Stonepeak+

Stonepeak+ is the dedicated wealth solutions platform from Stonepeak, the world's largest independent infrastructure specialist

Why Infrastructure Credit

Reliable Returns Amid Market Uncertainty

Income backed by essential infrastructure

In today's market, income can be generated in many ways: stocks, bonds, real estate, private credit. But not all cash flows are built on the same foundations. Infrastructure credit is emerging as a differentiated source of income, providing attractive yields, diversification, low correlation, and overall, a lower-risk alternative to many private credit strategies – as well as the opportunity to help finance the critical assets that power everyday life.

Key takeaways

1

The opportunity set in infrastructure credit is growing rapidly, driven by enormous megatrends including digitalization, energy transformation, and supply chain revitalization, and an immense need to modernize the world's infrastructure.

2

Infrastructure credit has compelling characteristics, driven by the core characteristics of infrastructure businesses themselves – essential services backed by hard assets. As a result, the asset class has historically demonstrated lower probabilities of default, higher recoveries, and a lower expected loss profile than corporate bonds of the same rating.

3

With differentiated sector exposure, highly contracted revenues, and lower correlation to economic cycles, infrastructure credit can be an important diversifier, a strong complement to existing private credit allocations, and overall, a valuable portfolio stabilizer.

The investment opportunity set in infrastructure credit is growing rapidly

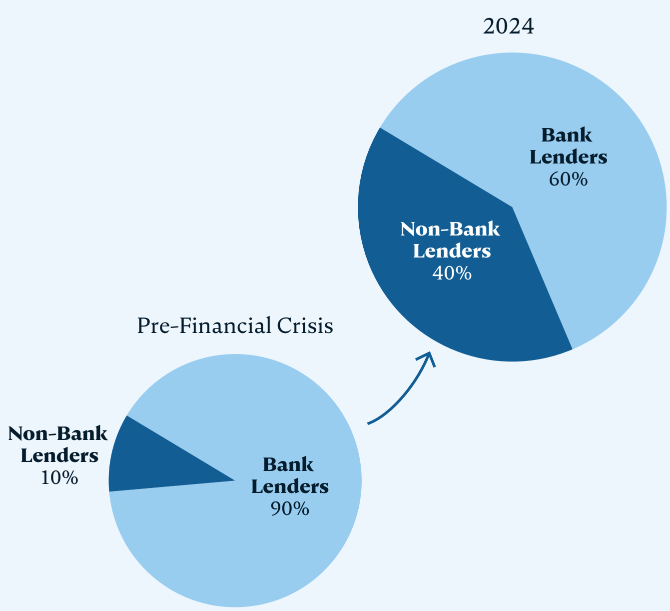
It's been estimated that infrastructure represents a nearly $100 *trillion* global investment opportunity, driven by enormous megatrends and an immense need to replace or modernize the world's existing infrastructure. Infrastructure credit is helping to bridge that gap, deploying capital into hard assets like data centers, fiber networks, ports, planes, and natural gas distribution.

The growth of the asset class comes down to a few factors. Capital needs by infrastructure borrowers are increasing significantly to fund project development and M&A. The U.S. deficit is at an all-time high and will likely continue to grow. And following the global financial crisis, infrastructure financing by banks has reduced meaningfully. With traditional forms of financings under more pressure – both the strain of government balance sheets and the retrenchment of banks – there's huge opportunity for private capital to fill the void.

Between 2010 and 2025, infrastructure credit grew from less than 3% of the total infrastructure market to more than 15%. Along the way, it has matured from a relatively niche strategy into a $169 billion asset class and a foundational component of many investors' private markets allocations. And yet, there is still significant room to run, because the need for capital keeps growing.

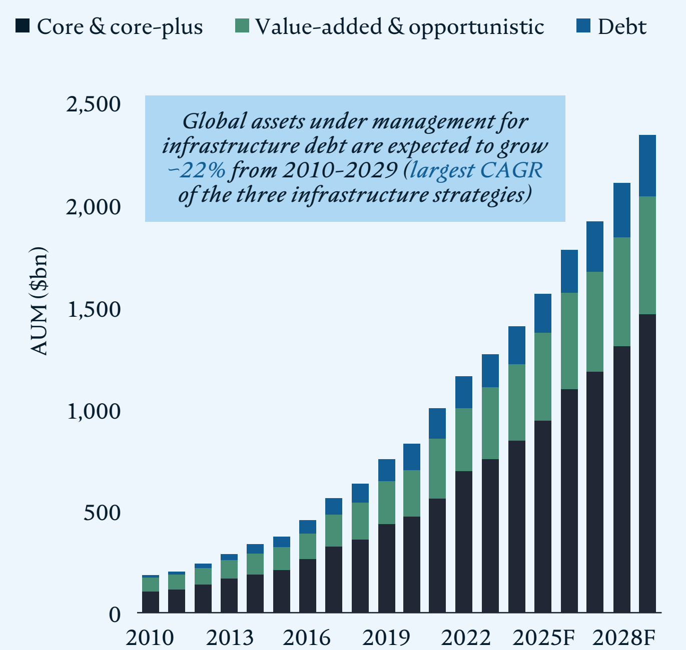
US Private Infrastructure Credit Market Share Evolution

Infrastructure Financing – US & Europe



Source: Global Infrastructure Outlook (2024)

Continued Infrastructure Credit Interest Drives Demand

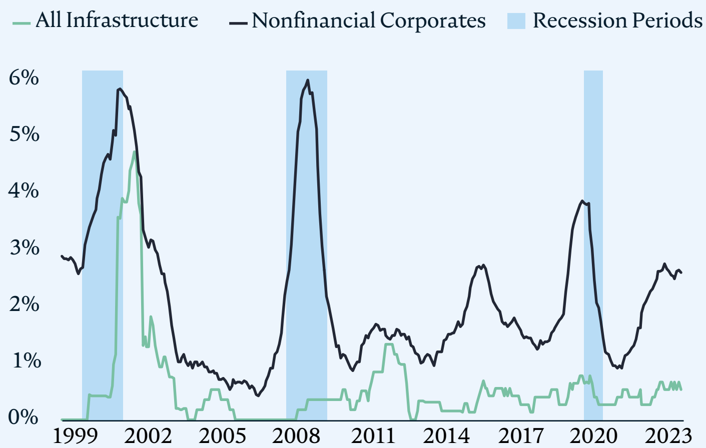


Infrastructure Debt CAGR Over Time	2011–2017	2017–2020	2020–2023	2017–2023	2023–2029
	36.3%	*16.4%*	*7.6%*	*11.9%*	*11.3%*

Source: Preqin (2024)

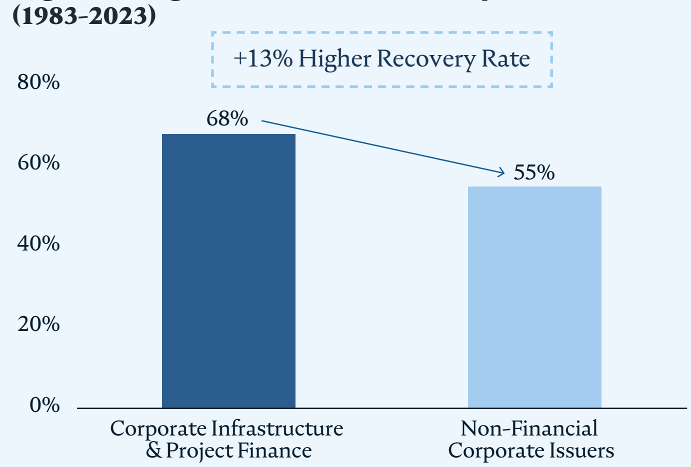
Infrastructure credit offers structural advantages

Historically Lower Default Rates



Source: S&P Global (2025)

Higher Average Infrastructure Recovery Rates (1983–2023)



Source: Moody's (2024)

Infrastructure credit has many distinct benefits relative to corporate direct lending, or what we typically think of as private credit. Many of these are directly related to the core characteristics of infrastructure assets themselves. These are businesses that:

- Provide essential services and are mission-critical to their communities, resulting in greater demand inelasticity, pricing power, and volume certainty.
- Have high barriers to entry, due to vast capital requirements, regulatory hurdles, and operational complexity, resulting in high customer switching costs.
- Have highly contracted cash flows, often with minimum guarantees and inflation-linked escalators, resulting in greater predictability and lower volatility in market downturns.

The bigger difference shows up in the downside scenarios. Many infrastructure businesses are backed by hard assets – assets that are typically pledged as collateral in infrastructure lending – providing additional downside protection beyond cash flows alone. Infrastructure lenders also typically have first right of claim on these assets – the ability to take control of them in downturn and ultimately sell them to recoup value. **As a result, the asset class has historically shown lower defaults, higher recoveries, and a significantly lower expected loss profile than equivalently rated corporate bonds**.

Rigorous covenants are also often in place to protect cash flows and help insulate against other risks. Less competitive dynamics, particularly in middle-market lending, allow lenders to negotiate tighter documentation, enforce covenants, and maintain control in downside scenarios, mitigating risks seen in broadly syndicated and large-cap transactions, where ~90% of new 2024 issuance was covenant-lite.

	Infrastructure Credit	Middle Market Corporate Lending
Loan Purpose	Infrastructure Developement, Maintenance & Upgrades	Working Capital, Refinancing, Acquisitions
Collateral	Hard Asset Collateral	Intangible Value
Revenues	Contracted Cash Flows	Future Cash Flows
Amortization	Structured Amortization	Minimal Amortization
Financial Covenants	Leverage + Liquidity Tests	Covenant-Light Structure
Typical Industries	Digital, Transportation & Logistics, Energy	Software, Education, Business Services, Insurance Services, Healthcare

Infrastructure credit can be an important tool for diversification

While historically under-represented in private credit portfolios, infrastructure credit provides meaningful diversification benefits in terms of sector exposure and the contracted nature of the underlying revenues. Beyond that, the asset class has also demonstrated lower correlation to economic cycles than corporate direct lending over time, according to a study by EDHEC, since risks are more asset- or project-specific and can often be mitigated through careful structuring.

Overall, rather than simply adding another source of yield to investment portfolios, infrastructure credit introduces a differentiated return profile altogether. When this low-correlation, downside-protected asset class is paired with other asset classes, it is able to move the overall portfolio up the efficient frontier, boosting returns and reducing volatility.

	Corp. bonds	**US equities**	**Infra equity**	**Private equity**	**Real estate**	**Infra debt**
Corp. bonds	1.00					
US equities	0.27	1.00				
Infra equity	0.25	0.20	1.00			
Private equity	0.17	0.78	0.20	1.00		
Real estate	0.08	0.43	0.45	0.45	1.00	
Infra debt	**-0.10**	**-0.35**	**0.25**	**-0.35**	**-0.10**	**1.00**

Source: EDHEC (2021)

Infrastructure credit is entering its prime – and entering the space requires a scaled specialist manager

Infrastructure credit is entering its prime, and for individual investors, the asset class can offer an attractive, income-focused return profile similar to that of direct lending – with the added security of real assets as collateral. But capturing this opportunity takes a manager who understands the underlying assets, not just credit.

Stonepeak launched its credit business in 2018 on top of a scaled infrastructure private equity platform we'd spent years developing across transportation, energy, and digital infrastructure. That means the same deep sector knowledge, origination channels, and industry relationships that drive our equity investing, applied through a credit lens. Today our credit business spans 30 dedicated professionals, over $3 billion in assets under management[1], and more than 100 issuers invested in.

To learn more about Stonepeak+, Stonepeak's dedicated wealth solutions platform, and the firm's approach to infrastructure and infrastructure credit investing, visit wealth.stonepeak.com.

[1] Stonepeak's credit strategy assets under management calculation provided herein is determined by taking into account the gross asset value of certain Stonepeak funds and any other vehicles or accounts managed by Stonepeak as of March 31, 2026 together with unfunded capital commitments and certain third party financing or leverage that certain of such vehicles are permitted to obtain in connection therewith.

Infrastructure Pioneers

Since Stonepeak's founding we have been focused on creating and preserving wealth for many of the world's most sophisticated investors through thoughtful infrastructure investing.

We are the world's largest independent infrastructure specialist with deep sector expertise across energy, transport and logistics, and digital infrastructure.

$3bn+
Assets under management

100+
Equity investments across 60+ countries

360+
Employees in 11 offices

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