

KEYNOTE INTERVIEW

A golden age for infrastructure debt?



*While market conditions are constantly shifting, a repeatable investment framework remains crucial, say Macquarie Asset Management's **Tom van Rijsewijk** and **Harlan Cherniak***

With the era of cheap money now firmly in the past, the fundamental investment thesis for infrastructure debt remains compelling. For institutional investors navigating liquidity constraints, infrastructure debt may offer highly customisable shelter from global volatility through historically consistent, inflation-linked cashflows.

Tom van Rijsewijk and Harlan Cherniak, head of infrastructure and investment grade credit for EMEA and the Americas, respectively, at Macquarie Asset Management, discuss the impact of the evolving definition of what constitutes an essential asset. This shift, they explain, may unlock

SPONSOR
**MACQUARIE ASSET
MANAGEMENT**

higher-yielding opportunities for institutional portfolios, alongside the downside protections that have long defined the infrastructure sector.

Q How has the infrastructure debt market evolved in recent years?

Tom van Rijsewijk: Back when we first started, the infrastructure debt market was primarily bank-dominated and more limited in scope. The real

opportunity for institutional platforms grew off the back of the 2009 global financial crisis (GFC).

Today, institutional players have a significantly larger role, as many modern financing solutions require bespoke structuring, asset-liability matching and capital stack sophistication that banks or traditional markets are not always set up to provide.

Even today, I would argue that infrastructure debt is where corporate direct lending was 17 years ago, coming out of the GFC. It remains largely bank led, which leaves many untapped growth opportunities. To stay relevant over the next 10 years, you need to be

more flexible than traditional lenders. We continue to look at what borrowers and investors need and figure out how to deliver it through more tailored solutions in the infrastructure debt markets.

Harlan Cherniak: If you look at the infrastructure debt market – and infrastructure more broadly – it’s consistently focused on essential assets and services. However, the opportunity across both investment-grade and sub-investment-grade debt is now approaching nearly \$40 trillion.

So, while the market has evolved, our core investment framework and portfolio monitoring processes remain unchanged: a disciplined focus on hard assets, durable cashflows and strong structural protections – a system we have stress-tested across more than 300 transactions and multiple credit cycles.

Q In what ways are structural tailwinds driving deal flow and investment outcomes for investors?

HC: At the macro level, the major themes in focus are idiosyncratic

and building momentum, driven by what we call the “4Ds”: digitalisation, decarbonisation, deglobalisation and demographics. The supply and demand imbalance created by these tailwinds will continue to translate into trillions of dollars of investment opportunities for essential infrastructure assets and their adjacencies.

We think about infrastructure through the HALOID lens – hard assets, low obsolescence and inelastic demand. This framework shapes how we originate and underwrite. It is precisely why the asset class is a natural fit for institutional capital. From a credit standpoint, the market also remains highly inefficient. Banks continue to retrench, and there are very few global players positioned to provide bespoke and flexible capital structure solutions – across investment grade credit, sub-investment grade credit and structured equity.

TvR: There’s enormous, highly stable demand for capital in infrastructure. Beyond the sheer volume of demand, you also must look at where you’re positioned in the capital stack. A lot of capital has successfully gone into infrastructure equity, but as this asset class continues to mature into a more established allocation, we’re seeing increased demand for bespoke credit solutions across the capital structures.

Q Different types of institutional investors seem to be coming to infrastructure debt from different angles. How does the investment case differ for each?

TvR: For credit, the defining factor is customisation at the asset level. The credit market is highly flexible in how risk is packaged and structured. The focus is on structuring tailored financing solutions for borrowers and we’re seeing robust growth across all fronts.

Insurance investors already view infrastructure as an essential asset allocation. On the pension side, as some infrastructure debt strategies target 10-12 percent yields – depending on credit quality, leverage, structure and market conditions – it may be viewed as a resilient, diversified alternative to traditional corporate private credit. We’re also seeing equity allocations pivoting slightly into private credit. Finally, wealth management is a major emerging source of capital.

HC: Infrastructure is unique. Across the lifecycle of an asset it will provide a wide spectrum of yield, risk and duration that can be aligned to specific investment objectives. Institutional asset managers, insurance companies, pension funds and sovereign wealth vehicles typically seek diversification, contractual protections and stable cashflows. While many of these investors have benefited from multiple expansion across their public equity portfolios, they remain constrained by a liquidity void and a distribution drought across their private equity or venture capital allocations.



Q The energy transition and digital infrastructure are two mega-trends in this space. What types of risk surround both and how are LPs managing that?

TvR: If you look at the key sectors driving the market today, the biggest growth globally has been in digital infrastructure and energy, spanning both renewables and traditional power. The market hasn’t just broadened; it’s become many times larger.

Regarding the transition, underwriting these assets depends heavily on where we’re looking within the

credit spectrum, but we remain focused on proven models and contractual frameworks. We spend a lot of time on downside protection and will walk away from situations where the combination of technology, counterparty or structure doesn't provide sufficient visibility.

HC: Digital infrastructure represents a rare and equally significant opportunity, but it requires a more tactical approach to capital deployment. For data centres, the critical bottleneck is access to baseload power, and in many cases, the most attractive risk-reward lies in the adjacent infrastructure rather than the physical real estate or the data centre itself. Rather than investing in the nucleus of a theme or the heart of the value chain, we often seek to deploy capital one or two derivatives away from the core, targeting assets that exhibit price inelasticity and scarcity value. Where demand is most acute, we have an ability to design and negotiate structures and credit agreements with robust covenants and controls.

We seek to generate attractive risk-adjusted returns by providing indirect exposure to the explosive data centre and compute-driven growth. Across the Macquarie ecosystem, we have over 30 years of investment experience and we're a global leader in digital infrastructure. This translates directly into our origination and underwriting edge for data centre-adjacent opportunities.

Q Infrastructure debt is sometimes perceived as a specialist or niche allocation, complementing a generic private credit book. Does that view still hold?

TvR: The market is shifting profoundly. Infrastructure debt is increasingly recognised as a core allocation, much like infrastructure equity was before it. It's become more diversified across sectors and use cases, reflecting its fundamental role across the modern economy.

Debt is following a similar path to infrastructure equity, mirroring how corporate private credit developed alongside traditional private equity. Subject to credit and market volatility risks, these historically stable, cash-generative assets may appeal to defensive, yield-seeking capital. Importantly, Macquarie Asset Management has owned and operated infrastructure assets for over 30 years, which means our debt platform benefits from a differentiated underwriting lens that most credit-only entrants simply cannot replicate.

HC: We have witnessed substantial mandate creep from managers. There are few pure-play infrastructure firms with both global scale and a comprehensive network. Many large alternative asset managers have recently developed or combined their real assets bucket to blend real estate, traditional energy and infrastructure together. True specialist execution is rare. In our view, there are niche leaders with longstanding, cycle-tested experience and expertise across infrastructure, and there are tourists.

The real assets and private equity strategy of infrastructure has evolved well ahead of debt capital solutions. Here in the US, true competition for opportunistic infrastructure debt remains limited. Historically, the project finance teams embedded within the banks dominated this space. Looking ahead, we expect continued disintermediation as many banks reach regulatory capital and risk-based thresholds. This has driven a series of strategic partnerships and forward flow agreements allowing infrastructure debt platforms with a global origination funnel to complement these capital structures.

Q With rates potentially remaining elevated for longer, how optimistic are you about the long-term outlook of the asset class?

HC: Most asset classes have performed

well over the last decade as we operated in a low-interest-rate environment and correlations were elevated. Today, the free-money train is over and investors have shifted their focus back to basics, combining a fundamental bottom-up underwriting approach and a reinforcement of downside protection.

Over the long term, infrastructure debt has demonstrated the lowest default rate of any corporate asset class, as well as high recovery rates, due to the tangible "bricks and sticks" nature of the collateral, coupled with the consistency of the underlying stability of its cashflows.

The definition of infrastructure has and always will evolve. In the near term, given our rapidly ageing population, one of the areas we've become increasingly more excited about sits at the intersection of social infrastructure and the key shift in demographic cohorts. Evolution is inevitable, and we remain highly optimistic about the next 10-15 years.

TvR: Higher rates directly support returns in credit and, in infrastructure, are often underpinned by contracted, inflation-linked cashflows. These assets are also generally well positioned to pass through higher funding costs, which reinforces their resilience in this environment. For us, success isn't about chasing headlines. It's about executing bilateral, lead-lender originations where we maintain structural control and can actively shape credit protections. If macro conditions shift or a project encounters challenges, we have the scale and the technical expertise to manage outcomes.

One area gaining momentum is corporates carving out and separately financing critical operational infrastructure embedded in their supply chains – assets where you're not lending to the corporate but securing against something so fundamental to their business that the credit dynamics look much more like infrastructure than corporate debt. ■