



# INFRASTRUCTURE PULSE AMERICAS

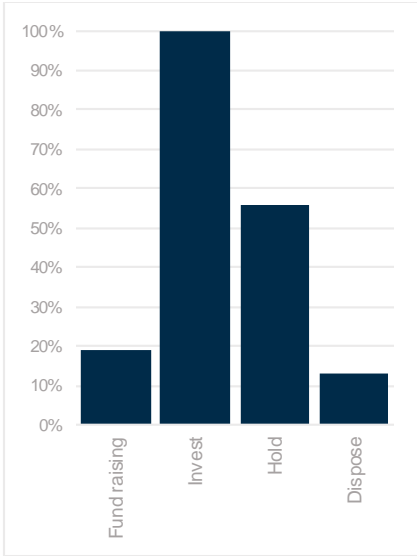
Q3 2020

## KEY FINDINGS FROM Q3 2020 REPORT

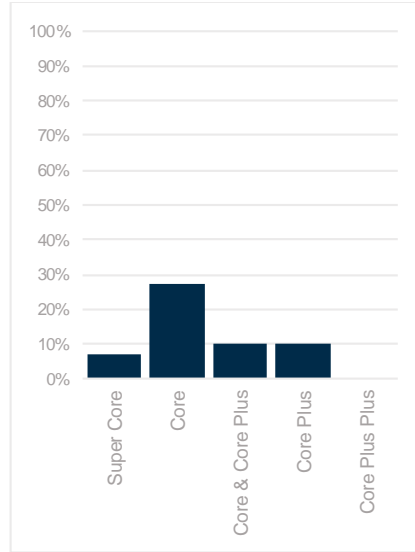
**The Quarterly Infrastructure Pulse, compiled by Alvarez & Marsal in collaboration with the GIIA is a survey designed to provide a regular temperature check of sentiment in the sector and emerging trends. Against a backdrop of COVID-19, a number of interesting themes are noted in the Q3 2020 survey:**

1. While investor sentiment remains mixed, respondents raising capital expressed a more positive view of the fund raising environment in Q3 compared to Q2. For those investing new capital, almost 85% of Americas respondents indicated positive infra debt markets with a significant improvement noted relative to Q2.
2. Respondents indicated that the most positive geographic outlook continues to be for the United States. Although generally in line with the prior quarter, the outlook for all other Americas regions were lower in Q3 as compared to Q2.
3. In terms of sector outlook, respondents were increasingly bullish about the outlook for transactions in communications infrastructure (reflecting increased appetite for, and number of, opportunities in fiber, telco towers and datacenters) as connectivity remains critical as people work from home. Sentiment remained strong in the renewable generation, regulated utilities, other power generation assets. Predictably the most negative, and indeed increasingly negative, outlook was reserved for airport transactions. All transportation sector sentiment was lower in Q3 as compared to Q2. Interestingly, the outlook for utility transactions in the Americas diverged from Europe. Americas sentiment was positive while European sentiment was negative, perhaps indicative of pressure on allowed returns in recent and pending European settlements, particularly in the UK.
4. Most respondents expressed a more positive view in Q3, as compared to Q2, of the anticipated timeline for portfolio yields to return to pre-COVID-19 levels. In general, most asset classes are expected to return to pre-COVID-19 yields within approximately two years. Notable exceptions with longer timelines include transportation (airports, seaports, and toll roads) and midstream oil & gas assets. The only sector noted as being positively impacted by COVID-19, with a more favorable impact noted compared to Q2, was the communications space.
5. ESG continues to be an important factor for infrastructure investors, although the importance declined slightly compared to Q2 in the Americas while it increased in Europe. We are seeing an increasing number of funds requesting ESG due diligence as an option in transaction processes.

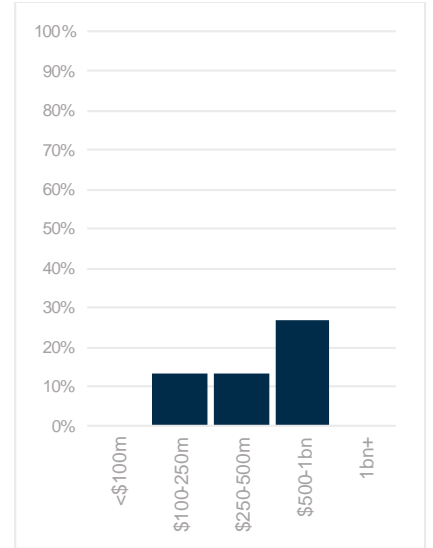
**How would you describe your current focus?**



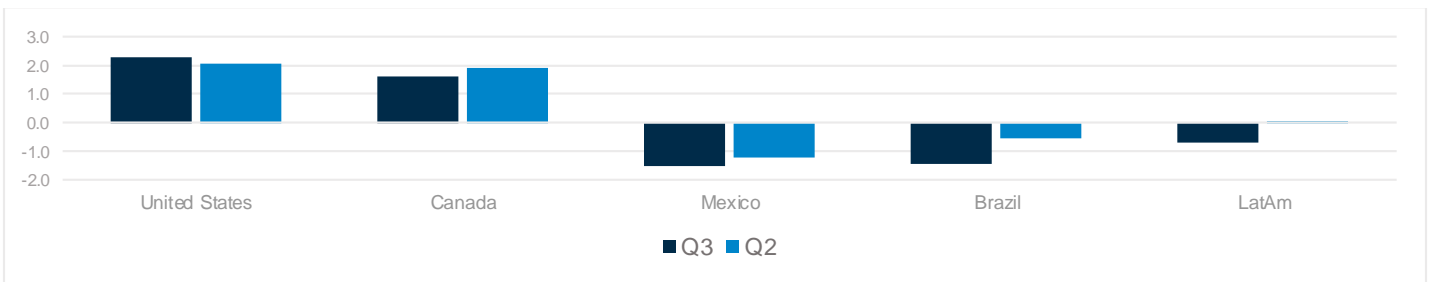
**How would you describe your investment criteria?**



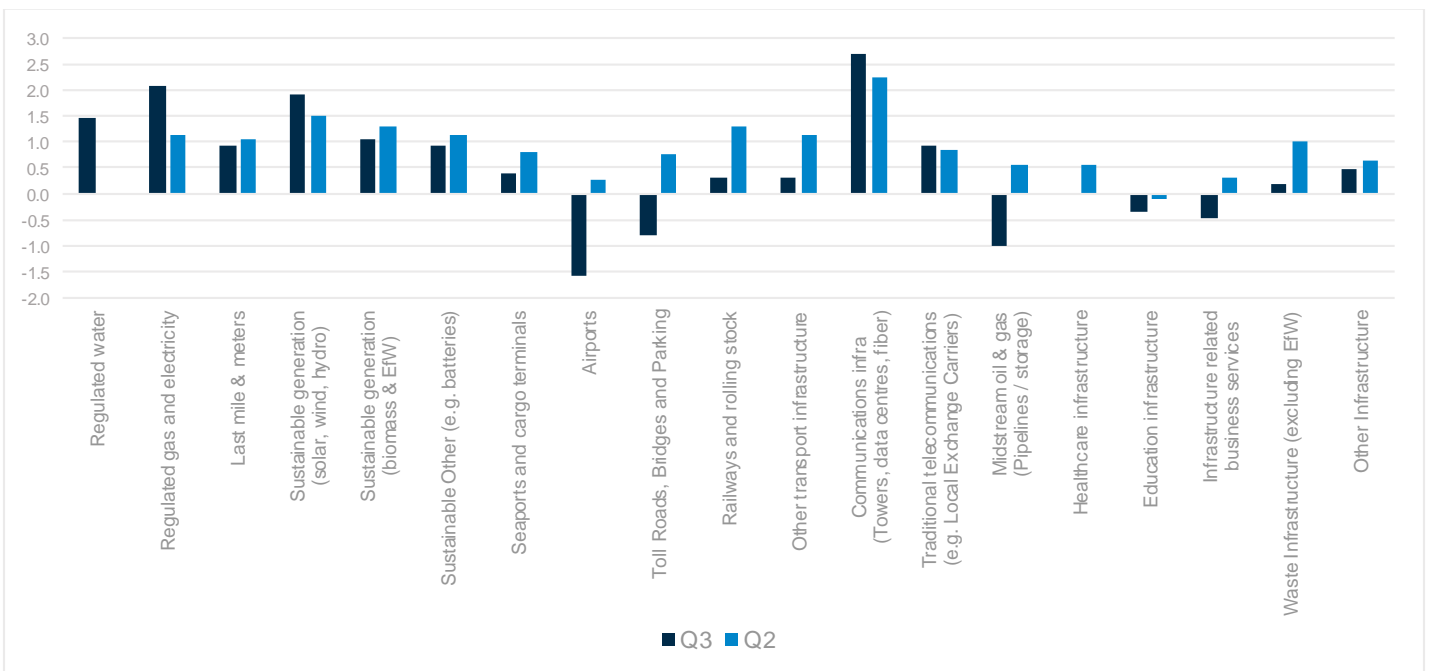
**What is your target equity check?**



**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.



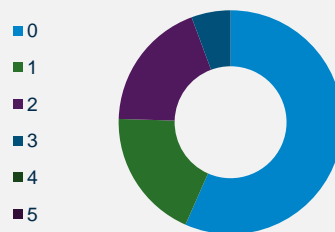
If deploying capital how much equity do you anticipate deploying in the next 12 months:



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).



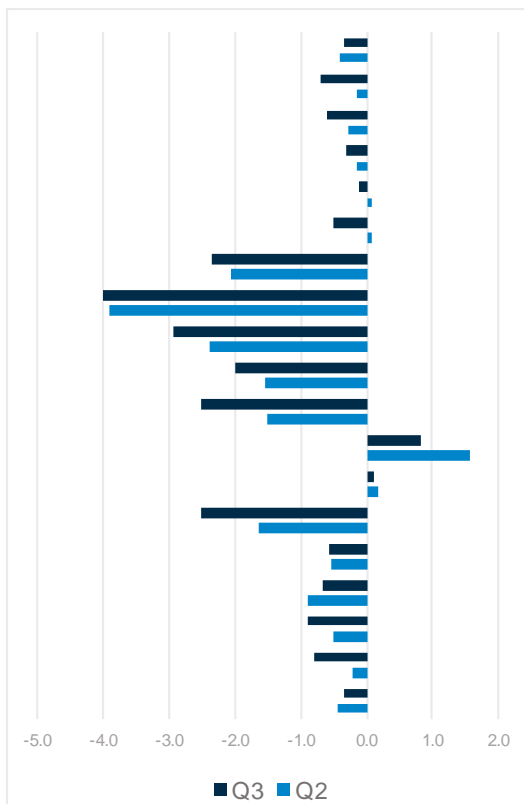
How many assets do you anticipate divesting in the next 12 months?



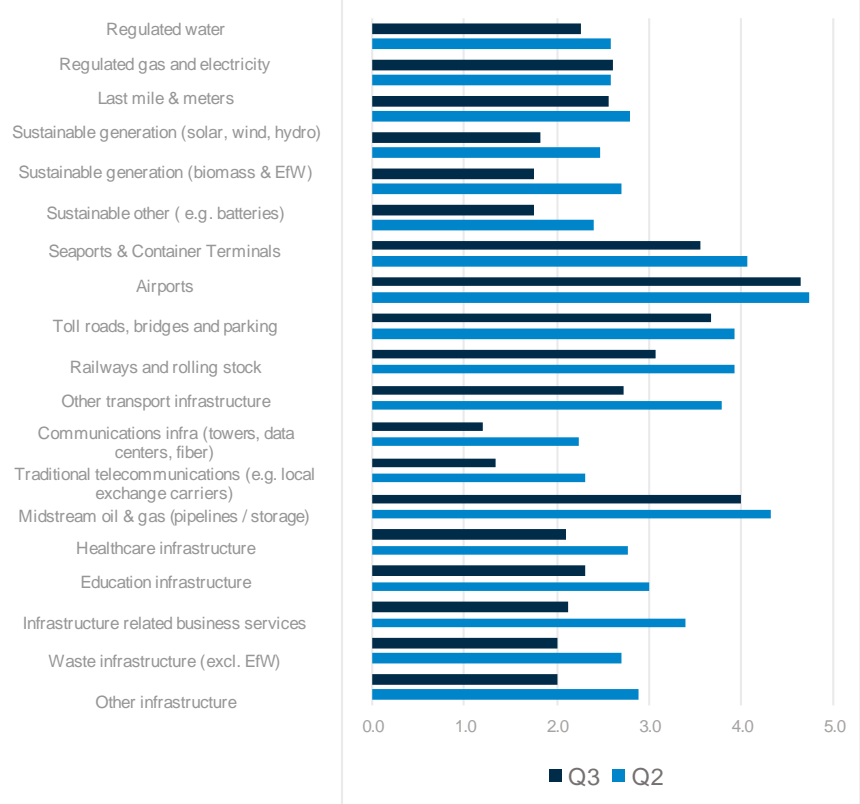
How important is ESG to your LP's and how strongly does it influence your investment decisions? (0 not considered, 5 Balance of factors, 10 Primary factor).



What is the anticipated impact of Covid-19 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).



## CONTACTS



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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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A&M's Global Infrastructure Investors Group helps infrastructure funds, corporates, private equity, sovereign wealth funds, and family offices with comprehensive infrastructure support to deliver strategic and practical bottom lines for maximizing the utilization and value of assets. From inception of fund structuring to deal execution, portfolio optimization, through project delivery and asset disposal, our unrivalled team of transaction experts is dedicated to providing an integrated breadth of service and senior leadership across the entire infrastructure investment lifecycle.

Our deep-rooted projects expertise, combined with reputable due diligence capabilities and operational excellence, are unparalleled within the transaction services market. We offer guidance on clients' most critical project challenges and drive performance in all areas of infrastructure investments, including acquisition and vendor due diligence, risk mitigation, capital efficiency, project execution, financial modelling and cost rationalization. With a global network of more than 3,000 private equity and capital projects professionals across the U.S., Europe, Latin America and Asia, our robust team is comprised of transaction advisory specialists, tax and accounting experts, engineers, former industry operators and C-suite executives, all armed with next-level infrastructure insights to guide you in your next deal.

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