

Private Markets 700

The global investor barometer

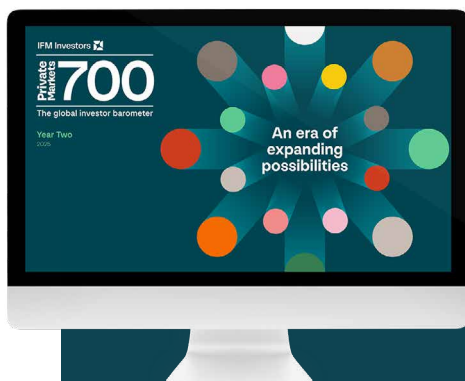
January 2026

Value add infrastructure: Moving up the curve in an era of expanding possibilities

The infrastructure revolution is emphatically underway, opening up a world of possibilities in the value add space.

Private Markets 700, IFM's survey of 700+ global institutional investors, reveals a decisive shift up the risk curve: almost two-thirds (63%) say higher risk/return solutions will draw more private capital into the asset class.

As Kitt Zuk, Executive Director, Infrastructure, puts it: "Clients are increasingly seeking the potential to add higher returning solutions to their infrastructure allocations with a core manager they trust."



Read the full
Private Markets 700
report for a deeper dive
into this year's findings →



Rising risk appetite, expanding horizons

Nearly half of respondents (46%) are targeting value add and opportunistic strategies. For many, this means looking to the mid-market, where smaller ticket size deals offer compelling growth potential. Indeed, 67% of investors consider the mid-market an attractive area of infrastructure investment. Almost three quarters (71%) see opportunities straddling private equity and infrastructure – a hybrid space where value add has a natural home.

“We believe the mid-cap space represents one of the most significant growth opportunities in infrastructure to buy at attractive prices and exit at re-rated multiples,” says Jim Wierstra, Executive Director, Infrastructure.

Investors’ growing appetite reflects a broader mindset shift. Many recognise that the infrastructure of tomorrow is evolving, often in earlier stages of maturity. These assets are not yet the ‘core’ of institutional portfolios, but they are essential to support, upgrade and extend infrastructure to be fit for tomorrow.

The megatrends driving change

The findings align with the key themes driving the infrastructure opportunity, with digitalisation, decarbonisation and deglobalisation reshaping not just markets but the way we live. More than half (52%) of investors say new technologies and rising power demand have an impact on their private markets allocations, making it the top megatrend of 2025.

This convergence of global drivers and investor sentiment is accelerating the emergence of value add infrastructure. Examples are already visible:

- **Value chain infrastructure:** support businesses surrounding core infrastructure, such as baggage handling at airports, making up the supply chain of core assets
- **Digital infrastructure:** data centres underpinning digitisation, but still operating in fragmented markets with scope for consolidation and operational improvement

PM700: How investors think about value add

46%

of investors are actively targeting value add and opportunistic strategies

63%

say higher risk/return solutions will draw more private capital into infrastructure

67%

consider the mid-market an attractive area of infrastructure investment

- **Grid modernization and new energies:** smart meters and microgrids, all vital to decarbonisation and scaling rapidly

“We believe the mega trends supporting core infrastructure investment are also prevalent in the mid-market – trends such as digitalisation, legacy infrastructure upgrades, energy transition and outsourcing,” says Josh Crane, Executive Director, Infrastructure.

“These trends have created opportunities for mid-market businesses to scale and investment opportunities to support that.”

Diversification with discipline

Crucially, the push into value add is not about abandoning the principles that make infrastructure attractive. It is about complementing core holdings with exposures that aim to offer higher return potential, innovation and growth. This shift into value add is a key part of investors embracing the full breadth of possibilities offered by private markets.

It is for this reason that unlocking the alpha potential of value add requires more than capital. It demands deep infrastructure expertise and a truly global perspective. Growth-stage infrastructure businesses require hands-on management, using a value creation playbook built specifically to optimise infrastructure assets.

IFM Investors has long-standing expertise in this market. We are a global asset manager, founded and owned by pension funds, with capabilities in infrastructure equity and debt, private equity, private credit, real estate and listed equities. Our purpose is to invest, protect and grow the long-term retirement savings of working people.

With assets under management of approximately AUD \$264.4 billion (as at 30 Sep 2025), we prioritise the interests of 821 institutional investors worldwide. IFM operates from 16 offices across Australia, Europe, North America and Asia.



A new cohort of investors appear to be pursuing higher-growth strategies, which stretch beyond core assets to mid-market deals

Private Markets 700

The global investor barometer



Read the full
Private Markets 700
report for a deeper dive
into this year's findings →



Important Disclosures

The following disclosure applies to this material and any information provided regarding the information contained in this material. By accepting this material, you agree to be bound by the following terms and conditions. The material does not constitute an offer, invitation, solicitation, or recommendation in relation to the subscription, purchase, or sale of securities in any jurisdiction and neither this material nor anything in it will form the basis of any contract or commitment. IFM Investors (defined as IFM Investors Pty Ltd and its affiliates) will have no liability, contingent or otherwise, to any user of this material or to third parties, or any responsibility whatsoever, for the correctness, quality, accuracy, timeliness, pricing, reliability, performance, or completeness of the information in this material. In no event will IFM Investors be liable for any special, indirect, incidental, or consequential damages which may be incurred or experienced on account of a reader using or relying on the information in this material even if it has been advised of the possibility of such damages. Certain statements in this material may constitute "forward looking statements" or "forecasts". Words such as "expects," "anticipates," "plans," "believes," "scheduled," "estimates" and variations of these words and similar expressions are intended to identify forward-looking statements, which include but are not limited to projections of earnings, performance, and cash flows. These statements involve subjective judgement and analysis and reflect IFM Investors' expectations and are subject to significant uncertainties, risks, and contingencies outside the control of IFM Investors which may cause actual results to vary materially from those expressed or implied by these forward-looking statements. All forward-looking statements speak only as of the date of this material or, in the case of any document incorporated by reference, the date of that document. All subsequent written and oral forward-looking statements attributable to IFM Investors or any person acting on its behalf are qualified by the cautionary statements in this section. Readers are cautioned not to rely on such forward-looking statements. The achievement of any or all goals of any investment that may be described in this material is not guaranteed. Past performance does not guarantee future results. The value of investments and the income derived from investments will fluctuate and can go down as well as up. A loss of principal may occur. This material may contain information provided by third parties for general reference or interest. While such third-party sources are believed to be reliable, IFM Investors does not assume any responsibility for the accuracy or completeness of such information. This material does not constitute investment, legal, accounting, regulatory, taxation or other advice and it does not consider your investment objectives or legal, accounting, regulatory, taxation or financial situation or particular needs. You are solely responsible for forming your own opinions and conclusions on such matters and for making your own independent assessment of the information in this material. Tax treatment depends on your individual circumstances and may be subject to change in the future.

Australia Disclosure

This material is provided to you on the basis that you warrant that you are a "wholesale client" or a "sophisticated investor" or a "professional investor" (each as defined in the Corporations Act 2001 (Cth)) to whom a product disclosure statement is not required to be given under Chapter 6D or Part 7.9 of the Corporations Act 2001 (Cth). IFM Investors Pty Ltd, ABN 67 107 247 727, AFS Licence No. 284404.

Netherlands Disclosure

This material is provided to you on the basis that you warrant that you are a Professional Investor (professionele belegger) within the meaning of Section 1:1 of the Dutch Financial Supervision Act (Wet op het financieel toezicht). This material is not intended for and should not be relied on by any other person. IFM Investors (Netherlands) B.V. shall have no liability, contingent or otherwise, to any user of this material or to third parties, or any responsibility whatsoever, for the correctness, quality, accuracy, timeliness, pricing, reliability, performance, or completeness of this material.

United Kingdom Disclosure

This material is provided to you on the basis that you warrant that you fall within one or more of the exemptions in the Financial Services and Markets Act 2000 ("FSMA") [(Financial Promotion) Order 2005] [(Promotion of Collective Investment Schemes) (Exemptions) Order 2001, or are a Professional Client for the purposes of FCA rules] and as a consequence the restrictions on communication of "financial promotions" under FSMA and FCA rules do not apply to a communication made to you. IFM Investors (UK) Ltd shall have no liability, contingent or otherwise, to any user of this material or to third parties, or any responsibility whatsoever, for the correctness, quality, accuracy, timeliness, pricing, reliability, performance, or completeness of the information in this material.

Switzerland Disclosure

This Information is provided to you on the basis that you warrant you are (i) a professional client or an institutional client pursuant to the Swiss Federal Financial Services Act of 15 June 2018 ("FinSA") and (ii) a qualified investor pursuant to the Swiss Federal Act on Collective Investment Schemes of 23 June 2006 ("CISA"), for each of (i) and (ii) excluding high-net-worth individuals or private investment structures established for such high-net-worth individuals (without professional treasury operations) that have opted out of customer protection under the FinSA and that have elected to be treated as professional clients and qualified investors under the FinSA and the CISA, respectively.

IFM-19November2025-4973645