Infrastructure Strategic Outlook 2026: Mid-Year Update

IN A NUTSHELL

- Geopolitical disruption and renewed energy-price volatility have shifted the 2026 outlook from improving confidence to a more cautious environment, with higher rates, weaker growth and renewed inflation risk now the key macro pressures for infrastructure.
- Infrastructure performance is likely to remain resilient, but returns may be more subdued as higher financing costs, tighter valuation discipline and more selective underwriting weigh on transaction activity.
- Market liquidity is improving gradually rather than rapidly, with fundraising increasingly concentrated in larger vehicles and deal activity focused on assets linked to electrification, digitalisation, energy transition and resilient demand.
- Europe remains a compelling infrastructure market, supported by policy-driven investment needs across energy security, grids, data centres, sustainable transport, industrial competitiveness and strategic resilience.

Infrastructure Strategic Outlook 2026: Mid-Year Update

Market fundamentals continue to improve amidst global uncertainty

Infrastructure enters the second half of 2026 from a position of relative resilience, but with a more cautious investment tone than appeared likely at the start of the year. The asset class continues to benefit from defensive demand characteristics, and exposure to structural investment themes; however, renewed geopolitical disruption, energy-market volatility and a higher rate environment have tempered the previously more positive outlook for growth, valuations and market activity. Investors are likely to place greater emphasis on pricing discipline, balance sheet strength, inflation protection, operational execution and visibility of demand. At the same time, the need to finance energy security, electrification, digital capacity, sustainable transport and strategic resilience remains significant, particularly in Europe, where policy support and capital requirements continue to reinforce the long-term opportunity set.

1 / Macro Update

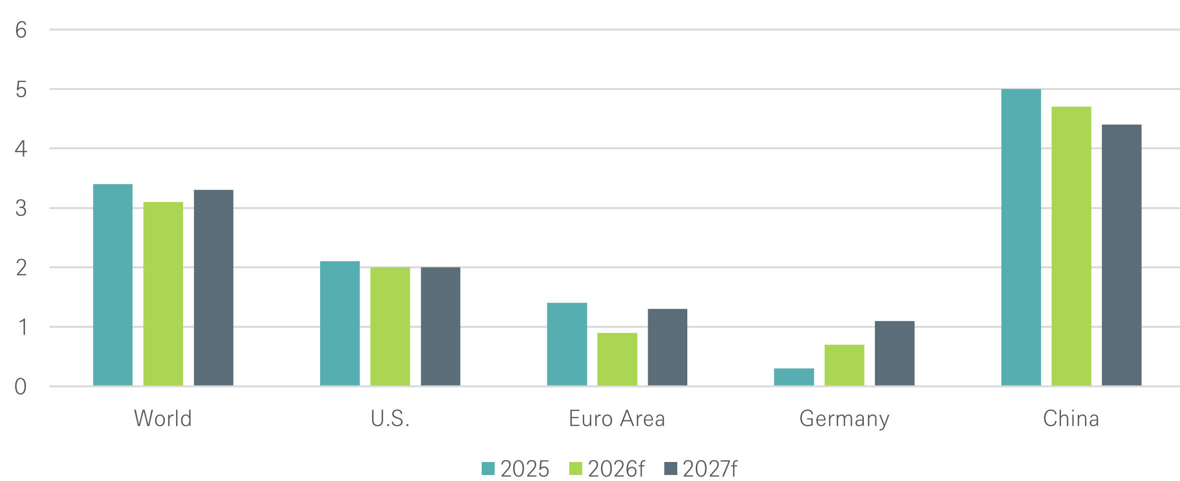
Geopolitical risk returned to dominate macroeconomic discussions over the first half of 2026. Higher interest rates pose the most concern for infrastructure, although at present it seems unlikely the market is entering a prolonged hiking cycle. Inflation should be tempered, but uncertainty over the Iran conflict remains.

Back to focus on resilience

Infrastructure assets face a subdued economic picture over the second half of 2026, with global economic growth likely to underperform expectations despite having started the year in a relatively strong position. Major geopolitical shocks and resultant macroeconomic implications have sapped investment confidence and stoked inflationary concerns, which have already resulted in tighter monetary policy in Europe. As noted in our January 2026 Strategic Outlook, concerns over 2025's trade tariff negotiations were beginning to subside as the global economy entered 2026, however, within the first few months of the year, U.S. foreign policy action in Venezuela and Iran had rattled energy markets and injected significant macroeconomic uncertainty into the outlook for the remainder of the year. This uncertainty has already had an impact on growth forecasts for 2026, with the outlook still vulnerable to the peace deal negotiations between Iran and the U.S. that, at the time of writing, are still underway.

Growth expectations have been hit globally, with Asian economies that are significant energy importers from Iran facing supply disruptions from the close of the Strait of Hormuz, while Europe – which has a greater reliance on LNG following the Russia-Ukraine crisis – is exposed to elevated (global) energy prices. In the U.S., a disappointing start to the year has shifted to greater resilience in the face of global volatility, although inflationary pressure has built. On top of the immediate energy-related supply and cost burdens of the Iran crisis, businesses have also paired back their investment and hiring plans due to an uncertain future trading environment. Overall, the world economy's annual growth rate forecast has slowed by around 0.4pp since the beginning of the year, now standing at 2.3% in real terms.[1] We continue to highlight the growth story stemming from German fiscal expansion, which after being heavily delayed in 2025, has now started to result in order books registering heightened activity, helping to offset more stagnant growth across other Eurozone markets.[2]

Chart 1: GDP Real Growth, % Change y-o-y



[1] Oxford Economics, as of 22 June 2026.
[2] DWS Infrastructure Strategic Outlook 2026, January 2026

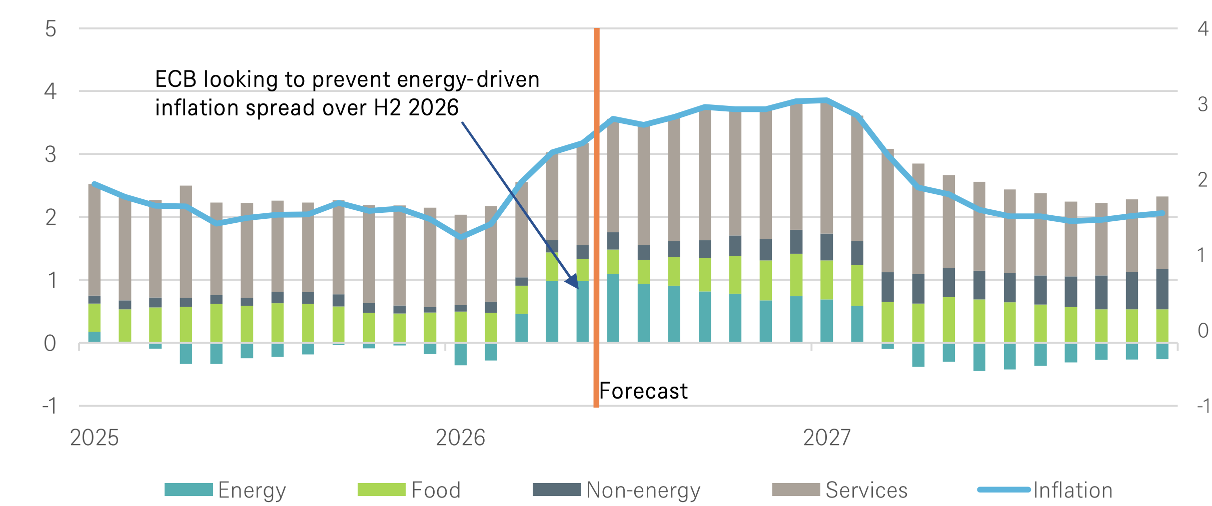
Sources: Haver Analytics, Bloomberg Finance L.P., IWF, DWS Investment GmbH as of May 5, 2026. Forecasts are not a reliable indicator of future results. Forecasts are based on assumptions, estimates, views and hypothetical models or analyses, which might prove inaccurate or incorrect.

Higher interest rates are potentially the key pressure facing the infrastructure asset class, due to the performance drag related to higher costs, as well as the detrimental impact higher rates may have on the recovery of transaction activity. The rate environment is being driven by central banks looking to anchor the creeping inflation that has emerged since the Iran crisis began (see Chart 2). Inflation in the Eurozone rose notably in the beginning of Q2 2026, with headline inflation reaching 3.2% in May 2026, up from 3% in April. This marks the highest rate since late 2023, with energy inflation the most significant contributor to that increase.[3] Similarly, inflation in the U.S. has also been on upward trend.

In this environment the European Central Bank (ECB) has already increased its deposit rate by 25 basis points in June, and another is expected in July. The Bank of England (BoE) is also likely to keep the option of increasing its base rate open, while the Federal Reserve (Fed) in the U.S. has seen market expectations for a cut to rates in 2026 swing towards holding or even a potential hike. Overall, central banks are looking to prevent energy price increases spreading through the wider economy as was the case in 2022/2023.

Critically, current inflation expectations are premised on no further escalation in the disruptions related to the Iran conflict, and a gradual unwinding of restrictions on global energy supplies. Noting that damage to energy infrastructure in the region will take years to fully repair, the current arrangement between Iran and the U.S. has allowed some shipping to resume through the Strait of Hormuz, lowering energy prices and thus the inflationary pressure. As referenced previously, Asian economies are perhaps most exposed to supply pressures should the situation deteriorate again, but imported inflation from Asian manufactured goods and other input materials like fertiliser is a significant downside risk to the European inflation outlook.

Chart 2: Contributions to Eurozone Consumer Price Index (CPI), Monthly, %

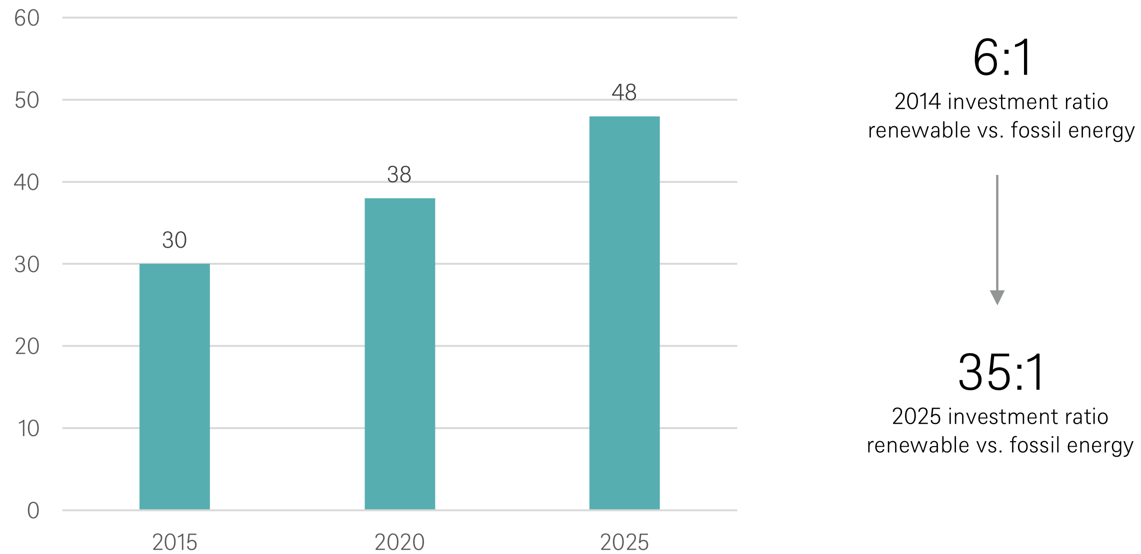


Forecasts are based on assumptions, estimates, views and hypothetical models or analyses, which might prove inaccurate or incorrect.
Sources: Haver Analytics Inc. DWS Investment GmbH as of May 2026.

[3] Eurostat, June 2026

Conversely, there are reasons to remain optimistic that the monetary policy outlook will not have a similarly detrimental impact on the infrastructure market as was the case in 2023-2024 rate hike period. Current expectations are that a limited response from central banks will be enough to tame the current inflation, with no more than two hikes being forecasted for the Fed, ECB or BoE. On the one hand, unlike the 2022 inflationary spike when the global economy was rebounding post-pandemic while the Russia-Ukraine energy crisis hit, underlying economic fundamentals were significantly stronger when the Iran shock began in early 2026. Additionally, in Europe's case, while energy price pressures have driven up headline inflation, the correlation between electricity prices and energy prices has weakened notably since 2022. Numerous initiatives around ensuring European energy security through natural gas storage and LNG import capacity, but more crucially accelerated renewable energy roll out and integration, have begun to decouple energy prices and the cost of electricity. As Europe continues to increase its investment into renewable energy and decarbonise its economic activity through domestically sourced renewable energy (Chart 3), the impact of global energy market disruption on inflation will continue to lessen.

Chart 3: EU Share of electricity production from renewables, % (LHS), EU fossil fuel to renewable energy investment ratio (RHS)



Source: European Commission, Ember, Energy Institute, IEA, DWS Investment GmbH, as of June 2026 .

This information is subject to change at any time, based upon economic, market and other considerations and should not be construed as a recommendation. Past performance is not indicative of future returns. Forecasts are not a reliable indicator of future performance. Forecasts are based on assumptions, estimates, opinions, and hypothetical models that may prove to be incorrect. Investments come with risk. The value of an investment can fall as well as rise and your capital may be at risk. You might not get back the amount originally invested at any point in time. Source: DWS International GmbH.

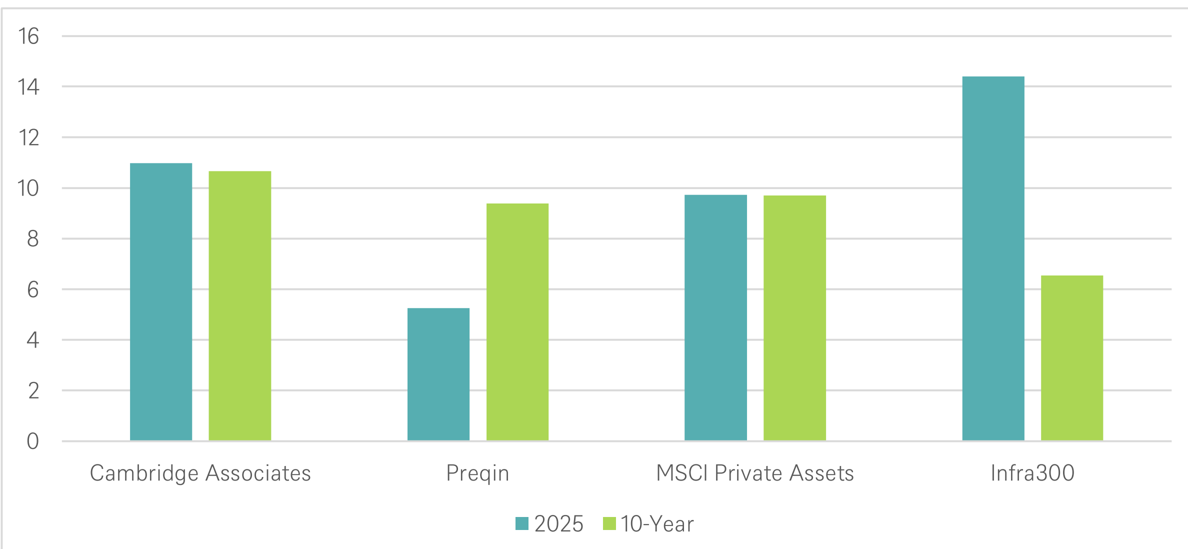
2/ Market Update

In 2026, the Iran conflict has created a less supportive macroeconomic backdrop for the infrastructure market, potentially resulting in weaker performance and more subdued market activity. Infrastructure's resilient performance in recent periods of macroeconomic volatility should, however, continue to position to asset class as an anchor within portfolios.

Market Performance

We now expect that 2026 will now see a more subdued performance from the infrastructure asset class, with economic growth slower and costs higher, putting pressure on businesses with any kind of market exposure. While not as severe a macroeconomic backdrop as seen in recent years, the likelihood of the market outperforming the longer-horizon total returns of any benchmark are lessened given the now-higher rate environment. As expected, the 2025 total return performance figures across a variety of unlisted infrastructure benchmarks were mixed, with some signs of underperformance against long-term averages.

Chart 4: Private Infrastructure Equity Benchmarks, 2025 and Annualised Total Return, %



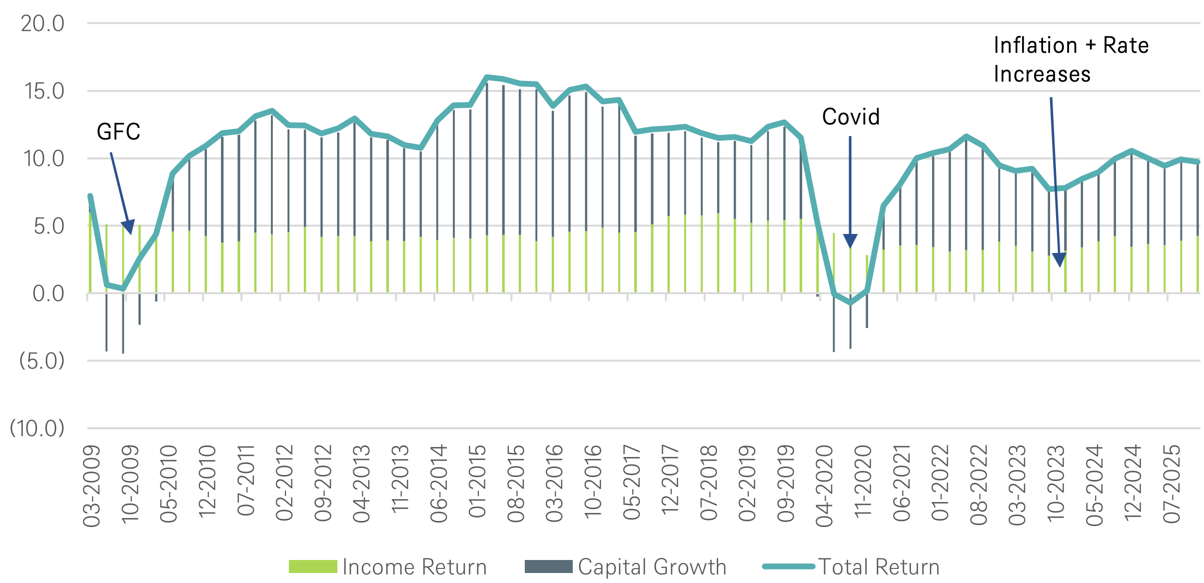
Sources: USD, Value Weighted Indices - Cambridge Associates Infrastructure Index, Preqin Infrastructure Index, MSCI Global Private Asset Infrastructure Index, SIPA Infra300. Data accessed December 2025. Note: SIPA and MSCI data are asset level benchmarks, whereas Preqin and Cambridge Associates show performance of their constituent funds. Past performance is not indicative of future performance.

2026 still has the potential to show stronger returns than 2025, which was a year dominated by interest rates that were only cut very gradually following a rapid hiking cycle, as well as huge uncertainty around U.S. trade tariff negotiations. While similar dynamics exist in 2026, rates are comparatively lower and, while shaky and vulnerable to ongoing peace talks, business confidence surveys suggest that most of the negative pressures from the Iran conflict will be confined to Q2 2026, with a rebound now underway.[4]

[4] Oxford Economics, June 2026

Infrastructure's resilience to the macroeconomic cycle has now been documented, with data showing how at the asset level, income generation for established infrastructure businesses remains stable during economic downturns. The capital growth of assets is where the macroeconomic conditions can have more of a bearing on performance, with assets with more flexibility around leverage, capex plans and strategic initiatives generally able to outperform in periods of stress. Overall, exposure to a diverse portfolio of infrastructure businesses allows for an optimal mix of income stability and capital growth and supports stability throughout turbulent markets.

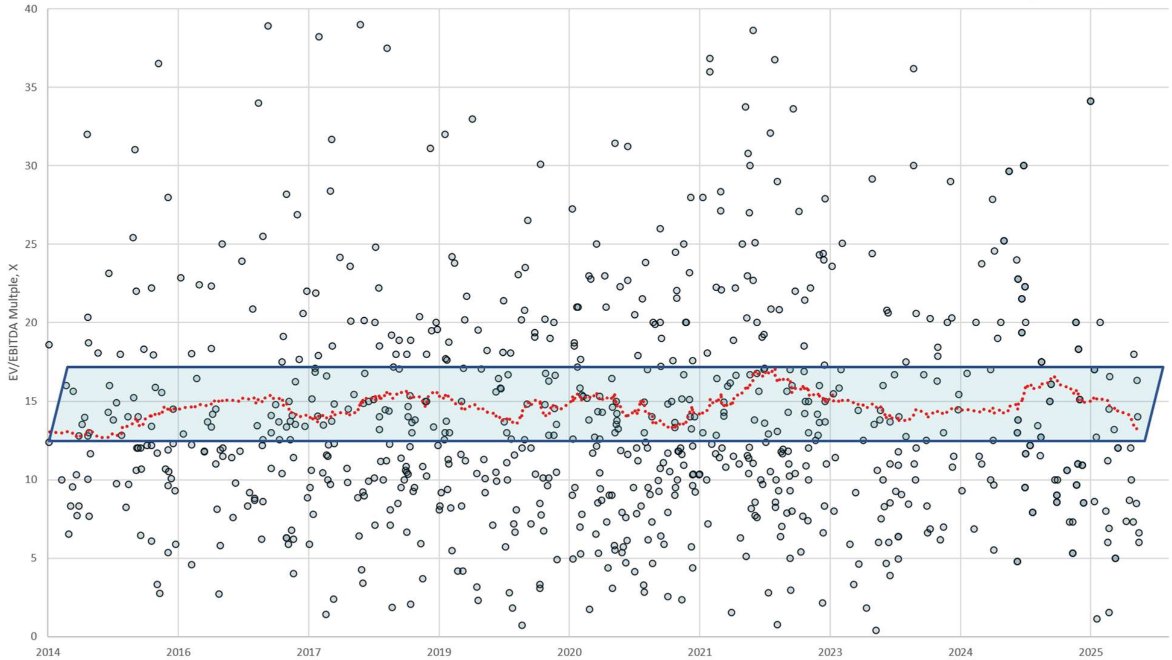
Chart 5: MSCI Infrastructure Private Asset Index, Global All Asset, Annual Returns 2009-2025, Quarterly, %



Sources: MSCI Global Private Asset Infrastructure Index, USD, Value Weighted. Data accessed June 2026. Note: Past performance is not indicative of future performance.

From an asset valuation perspective, the lack of significant transaction volumes makes it difficult to identify new, notable trends. Within the EV/EBITDA data from closed infrastructure M&A transactions, average valuations remain with the long-term trend channel, having softened over periods in 2023-2025 as the impact of higher rates took hold. As noted in previous strategic outlooks, the market has now identified sectors which were mispriced in a higher rate environment and as such lower multiples should be expected for businesses with high upfront capex requirements to fuel revenue growth. However, we also see potential for a broader range of assets –those underwritten in a low base rate and benign macro environment – now approaching the end of their hold periods, facing more limited scope for multiple expansion in today's higher-rate, more conservative underwriting environment. Strong performing assets will continue to command good pricing, but any underperformance will likely be scrutinised heavily.

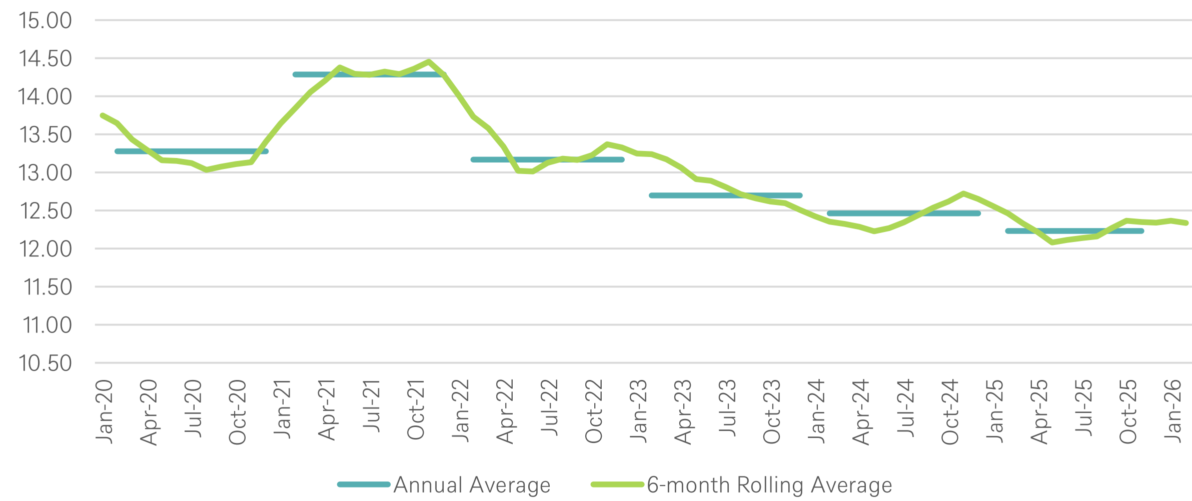
Chart 6: EV/EBITDA Multiples, Global, Closed Infrastructure M&A Transactions. Red line = 90 day rolling average.



Sources: Infralogic, DWS Infrastructure Research. Note: EV/EBITDA datapoints from over 1000+ transactions with data available, 2014 to date. Past performance is not indicative of future performance. Chart excludes multiples in excess of 40x, while rolling average excludes anomalous multiples.

Analysing available data on infrastructure valuations is a trade-off; estimated valuations has consistency in methodology and availability but may not reflect real world observations, while real reported transaction market multiples data is inconsistent and sparse. Data from Scientific Infra & Private Assets (SIPA), which estimates book value EV/EBITDA ratios as part of its valuation methodology, points to market valuations bottoming out over 2026. There is a consistent relationship between movements SIPA's multiples data and observed transaction multiples, albeit the observed market multiples trend significantly lags. After showing marginal reductions in the mean EV/EBITDA ratio for global infrastructure since a peak in 2022, the rolling average has shown some firmness in 2026, potentially indicating the market will follow suit. As of yet, however, the data on reported transaction multiples is too thin to suggest valuations pressures are shifting from the downside to the upside.

Chart 7: Calculated EV/EBITDA Ratio, Global Infrastructure



Sources: Scientific Infrastructure & Private Assets (SIPA), DWS Infrastructure Research. Past performance is not indicative of future performance.

Infrastructure Transactions & Fundraising

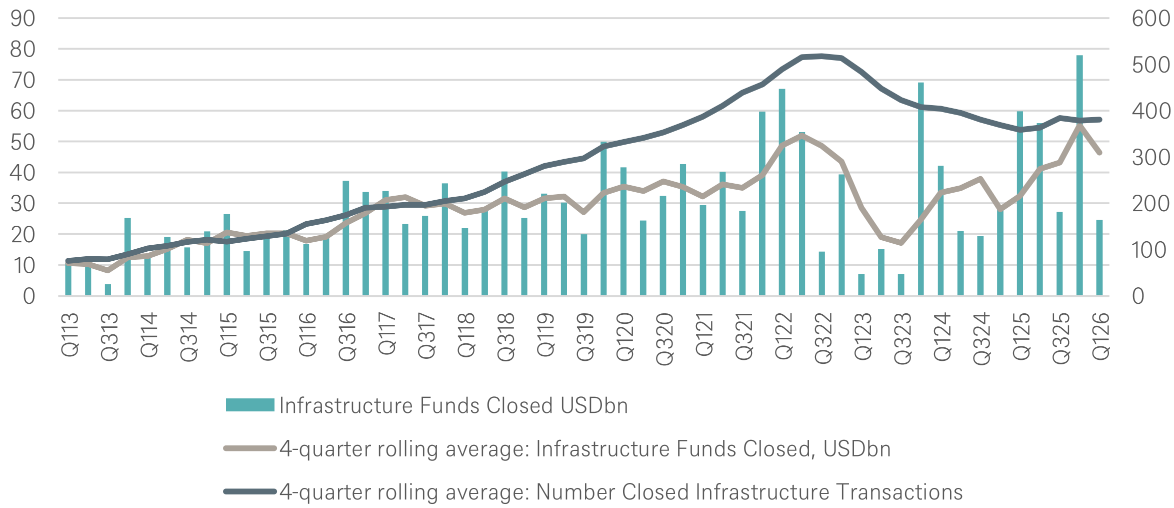
Linking market liquidity, fund performance and fundraising, the infrastructure transaction market has continued its steady upward trajectory over the first half of 2026 yet still lacks the momentum of the 2022-high. Both the value and number of closed M&A deals in the first quarter of 2026 sat above Q1 2025,[5] although not by a significant margin, highlighting how the market continues to take a cautious approach to deals – potentially reflective of remaining buyer-seller valuation misalignments. On a rolling basis, average deal size has increased materially, reflecting a more lumpy transaction environment. The average disclosed transaction value has risen to USD342mn, compared with USD252m over 2021–2024, USD281mn in 2025, suggesting reliance on fewer, high-value assets to sustain the overall market.[6]

As expected at the beginning of the year, assets with clear linkages to long-term thematic trends like electrification, decarbonisation and digitalisation have seen most activity over 2026. Of particular note, power grid assets have increased in strategic importance within the transaction landscape. Grid and smart-metering infrastructure account for a materially higher share of volume in 2026 year-to-date versus both 2025 and the 2021–2024 average, driven in particular by large electricity distribution transactions. Data centres continue to outperform structurally, with both higher deal count and higher volume relative to historical trends. While 2025 already showed strong activity, 2026 year-to-date maintains elevated deal flow, confirming sustained investor demand linked to cloud and AI-driven infrastructure. However, digital infrastructure is increasingly bifurcated across subsectors, with fibre and wireless assets showing weaker transaction activity. We continue to note that the transport sector remains under-transacted post-Covid. However, there are signs of improving momentum in the airport sector, with nearly the same number of deals done in 2026 year-to-date as the whole of 2024, reflecting renewed appetite for large, flagship transport assets.

[5] Infralogic, June 2026
[6] Infralogic, June 2026

The current macro ramifications of the Iran crisis will unlikely derail the market in the same way that happened over 2023 and 2024, with the previous rate hiking cycle and LP denominator pressures impacting liquidity more significantly. However, with higher interest rates and a softer macroeconomic backdrop, there will be some caution in bringing to market with notable exposures. This will include sectors that suffered at the hands of higher rates previously, e.g. fibre, as well as sectors with explicit linkage to economic demand and global logistics. Caution in these sectors will subdue overall activity, even if we expect to see robust activity across other transport sectors, renewable energy and energy transition businesses, as well as data centres.

Chart 8: 4-quarter Rolling Average Number of M&A Closed Deals (RHS), Quarterly Infrastructure Capital Closed, USDbn (LHS)

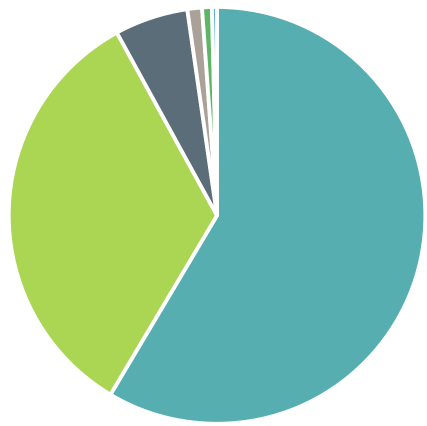


Sources: Infralogic, Preqin Pro, DWS Infrastructure Research, June 2026. Past performance is not indicative of future performance.

With infrastructure fundraising trends now pointing towards a concentration of capital into mega funds, it will become more common for there to be significant swings in market momentum on a quarter-on-quarter basis. Q1 2026 saw USD26.4bn closed in infrastructure funds, a notable swing from the USD70bn+ raised in Q4 2025.[7] However, on a rolling basis, the market has comfortably returned to the level of committed capital seen in 2022. As outlined above and in the January 2026 Strategic Outlook, liquidity has improved in the market and LPs have been able to commit to new funds, as well as there being a continued reallocation of capital away from other areas of Real Assets towards infrastructure, given the strong performance in recent years. This has helped marginally reduce the average time in market for funds closing in 2026 year-to-date relative to 2025.[8]

[7] Infrastructure Investor, June 2026
[8] Preqin Pro, June 2026

Chart 9: Global Infrastructure Fundraising, Q1 2026, By Region, % Share of Total



Source: Infrastructure Investor, April 2026. Total Raised: USD26.4bn. Past performance is not indicative of future performance.

We expect fundraising timelines to remain extended, with the barbell dynamic persisting as LPs seek both early entry incentives and greater portfolio visibility through more advanced deployments. As noted previously, investors had become relatively overweight North America in their infrastructure commitments and were potentially likely to rebalance geographically towards Europe. Evidence from Q1 2026 suggests that this reallocation is underway, with allocations decisively ready to rebalance towards Europe (Chart 9). While was saw a similarly strong start in Q1 2025 for European fundraising, this year's initial boon is also consistent with LP sentiment surveys signalling a strong preference to rotate towards European strategies.[9] We continue to view the European infrastructure market as globally competitive, combining structural depth and attractiveness with renewed investment momentum in the context of growing European economic resilience.[10]

[9] Infrastructure Investor, LP Perspectives 2026 Report, February 2026. 42% of LPs surveyed showed Greater Interest in Europe, versus 17% for North America.
[10] DWS Infrastructure, European Midmarket Infrastructure: 10 Reasons It Matters for Portfolios, May 2026

3 / Investment Outlook

Europe presents a structurally attractive environment for infrastructure investment, supported by established but evolving regulatory frameworks, deep and diversified asset bases, and a broad investment pipeline linked to energy transition, digitalisation, economic resilience and changing demographic trends. At the same time, evolving market dynamics – including more disciplined pricing and a greater emphasis on operational value creation – are shaping sector attractiveness. In the following sections, we outline the key thematic drivers and priority sectors that are expected to underpin investment activity across the European market, along with examples of the types of policies that have been introduced to give investors long-term visibility.

Energy Transition

Strategic Drivers	Example Policy Support	Sector Investment Implications

Energy security has emerged as a European priority, reframing the transition as a strategic necessity alongside climate objectives, particularly in response to recent energy shocks.	• **REPowerEU** (energy security, accelerated renewables deployment and reduced fossil fuel dependency)
	• **AccelerateEU** (power demand growth and deployment acceleration)
		• Expansion of the investment universe beyond generation into the full energy value chain, including grids, interconnections, storage and enabling infrastructure supporting electrification. Energy efficiency, demand-response technology becoming central.
		• Increasing focus on infrastructure that strengthens energy system resilience, including domestic and off-grid generation, alternative fuels, and storage.
		• Strong growth in transport electrification-linked infrastructure, including EV charging, fleet electrification and vehicle-to-grid solutions.
		• Continued development of circular economy and specialised waste platforms linked to resource efficiency and industrial decarbonisation, such as biomethane.
		• Sector Considerations:
		    o More negative electricity price events deterring generation investment
		    o Battery Energy Storage System (BESS) market saturation reducing returns
		    o Evolving market designs to address volatility
		    o Local content requirements

Structural **decarbonisation** remains a core driver, anchored in long-term emissions targets and the transition to a low-carbon economy. This is supporting market design evolution and permitting improvements that are increasingly critical to accelerating deployment and crowding in private capital.	• **Fit for 55** and broader EU decarbonisation framework • **Net Zero Industry Act** (clean tech manufacturing capacity	
Electrification is the central mechanism of decarbonisation, with coordinated policy focus driving electrification across transport, industry and buildings and structurally increasing power demand.	• **European Grids Package** (grid expansion, cross-border planning, permitting reform) • **Energy Performance of Buildings Directive** (EPBD) (decarbonisation of building stock) • **2025 zero emission vehicles target**	
Industrial competitiveness is now tightly linked to the transition, with increasing emphasis on anchoring low-carbon production and strategic supply chains domestically.	• **Clean Industrial Deal** (industrial decarbonisation and competitiveness) • **Industrial Accelerator Act** (demand-side support and local content requirements)	

Source: DWS Infrastructure Research, June 2026

Digitalisation

Strategic Drivers	Example Policy Drivers	Sector Investment Implications

Structural growth in **data consumption** is accelerating, driven by cloud adoption, artificial intelligence **(AI)** and broader digital transformation of the economy.	• **EU digital strategy** and data sovereignty frameworks
	• **EU4Digital** (digital transformation and harmonisation of digital markets)
	• **2030 Digital Compass**
		• Datacenters: One of the largest and fastest-growing infrastructure sub-sectors, supported by long-term demand from AI, cloud and data-intensive applications.
		• Differentiation between hyperscale and colocation models, with more diversified infrastructure characteristics in the latter, but higher capex requirement in the former.
		• Connectivity infrastructure: Continued expansion of fibre and network infrastructure, particularly where under-penetration or capital constraints exist.
		• Convergence with energy: Increasing need for coordinated investment in generation, grids and cooling infrastructure to support digital capacity expansion.
		• Geographic diversification: Increasing relevance of secondary markets driven by latency, power and sovereignty considerations.
		• Sector Considerations:
		  ○ Hyperscale a large cap play, and assets have larger footprint on power/land requirements.
		  ○ Fibre markets still capital constrained – consolidation likely.
		  ○ 'Bring your own power' to become more common.
		  ○ Southern + Northern Europe are emerging hubs

Data and technological **sovereignty** have become strategic priorities, with increasing emphasis on developing domestic digital infrastructure capacity.	• **EU Chips Act** (semiconductors and digital sovereignty) • **InvestAI** and **EU AI Act** (AI development and regulation)	
Digital infrastructure demand is increasingly interlinked with **energy systems**, with rising electricity consumption placing pressure on power networks and reinforcing energy-digital convergence.	• **EU Data Centre Energy Efficiency Package** • Energy and electrification policy frameworks supporting power supply for digital infrastructure	
Market expansion is broadening geographically, with increasing demand across **secondary locations** as market saturation becomes more pervasive.	• National level data centre policies • **Digital Single Market Strategy**	

Source: DWS Infrastructure Research, June 2026

Sustainable Transport

<table>
<tr><th>Strategic Drivers</th><th>Example Policy Support</th><th>Sector Investment Implications</th></tr>
<tr><td>Transport decarbonisation is a central pillar of climate strategy, and the sector remains a major source of emissions requiring structural transition.</td><td>EU Sustainable and Smart Mobility Strategy, which targets a smarter, cleaner and more resilient transport system.</td><td rowspan="5">• Attractive opportunity set across public transport, rail, intermodal logistics, ports/ferries, electrified fleets and charging infrastructure.
• Continued demand for rail freight, rolling stock and multimodal logistics as lower-carbon alternatives to road.
• Biofuels and alternative fuels are a critical component of future transportation in sectors that cannot electrify.
• Decarbonisation is the key value creation strategy for transportation; fleet renewal, transport electrification, charging infrastructure and urban-mobility upgrades. Micro-mobility taking growing market share.
• Growing role for digital ticketing, mobility-as-a-service and smart-traffic systems that improve network utilisation and user experience.
• Sector Considerations:
o Freight sectors have been under scrutiny due to tariffs, supply chain disruptions.
o Difficult aviation market due to Iran, but tourism hubs in Europe outperform.
o EV uptake slower than expected, but market share rising.
o Fleet electrification unlocking multiple additional charging revenue streams.</td></tr>
<tr><td>Mobility demand continues to grow with urbanisation, creating the need to expand bus and rail capacity while reducing environmental impact.</td><td>▪ Fit for 55 transport measures, including sector decarbonisation pathways and transport-specific climate legislation.</td></tr>
<tr><td>Modal shift toward rail, public transport and lower-carbon freight solutions is becoming more important as emissions goals tighten</td><td>▪ Alternative Fuels Infrastructure Regulation, FuelEU Maritime and ReFuelEU Aviation, which support charging, refuelling and low-carbon fuels.</td></tr>
<tr><td>Electrification is accelerating across passenger and freight transport, increasing the need for charging, refuelling and grid integration.</td><td>▪ TEN-T, Connecting Europe Facility and wider urban-mobility frameworks, which support cross-border corridors, public transport and multimodal systems.</td></tr>
<tr><td>▪ Digitalisation is improving system integration, multimodal travel and network efficiency, helping transport become more connected, smarter and more resilient.</td><td>National example: UK Zero Emission Bus Regional Areas (ZEBRA) scheme, funds the purchase of electric (and hydrogen) buses and associated infrastructure via local authorities.</td></tr>
</table>

Source: DWS Infrastructure Research, June 2026

Strategic Resilience

<table>
<tr><th>Strategic Drivers</th><th>Example Policy Support</th><th>Sector Investment Implications</th></tr>
<tr><td>A structural shift toward strategic autonomy is underway, driven by geopolitical fragmentation, trade tensions and increased focus on economic and security resilience.</td><td>• EU Competitiveness Compass (innovation, decarbonisation and security)
• ▪ Connecting Europe Facility (CEF) (EU funding mechanism supporting energy, transport and digital infrastructure investment)</td><td rowspan="4">Clean manufacturing:
• Development of domestic industrial capacity aligned with decarbonisation and competitiveness objectives.
• Growth in specialised infrastructure for batteries, semiconductors, advanced materials and energy-intensive industries.
Supply chain & logistics:
• Expansion of logistics, warehousing, cold storage and industrial infrastructure supporting reshoring and resilience.
• Increasing importance of infrastructure supporting security of supply chains and operational continuity.
Transport:
• Continued investment in ports, maritime and logistics infrastructure linked to supply chain reconfiguration
• Transport corridor upgrades, boosting the internal freight capacity of the Single Market and removing existing bottleneck infrastructure.
• Structural shift toward rail and public transport, supported by decarbonisation and regulatory drivers, alongside ongoing fleet renewal and electrification.
Defence-linked infrastructure:
• Investment in dual-use assets including transport corridors, ports, airports, energy systems and logistics platforms.</td></tr>
<tr><td>Competitiveness concerns are reinforcing the need for large-scale investment in energy security, digital capacity and domestic industrial capabilities.</td><td>▪ Trans-European Networks:
– TEN-E (cross-border energy infrastructure and grid integration)
▪ Clean Industrial Deal (industrial transformation and cost competitiveness)
▪ Industrial Accelerator Act (onshoring, procurement rules and industrial hubs)</td></tr>
<tr><td>Clean manufacturing and industrial transformation are driving the localisation of key industries, particularly in energy-intensive and strategic sectors.</td><td>Net Zero Industry Act (strategic manufacturing)
▪ Broader EU reshoring and industrial policy frameworks</td></tr>
<tr><td>Supply chain resilience has become a critical structural objective, reflecting the need to reduce dependency on concentrated global supply chains and manage disruption risk.</td><td>• Chips Act (technology sovereignty)
• Supply chain resilience and critical raw materials initiatives</td></tr>
</table>

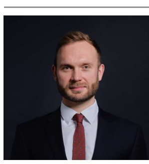
Defence and security spending are rising, increasing the importance of infrastructure that supports both economic activity and strategic readiness.	• Security Action for Europe (SAFE) • EU defence spending frameworks and military mobility programmes • NATO 5% commitment	• Satellite ground stations, surveillance and monitoring, drones. • PPP opportunities to grow. • B2B + Sovereign clients limit risk exposure. Sector Considerations: • Energy costs in Europe make energy-intensive industry less competitive. • Manufacturing facilities lack infrastructure characteristics. • Defence remains a difficult market to access infrastructure opportunities. Dominated by large incumbent corporates. • Defence-related assets can become de-facto targets for interference.

Source: DWS Infrastructure Research, June 2026

4 / Conclusion

The first half of 2026 has reinforced the central message for infrastructure investors: the asset class remains resilient, but the investment environment is no longer a benign one. Geopolitical disruption, renewed energy-price volatility and a tighter monetary policy backdrop have moderated growth expectations and reintroduced pressure on performance, costs and valuations. Yet this is not a repeat of the 2023–2024 adjustment. Economies are stronger, inflationary pressures appear more contained, and the market has become more disciplined in underwriting risk. Transaction activity and fundraising are recovering gradually rather than rapidly, with capital increasingly concentrated around assets that offer visible demand, operational resilience and credible value creation. Europe remains particularly well positioned, supported by policy frameworks and investment needs linked to energy security, electrification, digital capacity, transport decarbonisation and strategic resilience.

AUTHOR



Richard Marshall
Head of Research, Infrastructure

Important information

For North America:
The brand DWS represents DWS Group GmbH & Co. KGaA and any of its subsidiaries, such as DWS Distributors, Inc., which offers investment products, or DWS Investment Management Americas, Inc. and RREEF America L.L.C., which offer advisory services.

Any mentions of specific securities are for illustrative purposes only and should not be considered a recommendation.

This material was prepared without regard to the specific objectives, financial situation or needs of any particular person who may receive it. It is intended for informational purposes only. It does not constitute investment advice, a recommendation, an offer, solicitation, the basis for any contract to purchase or sell any security or other instrument, or for DWS or its affiliates to enter into or arrange any type of transaction as a consequence of any information contained herein. Neither DWS nor any of its affiliates gives any warranty as to the accuracy, reliability or completeness of information which is contained in this document. Except insofar as liability under any statute cannot be excluded, no member of the DWS, the Issuer or any office, employee or associate of them accepts any liability (whether arising in contract, in tort or negligence or otherwise) for any error or omission in this document or for any resulting loss or damage whether direct, indirect, consequential or otherwise suffered by the recipient of this document or any other person.

The views expressed in this document constitute DWS Group's judgment at the time of issue and are subject to change. This document is only for professional investors. This document was prepared without regard to the specific objectives, financial situation or needs of any particular person who may receive it. No further distribution is allowed without prior written consent of the Issuer.

Investments are subject to risk, including market fluctuations, regulatory change, possible delays in repayment and loss of income and principal invested. The value of investments can fall as well as rise and you might not get back the amount originally invested at any point in time.

An investment in real assets involves a high degree of risk, including possible loss of principal amount invested, and is suitable only for sophisticated investors who can bear such losses. The value of shares/ units and their derived income may fall or rise.

Environmental, social, and governance (ESG) criteria are a set of standards for a company's operations that socially conscious investors use to screen potential investments: Environmental (how a company performs as a steward of nature); Social (how a company manages relationships with employees, suppliers, customers, and communities); Governance (company's leadership, executive pay, shareholder rights, etc.). Investing in securities that meet ESG criteria may result in foregoing otherwise attractive opportunities, which may result in underperformance when compared to products that do not consider ESG factors.

Currently Net Zero and Engagement policies are not applicable in the U.S. for DWS.

War, terrorism, sanctions, economic uncertainty, trade disputes, public health crises and related geopolitical events have led, and, in the future, may lead to significant disruptions in US and world economies and markets, which may lead to increased market volatility and may have significant adverse effects on the fund and its investments.

For Investors in Canada. No securities commission or similar authority in Canada has reviewed or in any way passed upon this document or the merits of the securities described herein and any representation to the contrary is an offence. This document is intended for discussion purposes only and does not create any legally binding obligations on the part of DWS Group. Without limitation, this document does not constitute an offer, an invitation to offer or a recommendation to enter into any transaction. When making an investment decision, you should rely solely on the final documentation relating to the transaction you are considering, and not the document contained herein. DWS Group is not acting as your financial adviser or in any other fiduciary capacity with respect to any transaction presented to you. Any transaction(s) or products(s) mentioned herein may not be appropriate for all investors and before entering into any transaction you should take steps to ensure that you fully understand such transaction(s) and have made an independent assessment of the appropriateness of the transaction(s) in the light of your own objectives and circumstances, including the possible risks and benefits of entering into such transaction. You should also consider seeking advice from your own advisers in making this assessment. If you decide to enter into a transaction with DWS Group, you do so in reliance on your own judgment. The information contained in this document is based on material we believe to be reliable; however, we do not represent that it is accurate, current, complete, or error free. Assumptions, estimates, and opinions contained in this document constitute our judgment as of the date of the document and are subject to change without notice. Any projections are based on a number of assumptions as to market conditions and there can be no guarantee that any projected results will be achieved. Past performance is not a guarantee of future results. The distribution of this document and availability of these products and services in certain jurisdictions may be restricted by law. You may not distribute this document, in whole or in part, without our express written permission.

For EMEA, APAC, LATAM & MENA:
DWS is the brand name of DWS Group GmbH & Co. KGaA and its subsidiaries under which they do business. The DWS legal entities offering products or services are specified in the relevant documentation. DWS, through DWS Group GmbH & Co. KGaA, its affiliated companies and its officers and employees (collectively "DWS") are communicating this document in good faith and on the following basis.

This document is for information/discussion purposes only and does not constitute an offer, recommendation, or solicitation to conclude a transaction and should not be treated as investment advice.

This document is intended to be a marketing communication, not a financial analysis. Accordingly, it may not comply with legal obligations requiring the impartiality of financial analysis or prohibiting trading prior to the publication of a financial analysis.