



Infrastructure Equity: Market Overview and Key Trends

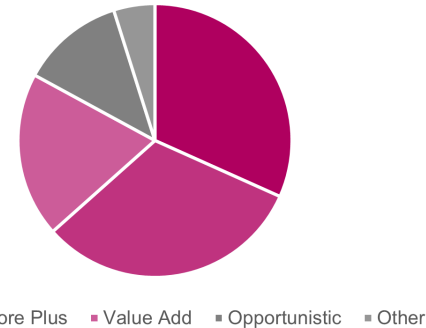
As we settle into 2026, we are delighted to launch our Infrastructure Equity Funds Catch-Up Series. We kick off by examining the current fundraising landscape (with a focus on funds closed during 2025) and spotlighting the key trends defining the asset class which will remain prevalent over this coming year.

Market overview

Infrastructure equity fundraising recovered strongly in 2025 (after a steep fall in 2023), reflecting strong investor conviction in the asset class as several mega funds reached final close. In particular, data obtained from Preqin shows that approximately 62%¹ of infrastructure funds reaching final close in 2025 and for which data is available exceeded their target size. This demand is underpinned by infrastructure's ability to deliver stable returns amid an uncertain macroeconomic environment, a quality that resonates with pension funds seeking liability-matched investments as well as other investors pursuing diversification.

As shown in the chart on the right², latest fundraising patterns reveal a notable shift towards development risk with Core Plus and Value Add funds raising the most amount of capital¹ in 2025 as interest rates decrease following recent highs. However, investors continue to view Core infrastructure as an essential part of their allocation with 7 of the 20 largest infrastructure funds reaching final close in 2025¹ pursuing a Core infrastructure strategy.

Infrastructure funds reaching final close in 2025 by risk return category



Two global developments are driving capital allocation: the artificial intelligence boom, which has made development of data centres central to many fund strategies, and the energy transition, where private capital is increasingly essential to achieving decarbonisation and net-zero goals. These developments are also coupled with an increasing focus on transport and mobility infrastructure as well as the need to develop social infrastructure in the wake of the pandemic.

Despite this success, infrastructure funds are not immune to broader headwinds. Based on available Preqin data¹, funds reaching final close in 2025 spent on average approximately 35 months on the road reflecting a new reality that managers must market funds for significantly longer than would have previously been required.

¹ Source: Preqin data as of 15 January 2026. Based on a sample size of funds (excluding secondaries funds and co-investments) for which data is available. Of the 20 largest funds reaching final close in 2025, 13 were Value Add or Core Plus focussed funds

² Source: Linklaters' analysis of Preqin data.

Funds Catch-Up



Spotlight on key trends

Broadening of the asset class – the concept of “real assets”

Recent global shifts, from the COVID-19 pandemic to 5G rollout and the AI revolution, as well as increasing competition for attractive assets have dramatically expanded infrastructure's boundaries, blurring traditional lines with real estate and buyout funds. This has given rise to new hybrid categories of investments commonly described under an umbrella term (such as “real assets”) or identified as “infrastructure-adjacent” or “infrastructure-like” investments. Examples include businesses providing critical services to infrastructure assets or real estate which is essential to the operation of infrastructure (e.g. warehouses supporting supply chain infrastructure). Care must be taken by sponsors, however, to ensure that investors are fully informed of the types of assets being targeted (together with their risk-return potential) to avoid complaints of “strategy creep” or incorrect labelling.

Increasing fund sectorisation

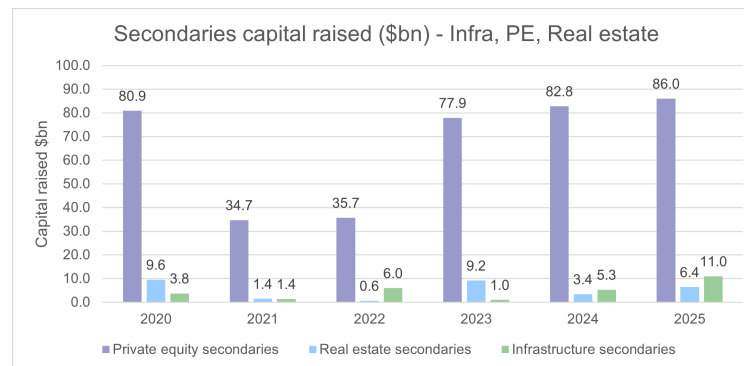
Infrastructure has historically been considered as a relatively uniform asset class coalescing around tangible assets delivering consistent yields and predictable returns. Accordingly, sponsors and investors alike have favoured diversified, sector-agnostic products. Recently, however, sector-specific funds have emerged to compete alongside traditional diversified offerings, driven by two key factors: first, sponsors seeking to differentiate themselves in a competitive market by offering innovative investment options; and second, powerful secular trends, including decarbonisation and digitisation, that present compelling opportunities attractive to today's investors.

Continued investor demand for co-investment and liquidity options

Co-investments remain sought after by investors looking to achieve lower blended fee rates as well as to gain additional exposure to high performing assets.

In addition, as the asset class matures and closed-ended funds reach the end of their lifecycles, GP-led secondaries have become an essential liquidity mechanism. These structures allow investors to exit positions when needed whilst enabling managers to retain high-quality assets that benefit from extended hold periods. Despite PE secondaries continuing to lead real estate and infrastructure in terms of overall capital raised, infrastructure secondaries are slowly gaining ground, having raised more than real estate secondaries in 3 of the last 4 years, with a record amount raised in 2025 as shown in the below chart².

This trend seems likely to continue as the infrastructure asset class matures and managers determine that certain assets, particularly those tied to long-term secular trends such as energy transition or digitisation, deliver optimal returns over timeframes exceeding traditional fund terms.



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