



SIRA House Views

STEPSTONE INFRASTRUCTURE AND REAL ASSETS

December 2025

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All data is as of September 30, 2025, unless noted otherwise.

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Evolving considerations

Global economic conditions remain unstable due to the Trump administration's volatile approach to trade, geopolitical risks and the uncertain outlook for inflation



US tariffs

The impact of the Trump administration's tariffs are starting to affect input costs, particularly imported steel

The changing position of the Administration on trade policy has led to an increase in uncertainty, which could have bigger repercussions on economic activity than the tariffs themselves



Geopolitics

Changing US foreign policy, a confrontational approach to trade negotiations and uncertainty over the US commitment to international bodies is making it more challenging for business planning

Reality of the cost of the net-zero transition is leading some countries to reassess their targets and pacing



Macro conditions

Central banks are cautiously lowering interest rates however the near-term outlook is unclear

Inflation is unlikely to return to pre-2022 highs, but may remain at elevated levels for the near-term

US economic growth forecasts are being revised downwards

Listed market comparison

Listed infrastructure has performed strongly through 2025 and is at an all-time peak

	2022	2023	2024	Sept-2025 Y-on-Y	Peak-to- current ²	Volatility ¹
LISTED INDICES						
DJB Listed	(6.6%)	4.5%	9.9%	10.5%	-%	13.9%
S&P Global Listed	(0.2%)	6.8%	15.1%	16.8%	-%	14.4%
INFLATION						
US	8.1%	3.9%	3.0%	2.8%		
UK	10.8%	4.2%	2.7%	4.0%		
EU	9.7%	4.9%	2.3%	2.2%		
UNLISTED INDICES						
MSCI Global Private	9.7%	8.0%	7.4%	5.4% ³	-	1.8% ³

Listed infrastructure prices have increased in year-to-date 2025

Inflation in key markets is returning to central bank's target range but further improvements in the near term may be challenging

The background is an abstract composition of geometric elements. On the left, a series of thin, dark lines radiate from a point, creating a fan-like effect against a light blue background. The right side features a dark blue, angular shape that resembles a stylized 'V' or a corner of a building. A bright, glowing light source is visible at the bottom center, casting a strong beam upwards. A solid, light green horizontal bar spans the width of the image, positioned below the main text.

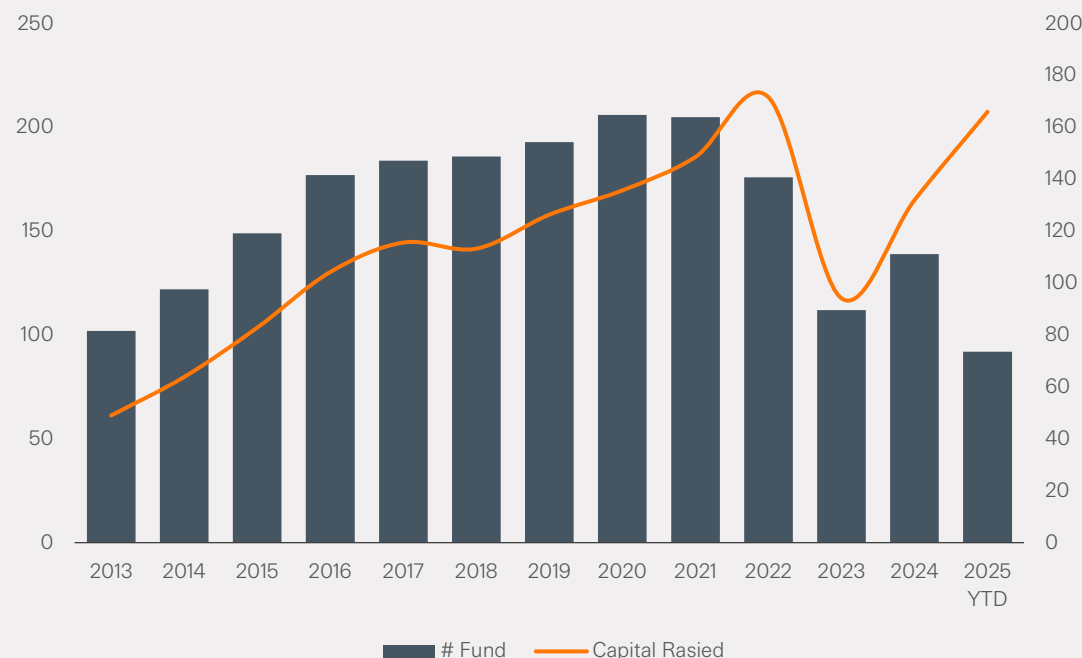
Transaction activity

Overview of fundraising activity

Fundraising momentum has remained below historical trends and the time period between vintages is likely to increase as GPs delay final close

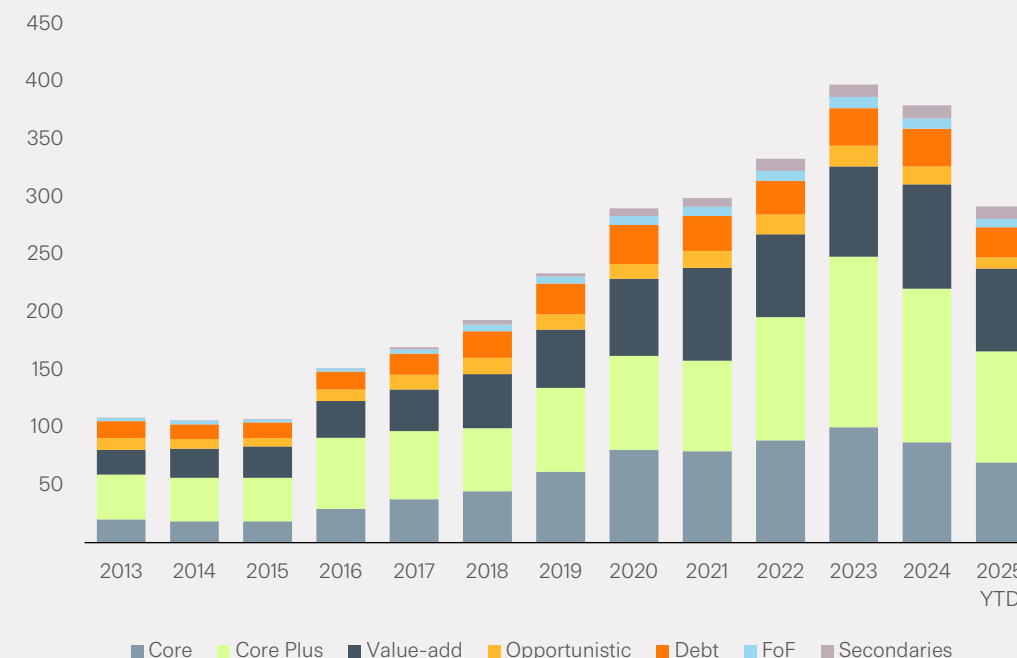
Unlisted infrastructure funds closed

US\$ Billions



Unlisted infrastructure fund dry powder

US\$ Billions

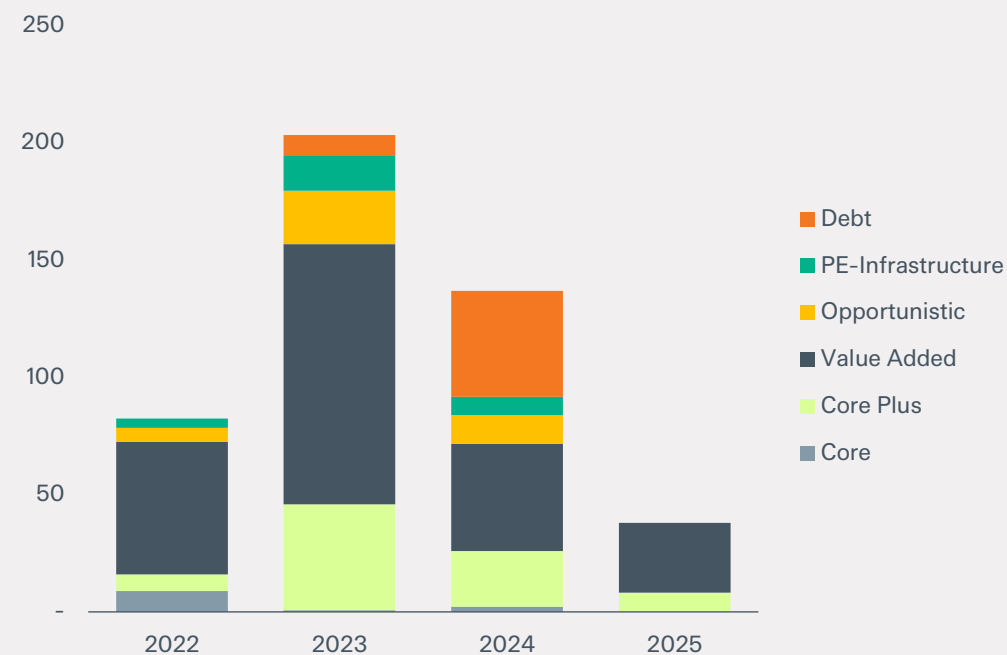


Overview of fundraising activity

2025 saw the establishment of several AI focused infrastructure funds

Close-end funds in market by vintage¹

US\$ Billions



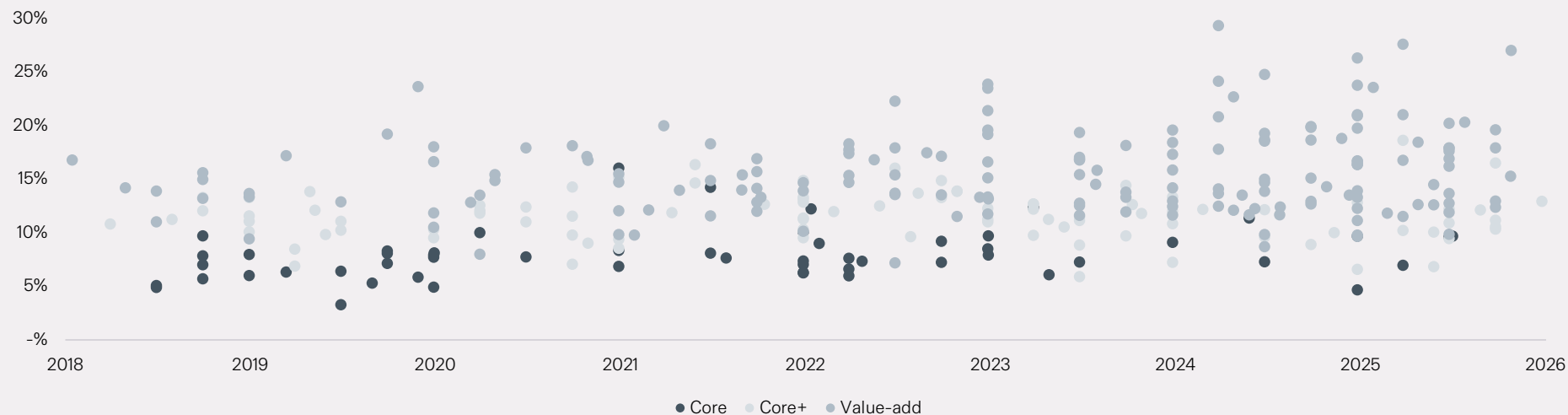
AI funds in market

Fund	GP	Vintage	Target size
Brookfield AI	Brookfield	2025	USD10bn
GIP AI Infrastructure Partnership	Blackrock/ GIP	2025	USD30bn
Valor Compute Infrastructure	Valor Equity Partners	2025	USD3bn
Fleet Data Centers	Tract Capital	2024	USD10bn

Transaction pricing

Transaction activity continues to be weighted to deals with higher target returns

Implied Equity Risk Premium (ERP¹)



Core	31%	39%	19%	21%	19%	13%	7%	12%
Core Plus	31%	32%	41%	33%	26%	38%	14%	28%
Value Added	38%	29%	41%	46%	55%	49%	80%	60%

Source: StepStone, as of October 31, 2025.

Notes: (1) Based on 281 co-investment transactions. ERP is defined as the premium of the GP's underwritten return over the relevant two-year trailing average 10-year Government bond.

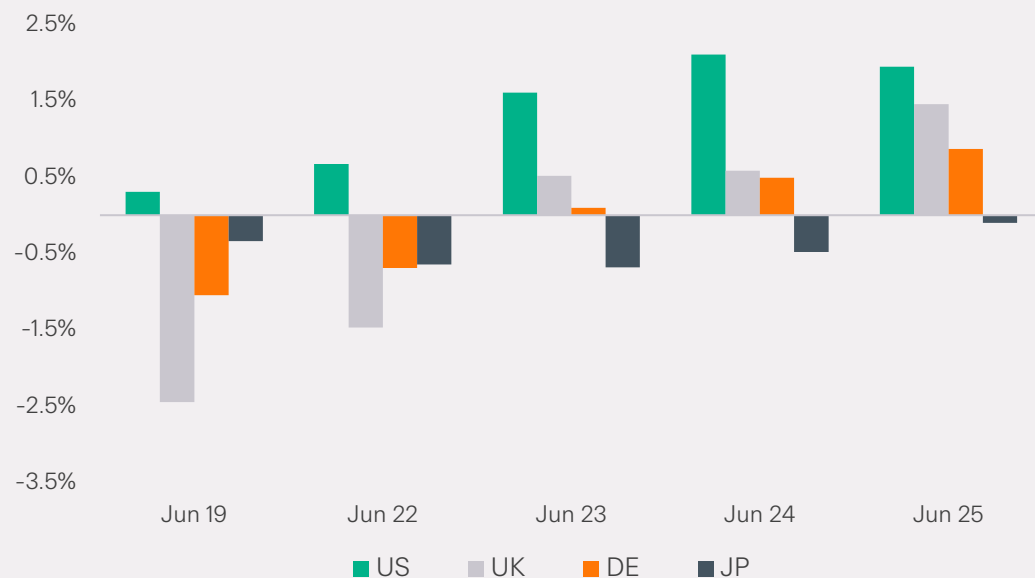
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Macro conditions

Interest rates

Higher 10-year real rates, less ample reserves and a lack of quantitative easing from central banks could leave financial conditions tighter than the past decade

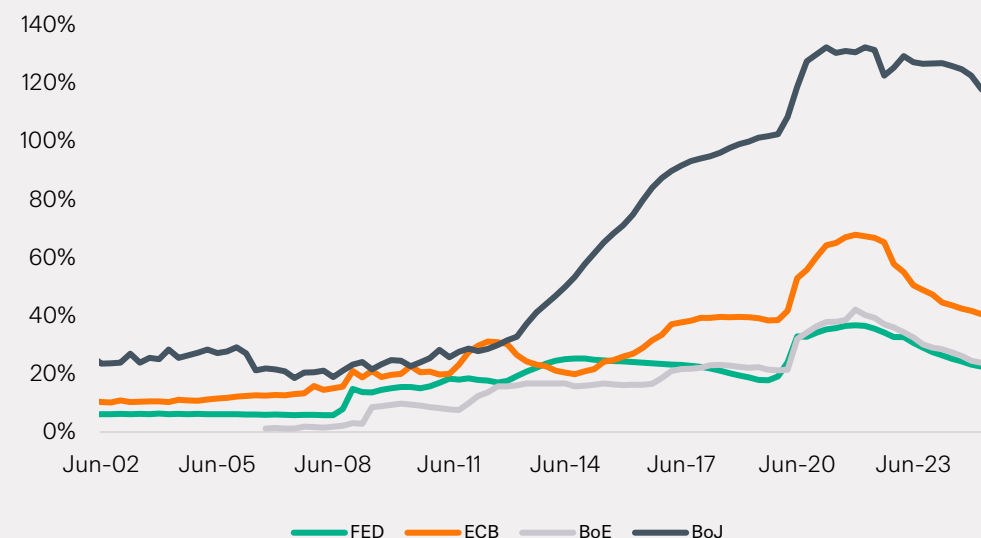
10-year real yield¹



- With the exception of Japan, 10-year real yields have increased considerably since the central banks' tightening cycle.
- This is despite a recent shift to monetary easing, as worries surrounding fiscal sustainability is likely to keep the long-end of the curve higher

Central bank balance sheets²

% of GDP

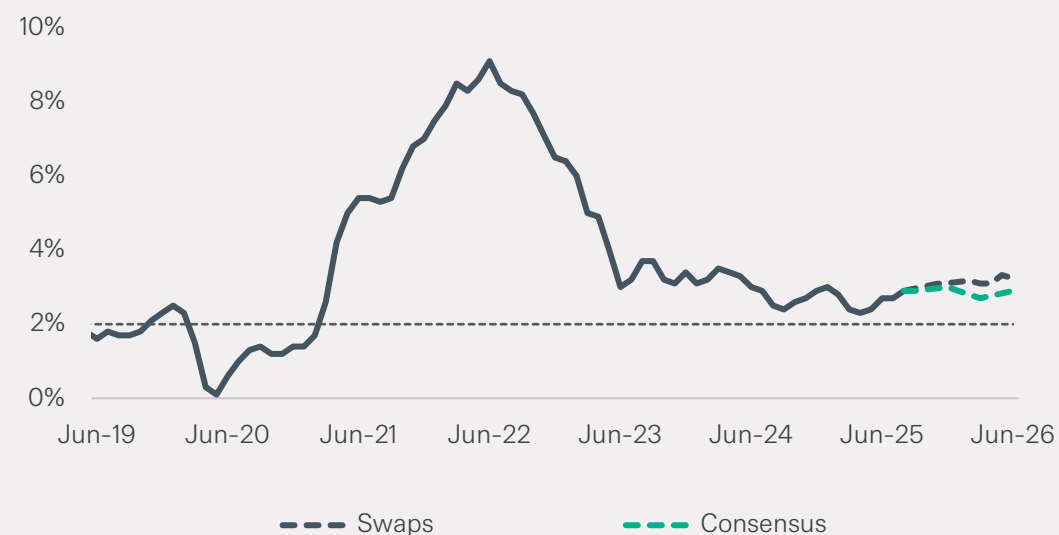


- Central banks' balance sheets grew massively after the GFC and during the pandemic.
- Balance sheets have shrunk to pre-pandemic levels. Some signals suggest reserves are not ample anymore and unwind might not continue.

Inflation

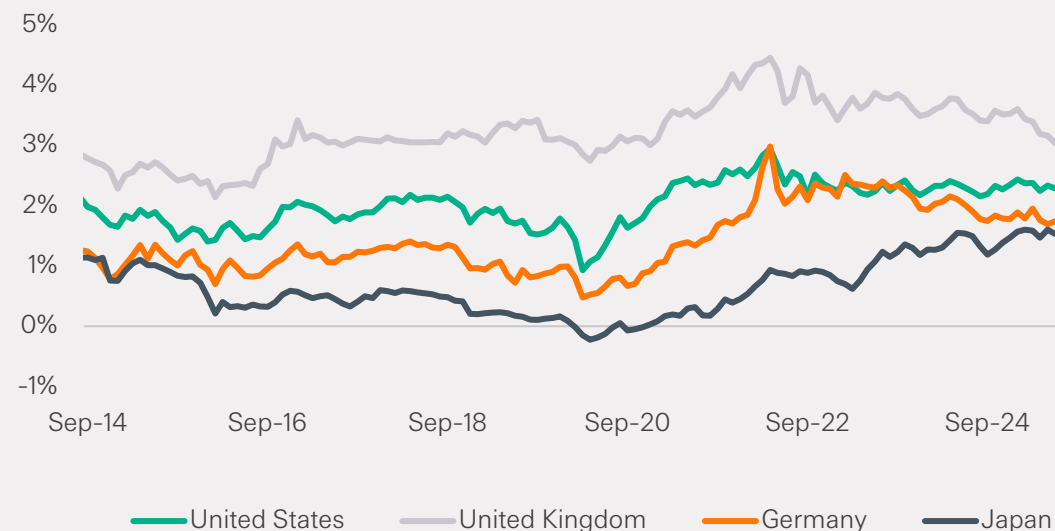
Inflation is expected to remain above target in the US and the UK in the short-term, while the Euro-Zone reached it in 2025; long-term expectations remain relatively well anchored

Short-term US CPI expectations¹



- Market implied US CPI now points to an accelerating pace of inflation the second half of 2025 and 2026.
- Most economists agree with this expectation.

Long-term breakeven inflation rates²



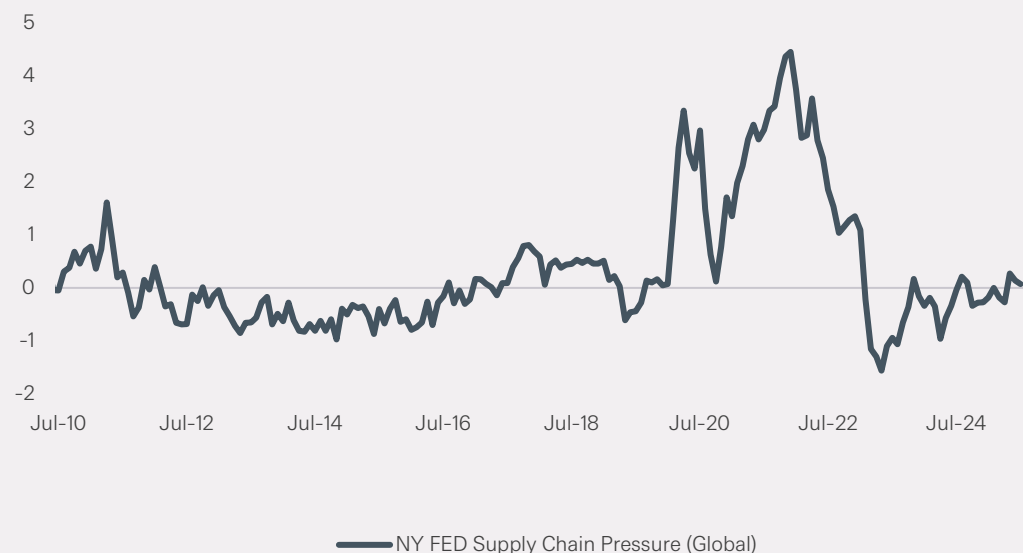
- Long-term inflation expectations are under control but have remained above 2% targets in recent quarters for both the US and the UK.

Input costs

Supply chain disruptions stabilized for now, but geopolitics and trade barriers pose upside risk to inflation

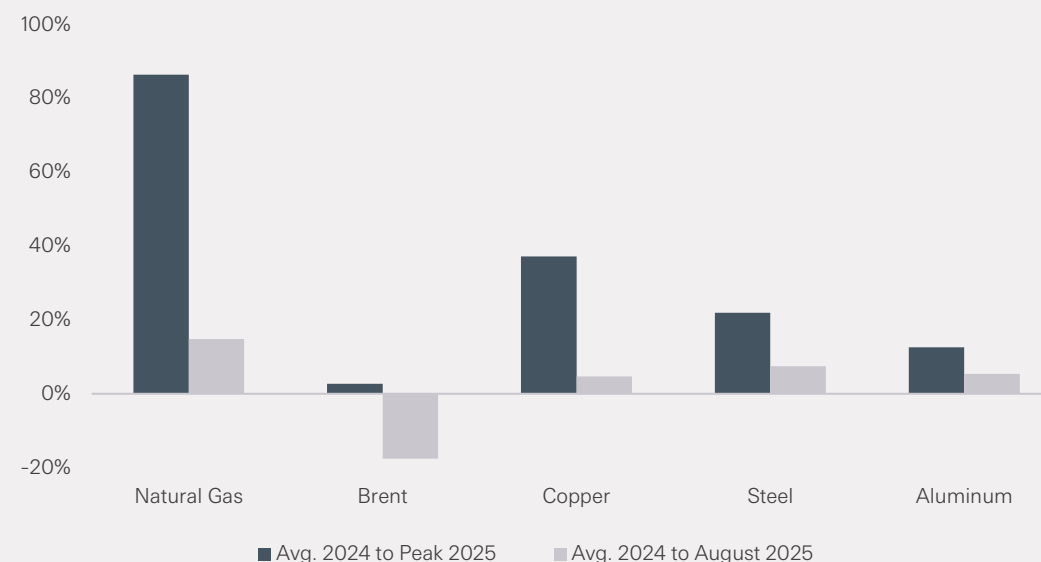
Supply chain pressure¹

Index levels



- Aggregate measures of global supply chain pressures have eased considerably (particularly freight costs, delivery times), returning to pre-pandemic levels.
- However, Trade barriers are higher now which could threaten supply chains

Commodity price change²



- Conflict in the Middle-East poses potential upside risk to energy prices and in turn headline inflation while weak demand from China, U.S. deregulation of the energy sector, or a recession in western economies, combined with increased production from OPEC+, could depress oil prices.
- While down from their 2025 peaks, prices for several metals increased following the US tariff announcement.

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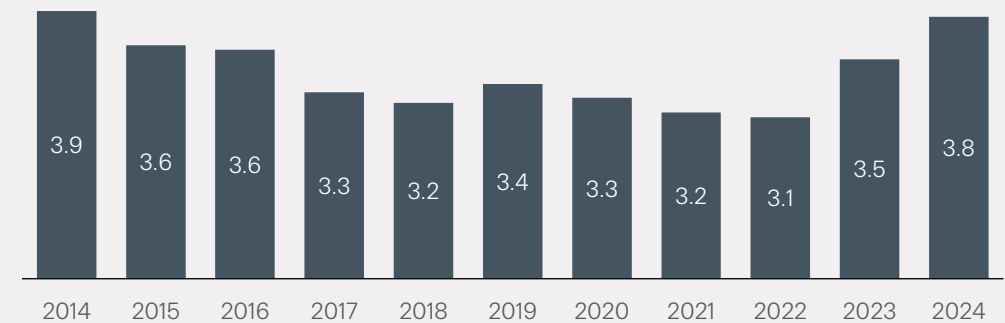
Outlook for liquidity

Increasing hold periods are affecting LP pacing strategies

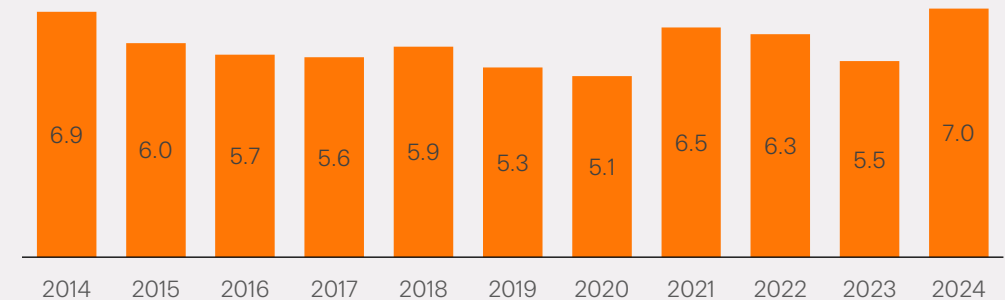
Introduction

- Forecasting distributions, i.e. liquidity, from fund investments is an important factor in investors' pacing assumptions. Liquidity in the infrastructure sector has historically been from cash generated from operating assets and realisations. Distributions during the post the holding period are generally in the range of 3-5% p.a. of invested capital, however the main contributor for liquidity for closed end funds is distributions from realisations.
- Historically, declining interest rates, stable economic conditions and growing demand for infrastructure has led to a buoyant market with increasing transaction volumes. However, in more recent times myriad economic and geopolitical factors have contributed to a decline in transaction volumes.
- Using StepStone's database of deals covering the period from 2014 to 2024, we analysed hold periods across c.2,600 assets to identify trends in the average hold periods:
 - o Since 2014, the average hold period of unrealised investments (i.e. all investments that had not been realised) has followed a downward trajectory, decreasing from 3.9 years in 2014 to 3.1 years in 2022. However, 2023 and 2024 saw an increase in the average hold period, which is almost back to 2014 levels
 - o The hold period for realised investments shows a similar trend, with the average hold period decreasing until 2021. Hold periods in 2021 and 2022 were most likely affected by Covid, however 2023 and 2024 hold periods remain above 2020

Average hold period of unrealized investments at year-end¹



Average hold period of realized investments¹



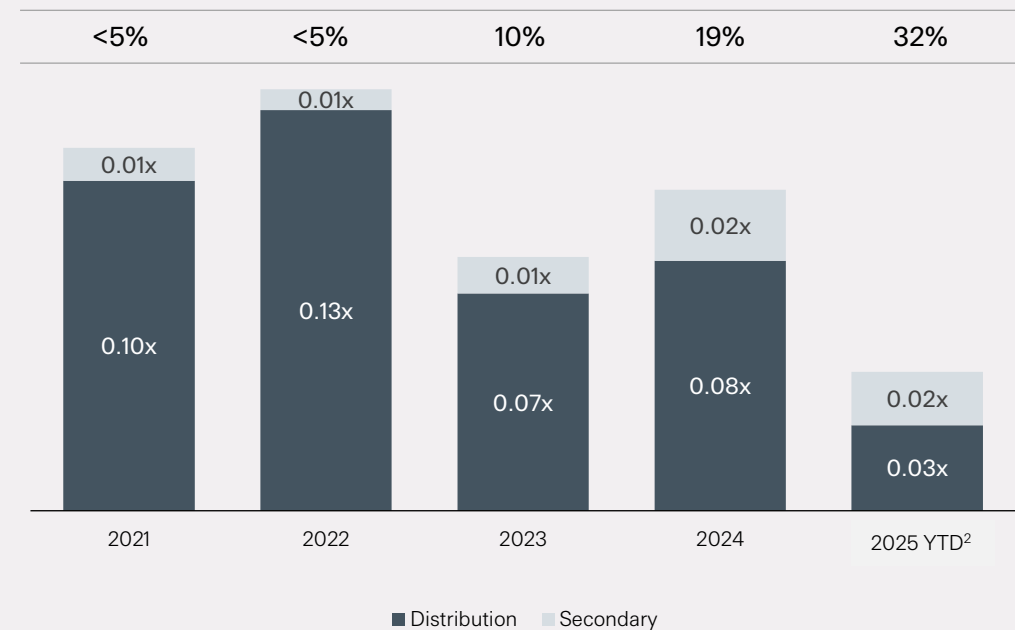
Secondary transactions are estimated to generating roughly a third of market liquidity in 2025 YTD

Close-end funds in market by vintage¹ US \$Billions

- The depressed liquidity over the past few years presents challenges to LPs and is can restrict the ability to keep investing in new funds and maintain vintage diversification. In response LPs and GPs are exploring using alternative methods to return capital, including secondary transactions
- The infrastructure secondary market was already in a growth phase prior to 2022 and although the market is still nascent compared with private-equity, growth is accelerating and is becoming an important source of liquidity for LPs
- Whereas an LP-led secondary was traditionally used opportunistically more LPs are using them to strategically accelerate the return of capital.
- We used our database of 151 secondary transactions and 273 close-end funds to analyse liquidity from funds and secondary transactions over the period from January 2021 to June 2025. Distributions are represented as annual distribution-to-paid in-capital ("DPI"), and the proceeds from the secondary transactions were converted to a DPI ratio based on the transaction year
- Over the near term, given the subdued M&A environment, it is likely that secondaries will continue to represent a material proportion of sector-wide liquidity.

Indicative aggregate sector liquidity (DPI)¹

% liquidity from secondaries



Sources: Campbell Lutyens, as of August 2025, Stepstone.

Notes (1) Based on 151 secondary transactions and 273 funds. Includes LP-led secondaries only. Secondary DPI is calculated as the NAV of the portfolio divided by the aggregate committed capital to the fund

(2) As of June 2025

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Infrastructure debt

High level characteristics infrastructure debt

✓ Strong deployment opportunity

Infrastructure equity continuous to grow as an asset class; the increasing dry powder of GPs and unrealized value offer opportunities for infrastructure debt in acquisition finance and recapitalizations but also to support add-on acquisitions and organic growth

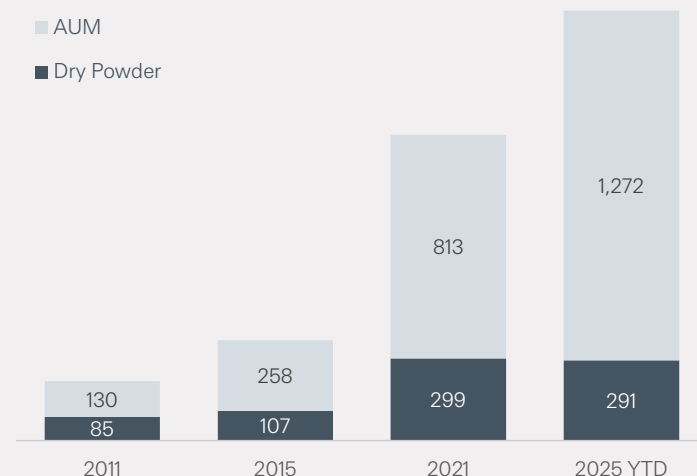
✓ Attractive risk-adjusted returns

We continue to observe spreads in excess of the public market benchmarks for similar credit quality, which generates a private debt premium. With the generally higher complexity of private debt and smaller size of unrated issuers, we expect this premium, albeit subject to fluctuations, to persist

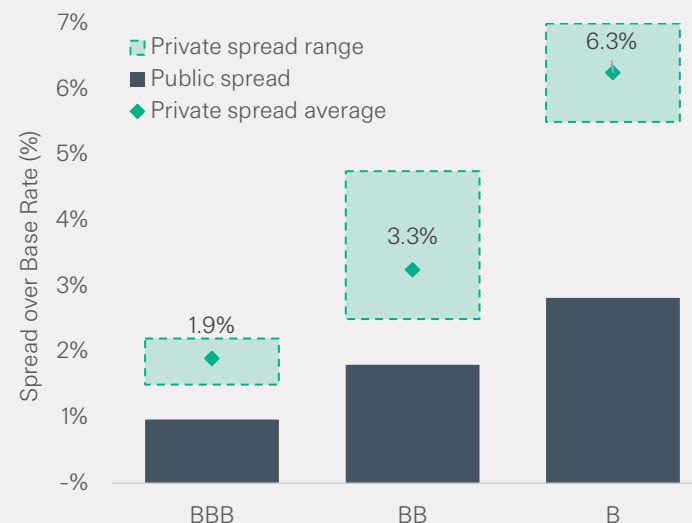
✓ Low loss rates compared to corporate debt

Compared with corporate debt, infrastructure debt has lower default and higher recovery rates and is less likely to incur credit losses, especially over longer horizons. These favorable traits can be explained by infrastructure's resilience, senior secured positions on hard assets or shares and covenants packages

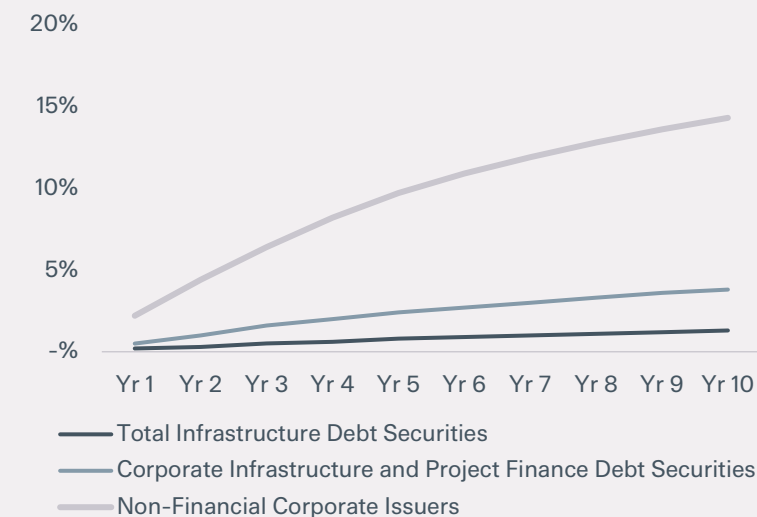
Dry powder and unrealized value infrastructure equity funds¹



Public and private market credit spreads²



Credit loss rates³



Sources: (1) Preqin Sept-2025; (2) Federal Reserve Bank of St Louis ("FRED") Oct-2025, StepStone analysis; (3) Moody's Infrastructure Default and Recovery Rates 1983-2021, April 2023, StepStone analysis (across all ratings). The opinions expressed herein reflect the current opinions of StepStone as of the date appearing in this material only. There can be no assurance that views and opinions expressed in this document will come to pass.

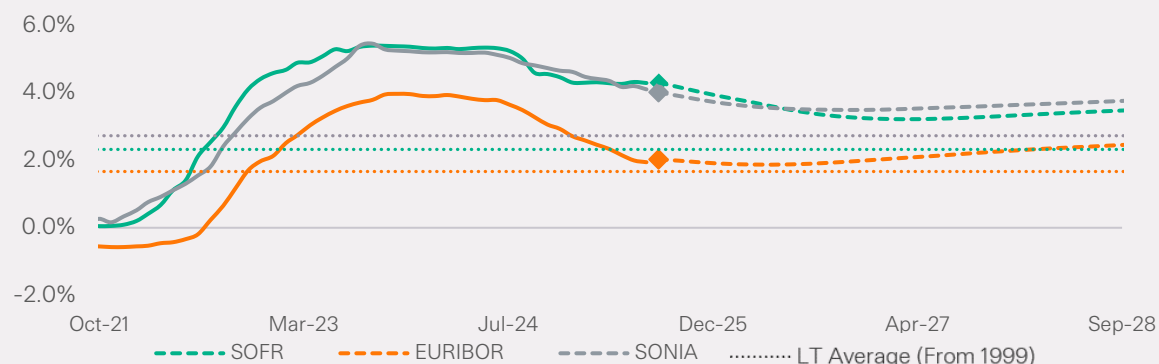
Infrastructure debt pricing

Since public markets debt spreads spiked in April 2025 following Trump's tariff announcements, liquidity has returned to the market and pricing on high grade infrastructure debt has tightened, however we still see attractive risk-return on enhanced and high yield transactions which are less driven by bank liquidity

Investment and sub-investment grade option-adjusted spreads (%)¹



Short-term interest rates²



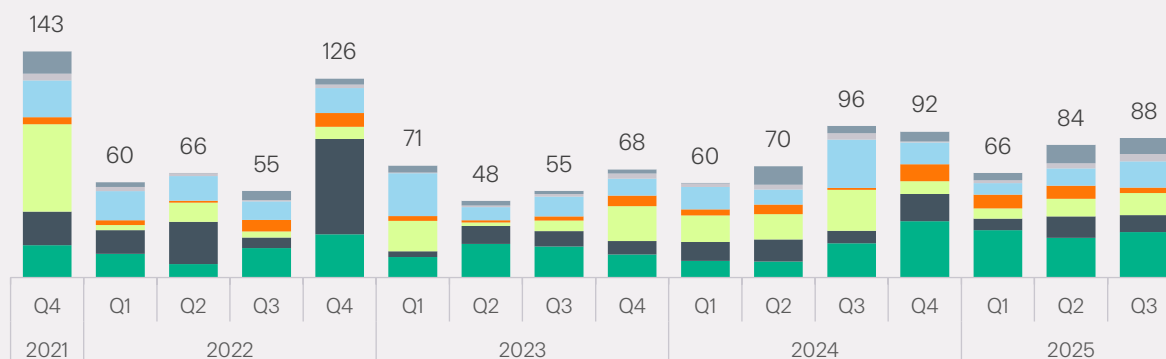
- Infrastructure debt funds benefited from banking market volatility following trade tariff announcements on April 2, 2025. The public market spreads have contracted since which also transpired into more competitive pricing in the private markets
- Tight spreads on the investment grade ("IG") issuances are driven by strong appetite from banks to provide financing to high quality infrastructure assets. Spreads on such assets are currently below the 200bps across North America and Western Europe. European debt is attractive for US dollar investors as the currency basis provides them a slight pickup in return
- There are still pockets in the IG market where liquidity from banks is less prevalent, for example long term debt (15+ year tenors), very large transaction that absorb a lot of liquidity, and small (bilateral) deals
- While some "crossover debt" (BBB- and high BB rated) are also interesting for the commercial banks and have pricing in the mid 200 basis points, we continue to see value in the enhanced and high yield space with spreads ranging from roughly 400 bps to 700 bps
- Although Euribor has declined from highs during the inflationary 2022-2023 period to 2% levels, it remains elevated compared to historical levels. In the US, SOFR has been stable just above 4%, resulting in 10%+ gross returns on US high yield infrastructure debt, equivalent to core infrastructure equity

Infrastructure debt deal activity

Deal activity in infrastructure debt is in part a of M&A activity, but also driven by greenfield project financing and refinancing. Future growth is expected from rising energy demand and AI-driven infrastructure.

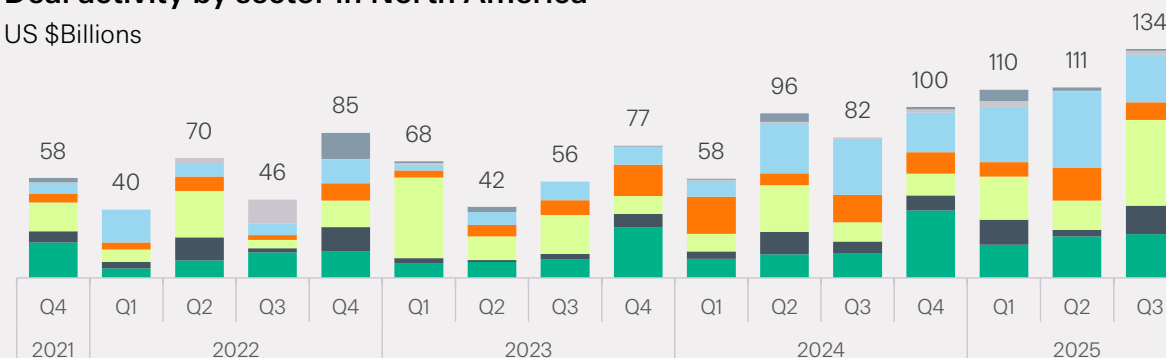
Deal activity by sector in Europe

US \$Billions

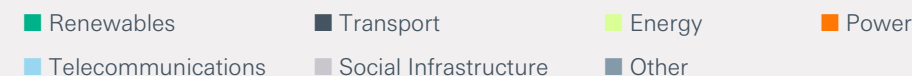


Deal activity by sector in North America

US \$Billions



- In Europe, the renewables sector has been the largest for several years, with large-scale greenfield and M&A (offshore) wind transactions driving deal flow
- In the transport sector, most deal activity is centered on brownfield refinancings for roads, motorway service areas, and rolling stock or rail cars. While refinancings are expected to continue driving deal flow, new-build transport infrastructure is likely to remain limited
- In telecoms, financing activity is focused on refinancings and tower acquisitions, some fiber network buildouts, and more recently, data centers driven by AI growth. Continued demand for AI and cloud computing is expected to support data center financings in the near term. Europe's net-zero goals, combined with energy security priorities, will continue to drive investment in renewable energy and adjacent technologies such as battery storage
- In the US, we are observing high levels of deal activity in data center financing driven by AI. Multi-billion-dollar investments in newly announced data centers create attractive debt investment opportunities, as the increasing scale supports higher pricing while the typical hyperscale offtakers maintain high credit ratings
- The vast energy required to power data centers is driving strong demand for power and has led to increased activity in both conventional and renewable construction. Renewables financing is expected to peak by the end of 2027, which is the *placed-in-service* deadline under the One Big Beautiful Bill Act



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Regional outlooks

EUROPE: SECTOR OUTLOOK (1/2)

<i>Sector</i>	<i>Investment considerations</i>	
TRANSPORTATION	Airports	Continued positive overall trend, but individual airport performance affected by exposure to airlines which are suffering from aircraft constraints. Geopolitics also affecting travel trends with transatlantic traffic softer, but Europe – Africa traffic growing ahead of expectations
	Road	European toll-road traffic has shown modest growth in 2025, driven by both passenger heavy-goods vehicle, however performance is uneven between countries Several EU countries are rolling out toll systems to charge by vehicle emissions class, which may have an impact of haulage routes, vehicle type and mode of transport
	Ports	Containerised volumes have been broadly resilient across northwest Europe while dry and liquid bulk volumes have fallen, particularly vehicle exports due to the Trump Administration tariffs. Several countries are rolling out sizeable port and adjacent infrastructure funding packages
UTILITIES	Electricity	Removing capacity constraints remains a key focus area meaning significant upticks in grid investment at all voltage tiers. Balancing charges and grid stability are increasingly under scrutiny leading to some changes in business models for providers of ancillary and grid services
	Gas	Bio-methane and other renewable gases playing an increasing role. Anaerobic digestion facilities looking for grid connections continues to increase. Societal pushback on heat pumps and net zero targets in general shifting focus away from decommissioning towards maintaining system resilience
	Water	PR24, CMA provisional findings and Cunliffe review have collectively started to alleviate some of the financial pressure on UK water companies, though operational challenges remain, and the reputational risks of the sector are still significant
	Waste and recycling	High value recycling projects starting to emerge as alternative to virgin rare earth minerals supply chain. SAF, and AD processing projects continuing to grow in scale and frequency

Source: EU Waste Framework Directive. The opinions expressed herein reflect the current opinions of StepStone as of the date appearing in this material only. There can be no assurance that views and opinions expressed in this document will come to pass.

EUROPE: SECTOR OUTLOOK (2/2)

<i>Sector</i>	<i>Investment considerations</i>	
ENERGY TRANSITION	Solar/wind/ battery storage	<p>Demand for electricity driven by data centres / AI means renewables rollout is largely continuing at pace</p> <p>Some geography specific issues such as Spain, where fallout of the loss of supply event earlier this year has led to curtailment of new projects</p> <p>Storage in specific markets e.g. Italy shifting to more RAV type business models which makes deployment less risky</p>
	Biomass	<p>EU regulation (Renewable Energy Directive II) supports the growth for advanced biofuels</p> <p>High investor appetite to develop biogas plants. Security of feedstock continues to be a key consideration</p>
	EV charging	<p>Continued demand for on-street and off-street EV charging points however a slow down in EV sales may impact economics of networks and slow growth</p> <p>Grid congestion is a consideration, particularly at motorway service areas</p>
	Hydrogen	<p>Progress of green hydrogen projects has been slow as broader market conditions make the economic feasibility challenging</p>
COMMUNICATIONS	Fiber	<p>Sector continues to show mixed prospects with the continued consolidation of subscale altnets, higher than budget capex and overbuild in several markets</p> <p>Appetite for fiber investments creates challenges for exits, but the price dislocation could create opportunities</p>
	Towers	<p>Valuations becoming more attractive due to sellers' need to raise capital, but remain high in absolute terms</p> <p>Robustness of contracts (including inflation pass-through) has been borne out through the current economic backdrop</p>
	Data centers	<p>Demand from hyperscalers, largely driven by investment in AI processing power and cloud computing, continues to outweigh supply however changing demand for training versus inference for AI may shift demand</p> <p>Pricing continues to be strong however the scale of some platforms could create challenges at exit</p>

Source: Hydrogen Allocation Round 1. The opinions expressed herein reflect the current opinions of StepStone as of the date appearing in this material only. There can be no assurance that views and opinions expressed in this document will come to pass.

NORTH AMERICA: SECTOR OUTLOOK (1/2)

<i>Sector</i>	<i>Investment considerations</i>	
TRANSPORTATION	Airports	Overall passenger volumes have remained strong and are above pre-pandemic levels. Passenger volumes are being held up by domestic travel however international inbound volumes are below previous forecasts. The relative strength of the US dollar and generally sentiment towards the US are potential headwinds to increasing inbound international passenger volumes
	Road	The Infrastructure Investment and Jobs Act (IIJA) remains the US Government's primary law to support investment in roads. Whilst the US Government continues to support road investment, the bulk of the decision making and responsibility for new roads and maintenance remains the responsibility of the States
	Ports	Over the short-term, uncertainty regarding volumes due to the impact on trade and supply chains due to the Trump Administration's tariff policy.
UTILITIES	Electricity	Demand for electricity is forecast to grow, driven by data centers and electrification. Transmission infrastructure remains strong to meet the needs of the buildout data centers and to the connection of renewable generation
	Gas	The Trump Administration's energy policies and investment in data centers are likely to be positive for gas and associated midstream infrastructure, including LNG.
		Investment will be contingent on the market gaining comfort that energy prices will remain at a level that supports more production
	Water	Demand for water infrastructure, particularly in the south-west remains strong given the need for improved water management
	Waste and recycling	The push towards creating a more sustainable and more circular economy is gaining traction in North America following the lead of Europe

NORTH AMERICA: SECTOR OUTLOOK (2/2)

<i>Sector</i>	<i>Investment considerations</i>	
ENERGY TRANSITION	Solar	Despite near-term challenges related to supply chain constraints and tax credit qualification, medium-term MW installation growth rates are expected to be in the low teens Solar remains one of the proximate sources of new generation that can support increased demand from data centers
	Wind	Offshore wind market for developments has effectively been closed. Onshore wind on Federal land faces challenges, however projects on private land remain attractive
	Biomass	Large energy conglomerates continue to be active in the space, however despite recent growth, the market is relatively nascent
	EV charging	EV charging roll-out on highways to slow due to the suspension of support from the IRA. Slow down of EV sales could affect the demand for other charging infrastructure
	Hydrogen	Development of the US green hydrogen industry faces significant challenges due to suspension of support from the IRA Economics of green hydrogen will be affected by the competition from data centers for power, with the latter having a significantly higher ability to pay for electricity
	Energy efficiency	Energy efficiency, and specifically “energy-as-a-service” platforms remain attractive with any infrastructure GPs building platforms Market is still highly fragmented and regional, and in order to achieve scale dependent on continued business development and M&A
COMMUNICATIONS	Fiber	Take up of fiber networks and financing remains an issue in some areas. Exit multiples underwritten 2020 to 2022 appear challenging, but strategic activity remains strong (such as carrier joint ventures with private capital)
	Towers	5G spending was roughly 50% lower than initially anticipated as US operators look to shore up revenues by utilizing existing infrastructure to gain new customers and squeeze more from existing customers Valuations becoming more attractive due to sellers’ need to raise capital and carve-out processes, but remain high in absolute terms
	Data centers	Supply / demand imbalance continues to persist, with demand from hyperscale customers, driven by AI developments, outweighing supply Developers have generally been able to push through higher capex costs to lease rates and achieve historically high developer yields

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AUSTRALIA & ASIA PACIFIC: SECTOR OUTLOOK (1/2)

<i>Sector</i>	<i>Investment considerations</i>	
TRANSPORTATION	Airports	Domestic and international passenger volumes have surpassed pre-Covid levels. Asian airports are tightly held by institutional and long-term investors, and governments
	Road	Road platforms remain a popular sector for existing and new market entrants Assets are tightly held in mature markets however opportunities to acquire portfolios in less developed markets as early investors seek to recycle capital
	Ports	Ports are likely to demonstrate resilience in light of the changes in trade due to the introduction of tariffs by the Trump Administration, and China seeking new markets for good previously sent to the US Overall volumes appear to be holding up although routes and the mix of goods will change
UTILITIES	Electricity	Demand for electricity will continue to grow, and this thematic is expected to persist in the long term The energy transition will require significant investment in transmission and distribution infrastructure, however, as in North America and Europe, meeting the government mandated decarbonization targets will be challenging due to competition for raw materials and production of equipment Utilities are facing challenges balancing rising capital costs and pressure from Governments to complete network augmentation to allow renewables build out
	Gas	Many Governments have shifted their position on gas, recognizing that it will be part of the energy mix for the foreseeable future as a balancing fuel
	Waste and recycling	Australia is experiencing increased growth in energy from waste plants, with several high-profile plants being worked through the development and construction phase lead by industrial sponsors. The sector in Australia is relatively nascent and will need proving, however it could be an attractive sector for institutional investors as sponsors seek to recycle capital

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AUSTRALIA & ASIA PACIFIC: SECTOR OUTLOOK (2/2)

<i>Sector</i>	<i>Investment considerations</i>	
ENERGY TRANSITION	Solar	Demand for solar in developing nations pursuing decarbonization goals will remain strong. Likely to benefit from ramp up of supply in panels from China leading to lower prices
	Wind	Several governments are pursuing offshore wind due to space limitations onshore and cost competitiveness. Capacity increases in the short term will be limited to the more advanced nations such as Taiwan and Japan, which have more mature permitting and offtake regimes, however several other nations, such as Australia, are expected to see progress in central planning and permitting which could give rise to attractive opportunities as early-stage investors seek to sell down to fund construction
	EV charging	Likely to remain limited to developed countries such as Japan and Australia due to the cost of EVs and the investment required in networks for charging infrastructure
	Green hydrogen/ methanol/ ammonia	Japan emerging as a potential key player in the green hydrogen/ammonia/methanol market as the country seeks to decarbonize industrial production, however unlikely to see material development in the short term A number of project that were announced over the past 24 months have been put on indefinite hold due to challenges building an economical business case
COMMUNICATIONS	Fiber	Activity in the fiber sector is expect to be limited, other than select opportunities in Australia
	Towers	Activity in the towers sector historically focused on Australia and India, however consolidation has led to concentration of ownership with institutional investors Investors now seeking opportunities in emerging markets, such as the Philippines and Indonesia, in partnership with local players
	Data centers	Data center growth expected to continue across Asia. Several large platforms are emerging with geographically diverse portfolios Local presence and knowledge critical to success Favorable market dynamics will continue to create opportunities in the sector, however bidders need to avoid overpaying for platforms

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RISKS AND OTHER CONSIDERATIONS

Risks Associated with Investments. Identifying attractive investment opportunities and the right underlying fund managers is difficult and involves a high degree of uncertainty. There is no assurance that the investments will be profitable and there is a substantial risk that losses and expenses will exceed income and gains.

Restrictions on Transfer and Withdrawal; Illiquidity of Interests; Interests Not Registered. The investment is highly illiquid and subject to transfer restrictions and should only be acquired by an investor able to commit its funds for a significant period of time and to bear the risk inherent in such investment, with no certainty of return. Interests in the investment have not been and will not be registered under the laws of any jurisdiction. Investment has not been recommended by any securities commission or regulatory authority. Furthermore, the aforementioned authorities have not confirmed the accuracy or determined the adequacy of this document.

Limited Diversification of Investments. The investment opportunity does not have fixed guidelines for diversification and may make a limited number of investments.

Reliance on Third Parties. StepStone will require, and rely upon, the services of a variety of third parties, including but not limited to attorneys, accountants, brokers, custodians, consultants and other agents and failure by any of these third parties to perform their duties could have a material adverse effect on the investment.

Reliance on Managers. The investment will be highly dependent on the capabilities of the managers.

Risk Associated with Portfolio Companies. The environment in which the investors directly or indirectly invests will sometimes involve a high degree of business and financial risk. StepStone generally will not seek control over the management of the portfolio companies in which investments are made, and the success of each investment generally will depend on the ability and success of the management of the portfolio company.

Uncertainty Due to Public Health Crisis. A public health crisis, such as the recent outbreak of the COVID-19 global pandemic, can have unpredictable and adverse impacts on global, national and local economies, which can, in turn, negatively impact StepStone and its investment performance. Disruptions to commercial activity (such as the imposition of quarantines or travel restrictions) or, more generally, a failure to contain or effectively manage a public health crisis, have the ability to adversely impact the businesses of StepStone's investments. In addition, such disruptions can negatively impact the ability of StepStone's personnel to effectively identify, monitor, operate and dispose of investments. Finally, the outbreak of COVID-19 has contributed to, and could continue to contribute to, extreme volatility in financial markets. Such volatility could adversely affect StepStone's ability to raise funds, find financing or identify potential purchasers of its investments, all of which could have material and adverse impact on StepStone's performance. The impact of a public health crisis such as COVID-19 (or any future pandemic, epidemic or outbreak of a contagious disease) is difficult to predict and presents material uncertainty and risk with respect to StepStone's performance.

Taxation. An investment involves numerous tax risks. Please consult with your independent tax advisor.

Conflicts of Interest. Conflicts of interest may arise between StepStone and investors. Certain potential conflicts of interest are described below; however, they are by no means exhaustive. There can be no assurance that any particular conflict of interest will be resolved in favor of an investor.

Allocation of Investment Opportunities. StepStone currently makes investments, and in the future will make investments, for separate accounts having overlapping investment objectives. In making investments for separate accounts, these accounts may be in competition for investment opportunities.

Existing Relationships. StepStone and its principals have long-term relationships with many private equity managers. StepStone clients may seek to invest in the pooled investment vehicles and/or the portfolio companies managed by those managers.

Carried Interest. In those instances where StepStone and/or the underlying portfolio fund managers receive carried interest over and above their basic management fees, receipt of carried interest could create an incentive for StepStone and the portfolio fund managers to make investments that are riskier or more speculative than would otherwise be the case. StepStone does not receive any carried interest with respect to advice provided to, or investments made on behalf, of its advisory clients.

Other Activities. Employees of StepStone are not required to devote all of their time to the investment and may spend a substantial portion of their time on matters other than the investment.

Material, Non-Public Information. From time to time, StepStone may come into possession of material, non-public information that would limit their ability to buy and sell investments.

ESG Integration. While StepStone seeks to integrate certain ESG factors into its investment process and firm operations, there is no guarantee that StepStone's ESG strategy will be successfully implemented or that any investments or operations will have a positive ESG impact. Applying ESG factors to investment decisions involves qualitative and subjective decisions and there is no guarantee the criteria used by StepStone to formulate decisions regarding ESG, or StepStone's judgment regarding the same, will be reflected in the beliefs or values of any particular client or investor. There are significant differences in interpretation of what constitutes positive ESG impact and those interpretations are rapidly changing. The description of ESG integration herein is provided to illustrate StepStone's intended approach to investing and firm operations; however, there is no guarantee that the processes will be followed in every circumstance or at all.

Performance Information. No investment decisions may be made in reliance on this document. In considering performance information herein, readers should bear in mind that past performance is not necessarily indicative of future results and that actual results may vary. There can be no assurance that any StepStone fund will be able to successfully implement its investment strategy or avoid losses. Performance shown herein may include investments across different StepStone funds. The aggregate returns are not indicative of the returns an individual investor would receive from these investments. No individual investor received such aggregate returns as the investments were made across multiple funds and accounts over multiple years.



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