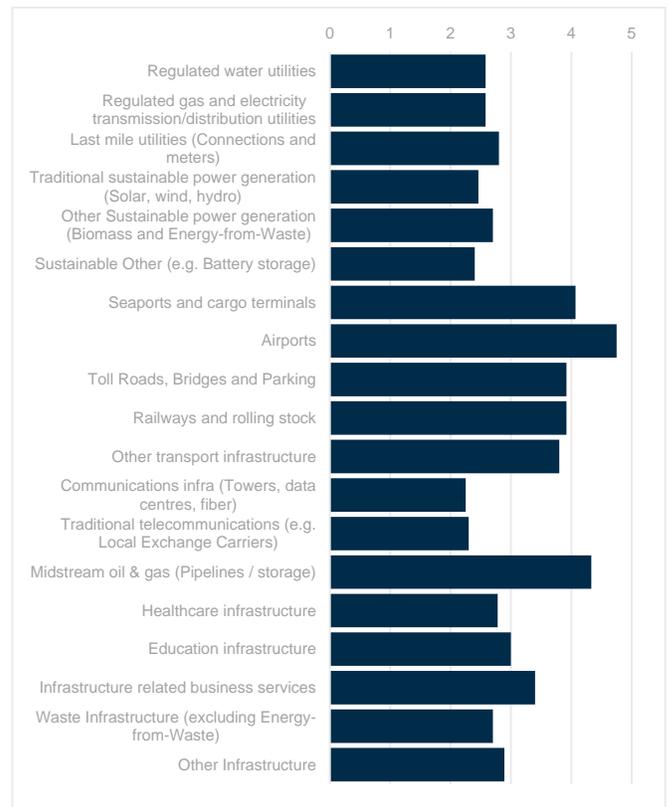
How important is ESG to your LP's and how strongly does it influence your investment decisions? (0 not considered, 5 Balance of factors, 10 Primary factor).



What is the anticipated impact of Covid19 on your short term yield to investors from the following asset classes in your portfolio? Please score using the following rating scale: -5 Extremely negative, 0 Neutral, +5 Extremely positive.



What is the anticipated timeline for your portfolio yields to return to pre-Covid 19 levels for the following sectors: (1: Already no ongoing impact, 2: < 6 months, 3: <12 months, 4: < 2 years, 5: anticipate ongoing negative impact).



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ABOUT GLOBAL INFRASTRUCTURE INVESTOR ASSOCIATION

Global Infrastructure Investor Association (GIIA) is the membership body for the world's leading institutional investors. On their behalf, we work with governments and other stakeholders to promote the role of private investment in providing infrastructure that improves national, regional and local economies. Collectively, GIIA members have more than \$780bn in infrastructure assets under management across 55 countries.

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ABOUT ALVAREZ & MARSAL GLOBAL TRANSACTION ADVISORY GROUP

A&M's Global Transaction Advisory Group provides investors and lenders with the answers needed to properly evaluate and execute transactions. We combine our firm's deep operational, industry and functional resources with Big Four-quality transaction services and tax expertise to assess key deal drivers and to quickly identify and assess critical deal issues. As the largest transaction advisory practice outside the Big Four, our global teams support private equity, sovereign wealth funds, family offices and infrastructure funds as well as serial corporate acquirers to unlock value across the investment lifecycle.

The firm's Global Transaction Advisory Group includes over 500 professionals across 24 offices throughout the U.S., Latin America, Europe, India and Asia. Our global team has extensive industry knowledge across multiple sectors including, but not limited to, dedicated industry verticals in healthcare, software & technology, energy, infrastructure and financial services.

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