



INFRASTRUCTURE PULSE AMERICAS

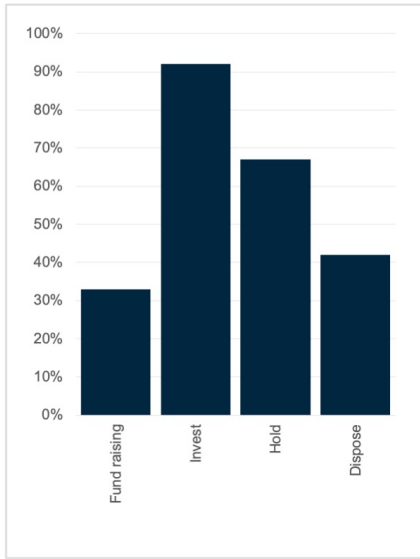
Q2 2021

KEY FINDINGS FROM Q2 2021 REPORT

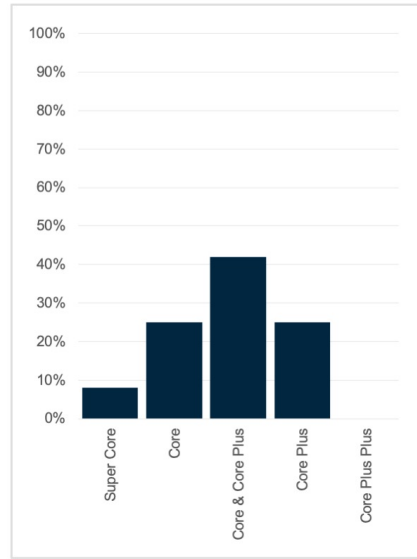
The Quarterly Infrastructure Pulse, compiled by Alvarez & Marsal in collaboration with the GIIA is a survey designed to provide a regular temperature check of sentiment in the sector and emerging trends . Q2-21 marks the first anniversary and is a time to look back on how themes have developed since Q2-20 in a world dominated by the COVID-19 pandemic:

1. In the initial stages of the pandemic, the Q2-20 survey highlighted a fragile fund raising and infra debt environment. As the pandemic has become part of “business-as-usual” most respondents have expressed an increasingly positive view of fund-raising and for those investing new capital, all indicated increasingly favorable debt markets. More funds are looking to deploy larger amounts of capital and to realize one or more existing asset than at any time in the prior 12 months, supporting confidence in the Infra deal cycle.
2. Investor sentiment in the Americas over the last year has consistently been positive for investment in the United States and Canada. In Latin America, including Mexico and Brazil, investor sentiment has been slightly negative. Sentiment in the United States was most positive while Brazilian investment was the most negative as of Q2-21.
3. Respondents have been consistently the most bullish about Communications infrastructure with an increased appetite for fiber, including fiber backbone, fiber-to-the-premise, fiber-to-the-tower, data centers, and small cell assets. Communications is the sector noted as benefitting the most from the pandemic.
4. The rise in the Sustainable Agenda has seen a continually improving outlook for renewable generation and “new” sustainable infrastructure (e.g. EV, batteries) and reduced appetite for carbon heavy assets. Respondents have indicated that Environmental Social Governance (ESG) considerations have an increasing influence on investment decisions and many funds now require some degree of ESG due diligence as part of their investment process.
5. Respondents have been unequivocal from the Q2-20 to Q2-21 survey that the most significant adverse impact on their portfolios of COVID-19 is related to their airport investments, although recovery expectations have improved in the last year. Interestingly there has been a marked improvement in estimated COVID-19 recovery expectations for Seaports compared to Q2-20 with many container ports running at full capacity and volumes significantly higher than initial expectations. Investors are expecting a quicker recovery of all non-airport transport assets now compared to their expectations in Q2-20.

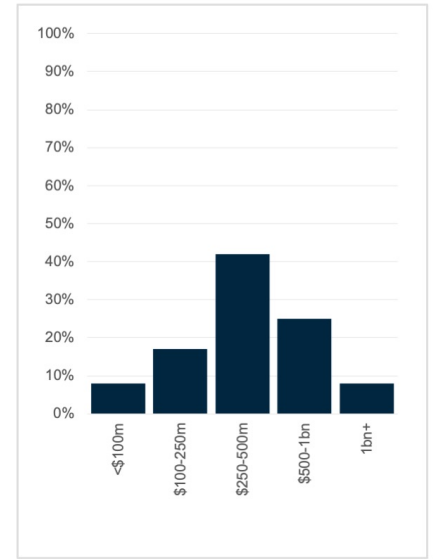
How would you describe your current focus?



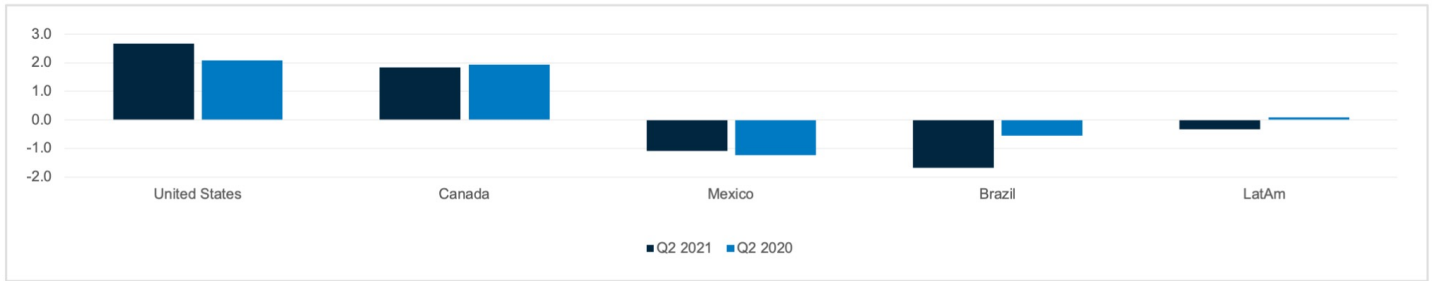
How would you describe your investment criteria?



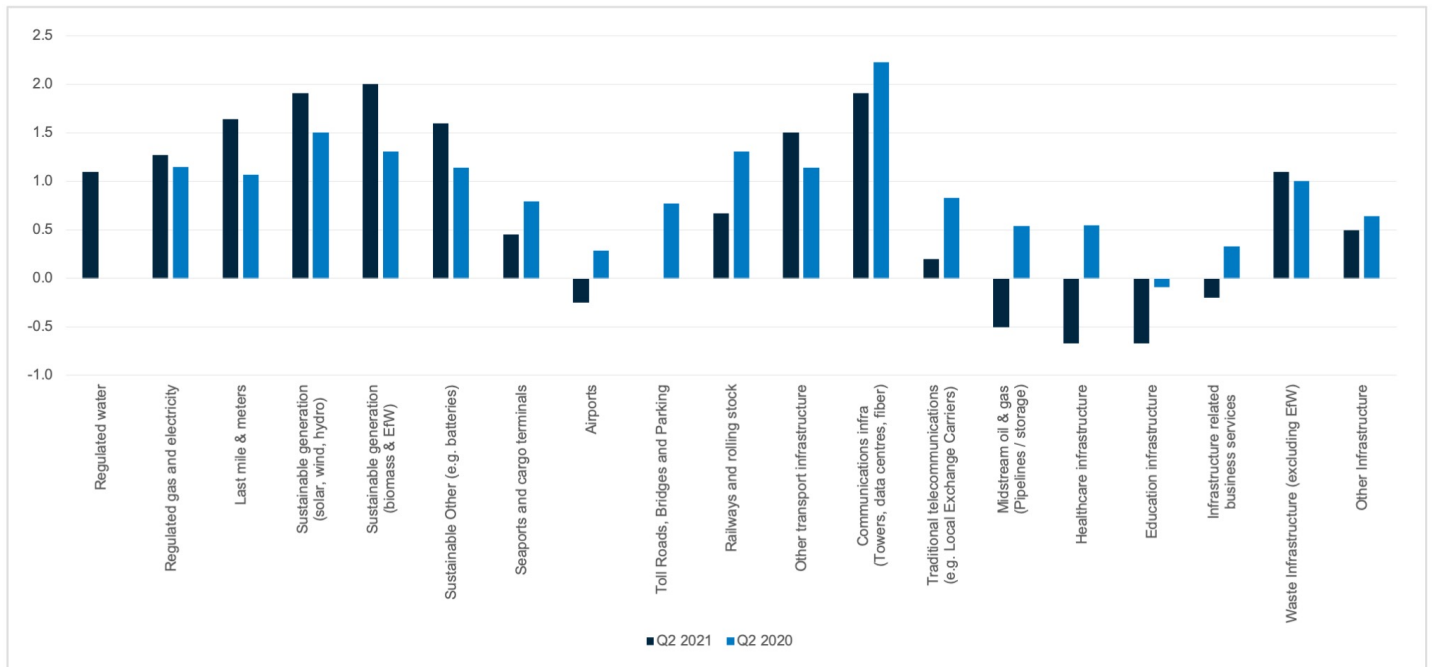
What is your target equity check?



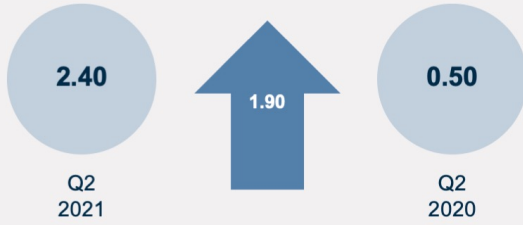
What is your outlook for the attractiveness of, and opportunities for, your fund(s) Infrastructure investment in the following countries in the next quarter? (Please score using the following rating scale: -5 Extremely negative, 0 Neutral, +5 Extremely positive).



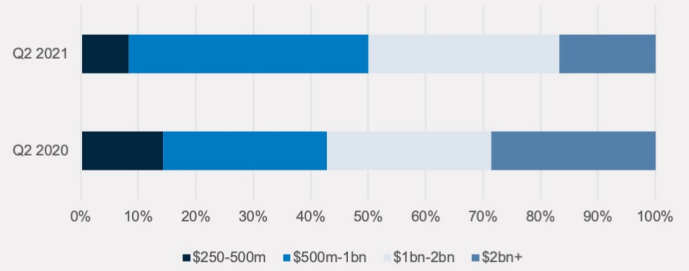
What is your outlook for overall infrastructure opportunities for your fund(s) in the following sectors in the next quarter? (Minus 5: extremely negative, 0: neutral, 5: extremely positive).



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.



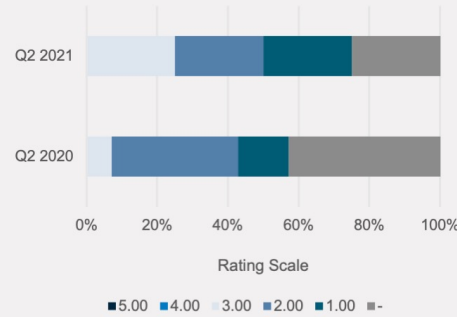
If deploying capital how much equity do you anticipate deploying in the next 12 months:



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).



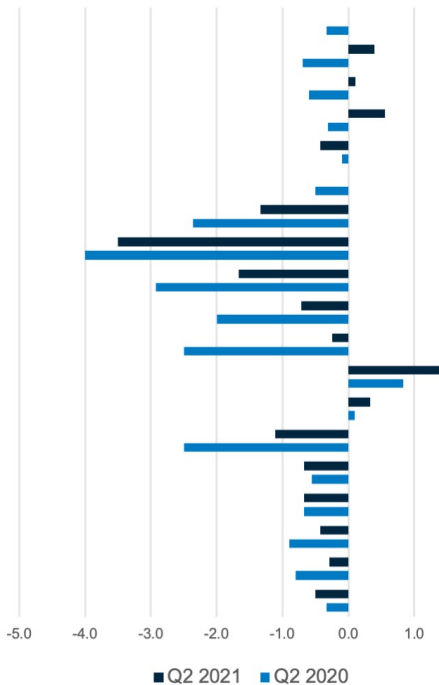
How many assets do you anticipate divesting in the next 12 months?



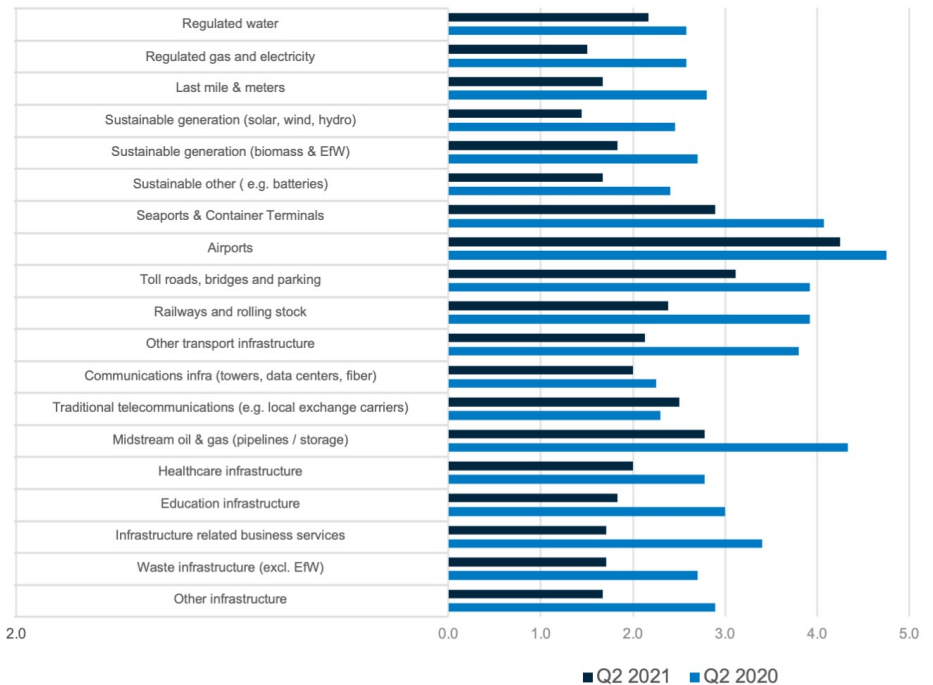
How important is ESG to your LP's and how strongly does it influence your investment decisions? (0 not considered, 5 Balance of factors, 10 Primary factor).



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).



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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 INFRASTRUCTURE INVESTORS GROUP

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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