

# Understanding the Diverse Investment Sectors Within Infrastructure

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*The world of private infrastructure investing involves a complex, interconnected network of essential systems, each serving a critical role in the functioning of modern society. Each sector of infrastructure offers unique opportunities, and understanding these segments can help provide a greater appreciation of the asset class as a whole.*

## Transportation

The transportation sector includes the central arteries and highways that keep a city moving. Roads, bridges, airports, and railways — the connectors of daily life — link people, goods, and services from one point to another. Infrastructure investments might include improving a major highway or adding onto an airport terminal to accept more cargo planes shipping goods.



A “core” infrastructure investment generally refers to an asset that has steady cash flows that represent essential services.”



Lisa Bacon  
Infrastructure  
Program Lead,  
Meketa Capital



## Energy

The energy sector, potentially one of the most impactful, can be thought of as two distinct yet interconnected networks. One is the traditional grid of pipelines, power plants, and distribution networks — the backbone of our current energy infrastructure. This area of opportunity includes coal fire power plants, natural gas, and oil. This is the tried-and-true utility grid that hums reliably beneath our feet, transmitting the power that lights up cities and powers industries.

An investment example might include upgrading an established network of pipes and cables to ensure that the flow of energy is constant, steady, and dependable.

In addition to traditional energy infrastructure, there is an emerging system of renewable energy assets — such as wind turbines, solar panels, and battery storage systems. Investments in this sector are driven by the energy transition and new technological advances.

## Digital

Where would modern society be without digital infrastructure? Cell phones, websites and the Internet depend on it. The world's data flows through a vast web of fiber-optic cables, bouncing off cell towers, and resting in data centers. These are the unseen utilities of the modern world, the communication lines and data highways that underpin our increasingly digital existence.

Digital infrastructure investments might include skyscrapers that house cloud servers or the installation of fiber optic cable which enable digital traffic flows. With the ongoing rollout of 5G, the growth of cloud computing, and the ever-expanding demand for data, this sector is experiencing a construction boom. It's an opportunity to provide the essential infrastructure that supports everything from streaming videos to global financial transactions, making it one of the most dynamic growth areas in the investment landscape.



“Brownfield” is a term used to describe investing in existing infrastructure.

The term “greenfield” refers to starting from scratch. There is not an existing infrastructure asset to improve or add to, so it's the equivalent of standing atop a hill and looking at nothing but green grass.”



Adam Toczykowski  
*Private Markets  
Consultant,  
Meketa Capital*



The “internet of things (IoT)” is an increasingly common phrase used to describe objects that connect to the internet and exchange data. What might IoT look like in everyday life? You've rushed out of the house, you've forgotten to turn off your air conditioner, and you've left your blinds open. These are all things that could be connected and managed with a smartphone.”



Jamie Hoffman  
*Client Portfolio  
Manager,  
Meketa Capital*

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## Utilities

The utilities sector involves the essential conduits and reservoirs that ensure a community's daily life runs smoothly. Water pipes, power lines, and waste treatment facilities are the unseen heroes that keep the lights on, the taps flowing, and the streets clean. These assets are the underground networks that quietly perform their roles, often unnoticed until they fail.

With strong regulatory frameworks often supporting predictable revenue streams, this sector offers the comfort of steady, inflation-linked returns.

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## Social

Social infrastructure includes schools, hospitals, community centers, and public safety facilities. These are the essential pillars, the civic infrastructure that supports and enhances daily life. Investing in social infrastructure helps build and maintain the structures that serve a vital public purpose, ensuring they remain functional, efficient, and up to date. These assets often come with long-term government contracts that provide stable, low-risk revenue streams, akin to securing a steady lease on a landmark building.

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## Investing in the building blocks of society

Each sector of private infrastructure is like a different part of a vast and interconnected network, where every piece has a specific role and value. Whether it's ensuring smooth transit on vital transport links, maintaining the critical flow of energy, providing the high-speed pathways for digital data, securing the essential utilities that sustain daily life, or supporting the social framework on which communities are built, investing in infrastructure means owning, operating, and enhancing the systems that keep our world running. The opportunity lies in understanding these networks, anticipating where the next big needs will arise, and investing at the intersection where value, demand, and essential services meet.



Public Private Partnerships (PPP) are one type of infrastructure investments. For example, a city might want to build a new sports stadium. This can be a very capital expensive endeavor. It can stimulate the local economy, and generate income for the city through taxes, but maybe it would be too much of a burden for the city to do it alone. That could open the opportunity for private investors to provide financing and share in future revenues.”



Lisa Bacon  
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