PitchBook

Q1 2025

GLOBAL
Real Assets Report

PitchBook

Contents

Real assets horizon IRRs

	Q4 2024	1-year	3-year	5-year	10-year	15-year	20-year
Real assets	**1.2%**	**10.0%**	**11.6%**	**9.5%**	**7.2%**	**7.7%**	**7.8%**
Infrastructure	1.7%	10.8%	11.2%	10.4%	9.7%	9.1%	8.9%
Oil & gas	-0.5%	7.4%	15.4%	8.6%	3.3%	5.7%	6.5%
Other natural resources	-2.4%	7.1%	7.0%	5.6%	3.4%	4.3%	4.4%

Source: PitchBook • Geography: Global • As of September 30, 2024
Note: Q4 2024 is a preliminary quarterly return. The "other natural resources" category contains agriculture, metals & mining, and timber funds, as well as other real assets & natural resources funds that do not sit neatly in one bucket.

Note: This report includes real assets debt in the real assets fundraising and performance data, unlike other reports such as the Global Private Market Fundraising Report and the Global Fund Performance Report, in which private debt has its own section. As such, totals may differ from other recent reports.

PitchBook Data, Inc.

Nizar Tarhuni Executive Vice President of Research and Market Intelligence

Daniel Cook, CFA Global Head of Quantitative Research and Market Intelligence

Zane Carmean, CFA, CAIA Director of Quantitative Research

Institutional Research Group

Analysis

Anikka Villegas
Senior Research Analyst, Fund Strategies & Sustainable Investing
anikka.villegas@pitchbook.com

Hilary Wiek, CFA, CAIA
Senior Strategist, Fund Strategies & Sustainable Investing
hilary.wiek@pitchbook.com

Data

Sara Good
Data Analyst

pbinstitutionalresearch@pitchbook.com

Publishing

Report designed by **Jenna O'Malley** and **Adriana Hansen**

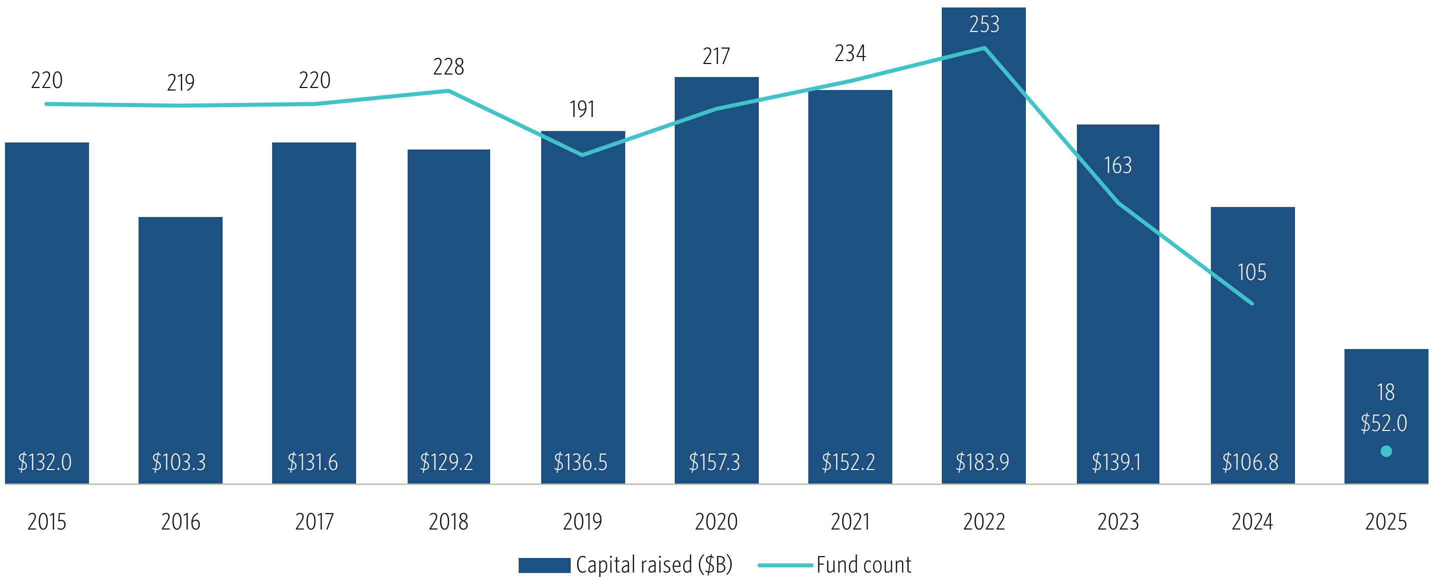
Published on June 17, 2025

Click here for PitchBook's report methodologies.

Click here for PitchBook's private market glossary.

Overview

Real assets fundraising activity

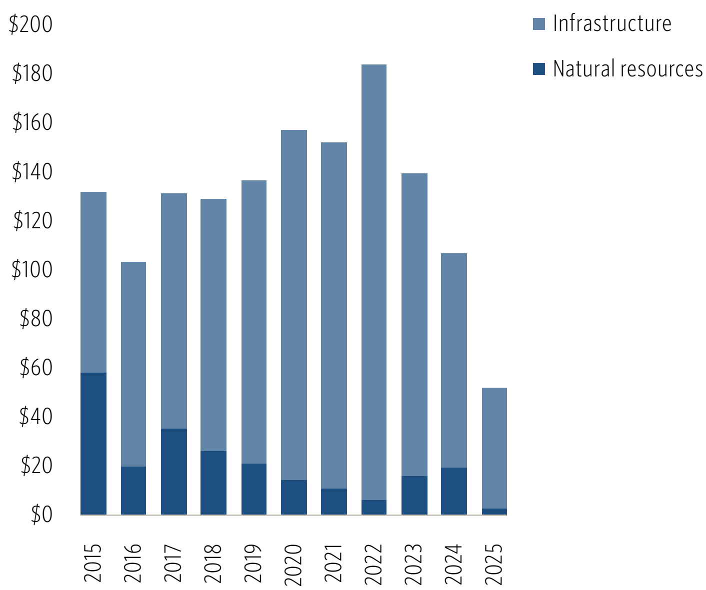


Source: PitchBook • Geography: Global • As of March 31, 2025

With $106.8 billion raised by 105 vehicles, 2024 was a slow year for real assets fundraising, but not its slowest in the past decade. The asset class fared better than others, such as real estate and VC, when comparing the magnitude of the drop in commitments each experienced in 2024. Still, fundraising was negatively affected by the limited distributions coming back to allocators due to the low-liquidity environment—which tamped down allocator appetite for private funds in general—and the persistent and intensifying economic and geopolitical uncertainty that has only escalated in 2025. Fortunately, given IPOs are a less common exit route for private infrastructure, which comprises the majority of real assets capital, the asset class has not been hit as hard by narrowed exit options as PE or VC. Distributions from real assets funds through Q3 2024 were on track to bring 2024's numbers to roughly the same level as 2023's, which themselves were high compared with historical norms.

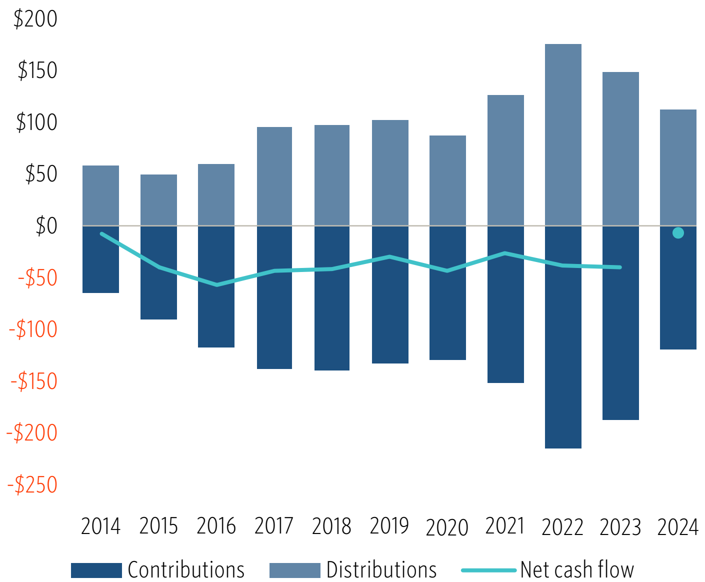
Real assets vehicles had a booming beginning to 2025 from a fundraising perspective, with the asset class garnering $52 billion in commitments in Q1 alone—roughly half of what it received in the entirety of 2024. If this tempo were maintained, 2025's raised capital figure would easily achieve a new fundraising zenith, though this outcome is unlikely. The end of the lower-liquidity environment is not yet in sight, and

Real assets capital raised ($B) by type



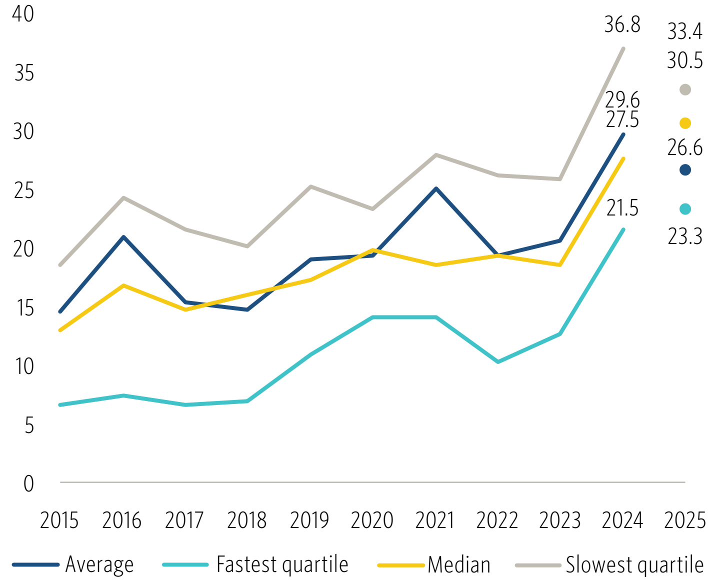
Source: PitchBook • Geography: Global • As of March 31, 2025

Real assets cash flows ($B)



Source: PitchBook • Geography: Global • As of September 30, 2024

Months to close for real assets funds

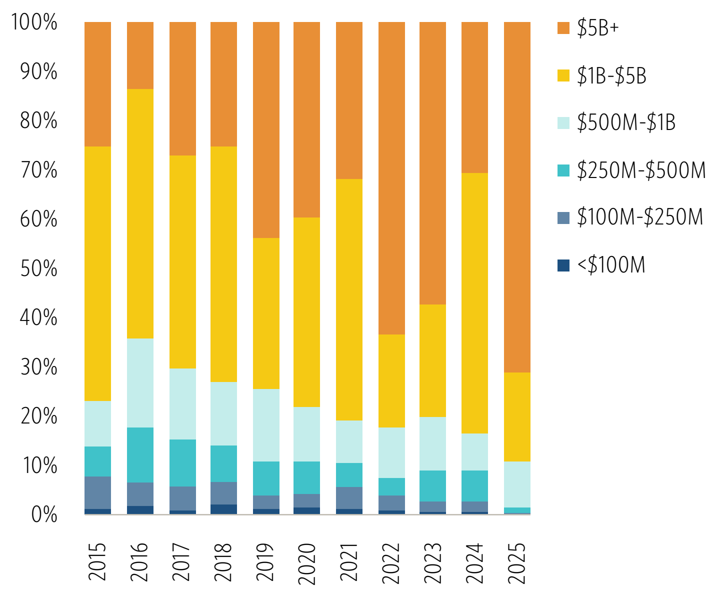


Source: PitchBook • Geography: Global • As of March 31, 2025

the numerator effect has come into the picture in a material way due to extended net asset value curves; and political variables have shaken much of the sense of security that was regained by curbed inflation. Even if a couple of other substantial closes occurred in 2025, they likely would be insufficient to keep up the current momentum. The median time to close for real assets funds continued to tick up in Q1 2025, and of the three largest funds raised in the first quarter of the year—which together were responsible for 78.9% of the quarter's total capital raised—two took more than 30 months to close and the other took more than 23, as discussed in our Q1 2025 Private Market Fundraising Report. This is not to say that we anticipate 2025 to be a slow fundraising year, but rather that the probability it will be record-shattering is low.

In Q1, European funds received the lion's share of commitments, with $39.9 billion raised by eight vehicles located in the region. While these figures are largely the result of just a few megafund closes, it would not be entirely surprising to see a greater share of capital targeting the region over the next few years. Infrastructure is responsible for the bulk of real assets capital, and many of the Trump administration's positions and policies are likely to make it a much more challenging landscape to navigate for assets or projects that rely on government funding or public-private partnerships, as well as those that involve complex permitting processes that could be protracted by the new administration if deemed unfavorable, such as solar or offshore wind. We anticipate this will be the most impactful to energy transition

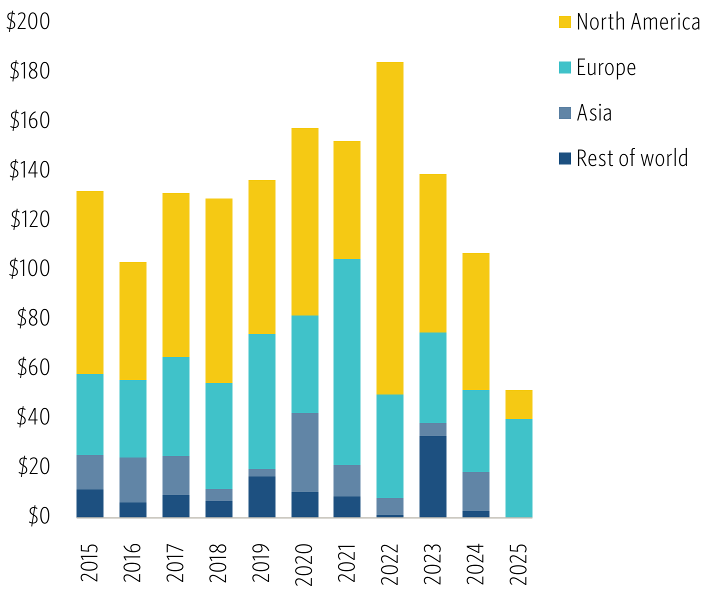
Share of real assets capital raised by size bucket



Source: PitchBook • Geography: Global • As of March 31, 2025

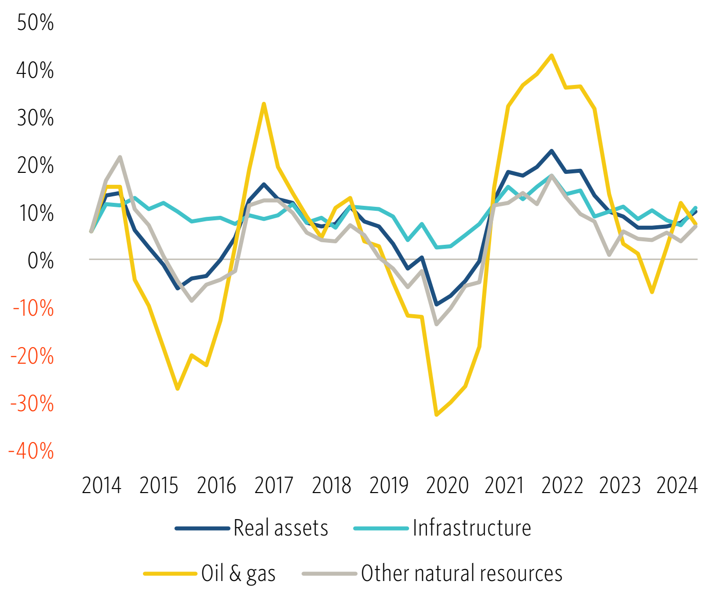
infrastructure—a segment to which most infrastructure vehicles have exposure. Fund managers may find Europe to be a much friendlier environment for decarbonization-related investments, given it has historically maintained a strong commitment to the net-zero movement. Although some initiatives may be downsized or paused as European countries focus on remaining competitive with the US and China, it is

Real assets capital raised ($B) by region



Source: PitchBook • Geography: Global • As of March 31, 2025

Real assets funds rolling one-year horizon IRRs by type

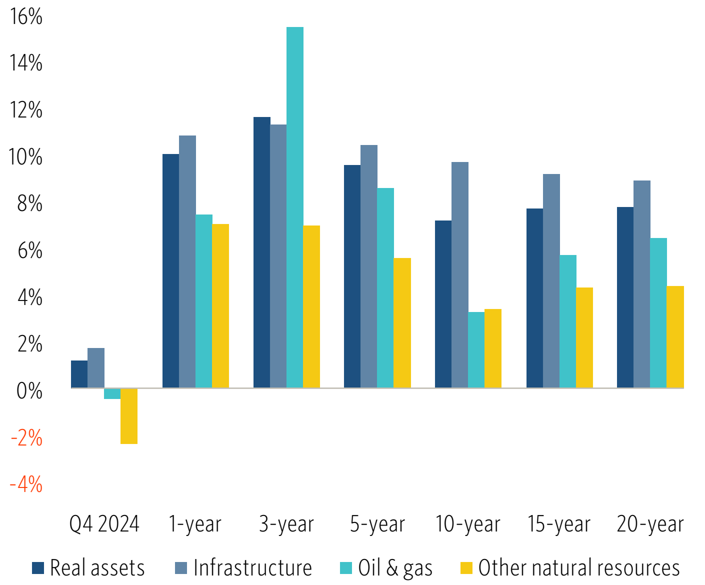


Source: PitchBook • Geography: Global • As of September 30, 2024

reasonable to expect that Europe will still be more supportive than the US for the duration of President Donald Trump's term. Other areas of infrastructure, such as digital infrastructure, may benefit from the Trump administration's deregulatory approach, but it remains to be seen just how much that will counterbalance other policy effects. Oil & gas fundraising may increase as policies advantageous to conventional energy capacity are rolled out in the US and possibly Canada,[1] with the newly elected Prime Minister Mark Carney planning to expand both conventional and clean energy capacity.[2] But these funds usually make up only a small share of total real assets capital and thus would not heavily affect overall raised capital figures. Still, generalist infrastructure funds may pivot toward oil & gas infrastructure, enticed by the fact that the Trump administration has stated its intentions to clear red tape for conventional energy.[3]

Real assets funds returned 10% in the 12 months through Q3 2024, outperformed by only private equity of all other asset classes, as discussed in our [Q3 2024 Global Fund Performance Report](). Preliminary quarterly results for Q4 2024 are slightly weaker than has been typical in the years following the pandemic-induced dip of March 2020, but it is not abnormal to see some fluctuation in quarterly returns, which can be

Real assets funds horizon IRRs by type



Source: PitchBook • Geography: Global • As of September 30, 2024
Note: Q4 2024 data is preliminary.

1: "Mark Carney Open to New Oil Pipeline Tied to Carbon Capture," Financial Post, Brian Platt and Thomas Seal, June 2, 2025.
2: "Key Energy Takeaways From Canada's 2025 Election," Wood Mackenzie, May 1, 2025.
3: "Establishing the National Energy Dominance Council," The White House, February 14, 2025.

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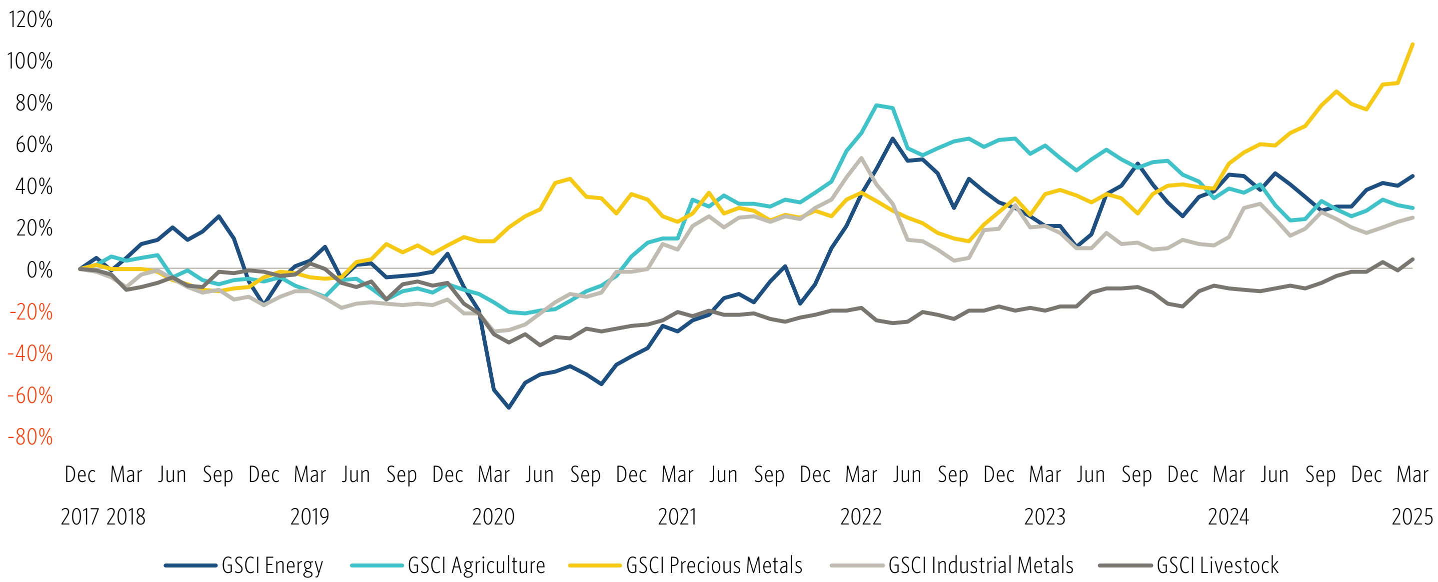
Returns for select indexes

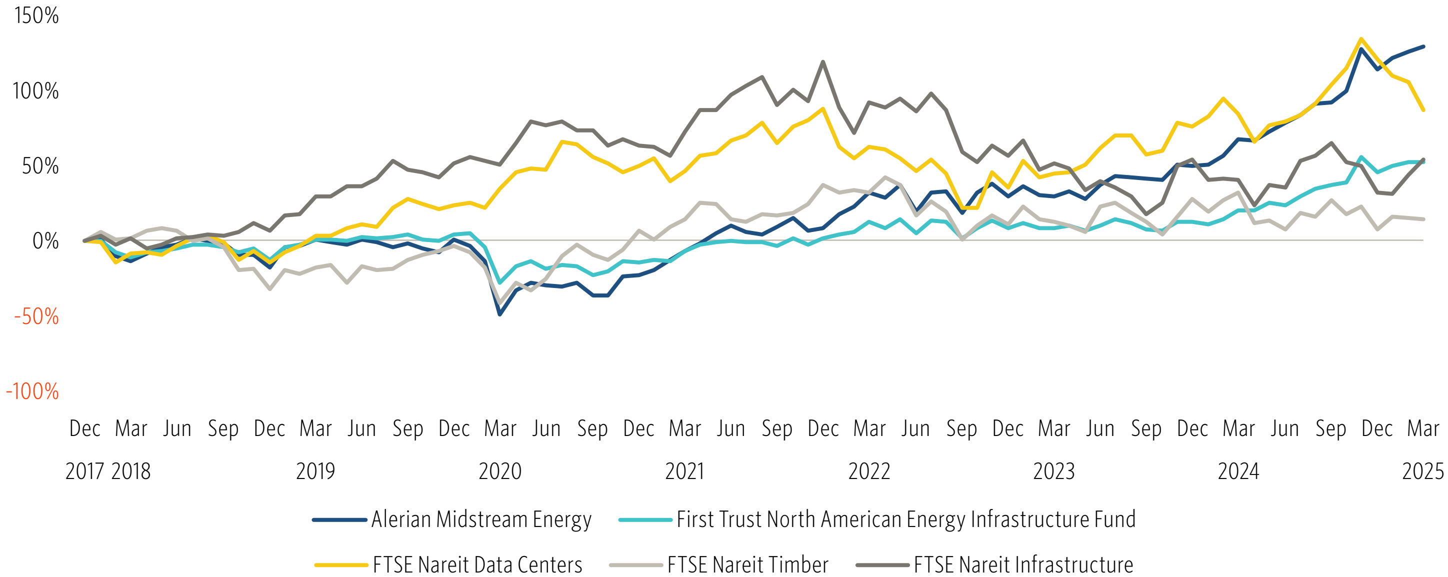


Source: Morningstar • Geography: Global • As of March 31, 2025

lumpy. Nevertheless, this could be the beginning of a period of more muted performance, brought on by decreased expectations of swifter interest rate cuts in the US due to tariff policies, among the other factors we have mentioned thus far. Infrastructure tends to be less inclined toward large swings in performance, which has continued to win it a place in allocator portfolios, but it is not immune to these influences. On the other hand, oil & gas and other natural resources funds tend to see more high highs and more often low lows than infrastructure. In the 15 years through Q3 2024, infrastructure vehicles returned 9.1%, while oil & gas returned 5.7%, and other natural resources funds returned 4.3%. These figures also provide some explanation as to why the population of natural resources funds is so small in the private markets. Simply put, private, closed-end funds may not be the best fund structure in which to execute on natural resources strategies, at least as they have historically been managed. We have noted more broadly categorized “real assets” strategies incorporating different mixes of substrategies, such as renewable energy infrastructure with energy transition metals and oil & gas in recent quarters, which may yield interesting results in the coming years.

Public indexes can help bridge the gap between the lagged performance data of the private fund universe and the immediate effects of market events as they occur. On the natural resources side, the GSCI Energy and Livestock indexes showed marginal improvement, and Industrial Metals and Agriculture indexes saw marginal decreases from September 2024 through March 2025. The standout performer of the GSCI real assets indexes during the period was the GSCI Precious Metals index, which skyrocketed as President Trump took office and immediately began to introduce policies that rattled the global markets. On the infrastructure side, the FTSE Nareit Infrastructure Index was down from September 2024 at the end of March 2025, while the First Trust North American Energy Infrastructure index saw a more significant positive shift. The two most noteworthy changes were the Alerian Midstream Energy Index’s persistent upward trajectory—likely due in part to President Trump’s victory and pro-fossil fuel policies, as well as continued robust energy demand—and the FTSE Nareit Data Center Index’s sharp downward movement. Concerns about overbuilding, fluctuating interest rates, and the effects of tariff policies on key inputs were likely to blame.

Returns for select indexes



Source: Morningstar • Geography: North America • As of March 31, 2025

Largest real assets funds to close in Q4 2024 and Q1 2025

Fund	Capital raised ($M)	Close date	Fund type	Previous capital raised ($M)	Fund step-up	Fund location
EQT Infrastructure VI	$23,127.2	March 28, 2025	Infrastructure value-added	$18,952.2	1.3x	Stockholm, Sweden
Copenhagen Infrastructure V	$13,778.5	March 14, 2025	Infrastructure core	$8,598.8	1.8x	Copenhagen, Denmark
Antin Infrastructure V	$10,724.8	December 19, 2024	Infrastructure value-added	$7,403.5	1.6x	Paris, France
Quantum Energy Partners VIII	$5,250.0	October 29, 2024	Real assets & natural resources	$5,575.0	0.9x	Houston, US
EnCap Energy Capital XII	$5,250.0	October 21, 2024	Oil & gas	$7,000.0	0.8x	Houston, US
North Haven Infrastructure Partners IV	$4,100.0	March 14, 2025	Infrastructure value-added	$5,500.0	0.7x	New York, US
Capenergie 5	$1,894.3	December 17, 2024	Infrastructure value-added	$800.5	2.7x	Paris, France
Ridgewood Water & Strategic Infrastructure II	$1,200.0	January 15, 2025	Infrastructure core	$600.3	2.0x	New York, US
Fengate Infrastructure IV	$1,100.0	January 23, 2025	Infrastructure core plus	$818.6	1.3x	Toronto, Canada
Infrared Infrastructure VI	$1,005.0	November 20, 2024	Infrastructure value-added	$1,215.0	0.8x	London, UK

Source: PitchBook • Geography: Global • As of March 31, 2025

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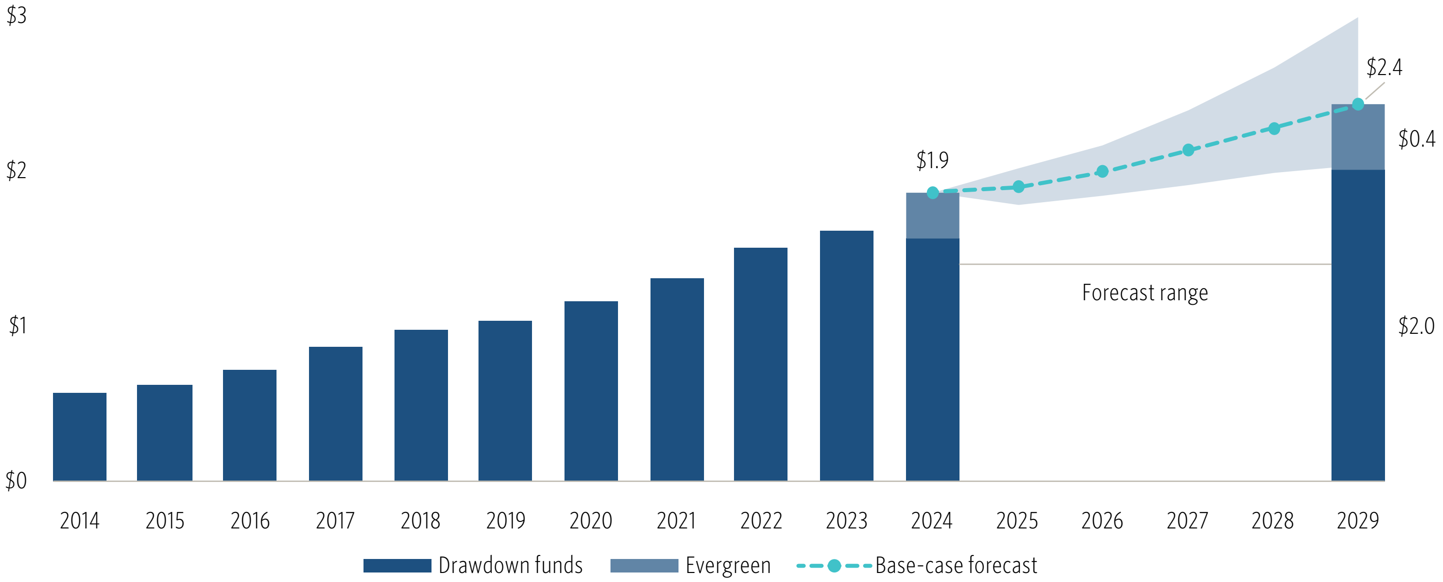
SPOTLIGHT

2029 Private Market Horizons

Real assets AUM forecast ($T)



Source: PitchBook • Geography: Global
Note: Historical data does not include evergreen structures. Forecasts were generated on April 14, 2025.

Zane Carmean, CFA, CAIA
Director of Quantitative Research

Nathan Schwartz, CFA
Senior Quantitative Research Analyst

Miles Ostroff
Associate Quantitative Research Analyst

Note: This spotlight is abridged from our 2029 Private Market Horizons report. Please see the full report for additional forecasting of the growth of private capital AUM in other asset classes.

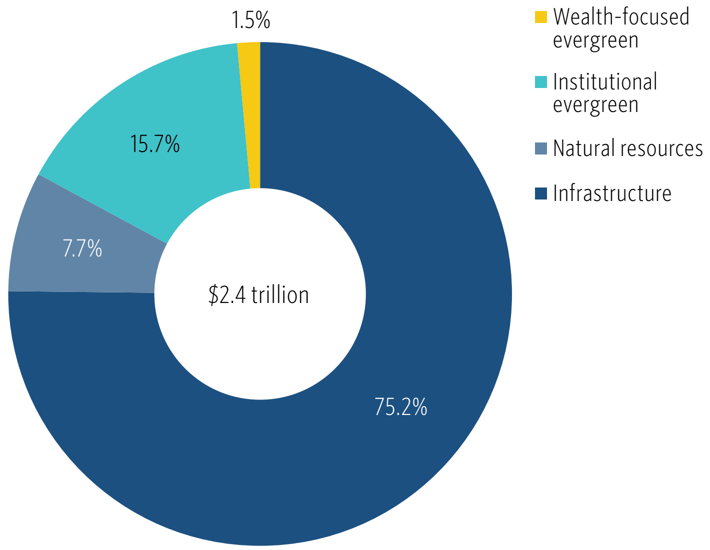
Real assets

Real assets investing has taken on renewed strategic importance amid structural shifts in the global economy. The rise of AI and data-intensive technology, the accelerating energy transition, and the realignment of global trade are all elevating the role of real assets, specifically infrastructure, in helping global economies bridge the gap between current capabilities and future needs.

Investor sentiment in the space is increasingly bullish on the back of a couple of major trends. Digital infrastructure has become the backbone of the AI revolution, with datacenters, fiber-optic networks, and power systems serving as the essential "picks and shovels" of next-gen computing. Meanwhile, surging electricity demand, driven by AI workloads and broader electrification, has amplified the need for new energy infrastructure, both conventional and renewable. At the same time, transportation and logistics systems are being overhauled to reflect shifting global trade patterns, reshoring efforts, and tariff-driven supply chain realignments.

Real assets fundraising can be highly variable year over year because the asset class is characterized by lumpy fundraising cycles where large funds come to market infrequently, evidenced by the $23.1 billion closing of EQT Infrastructure VI in Q1 2025, equivalent to about 25% of the fundraising recorded in 2024. Given the importance of capital formation in our forecast, we assume a rebound in 2025 fundraising to levels close to those seen in 2023. This assumption aligns with the current bullish sentiment in the space.

Share of base-case 2029 real assets AUM forecast by substrategy



Source: PitchBook • Geography: Global
Note: Forecasts were generated on April 14, 2025.

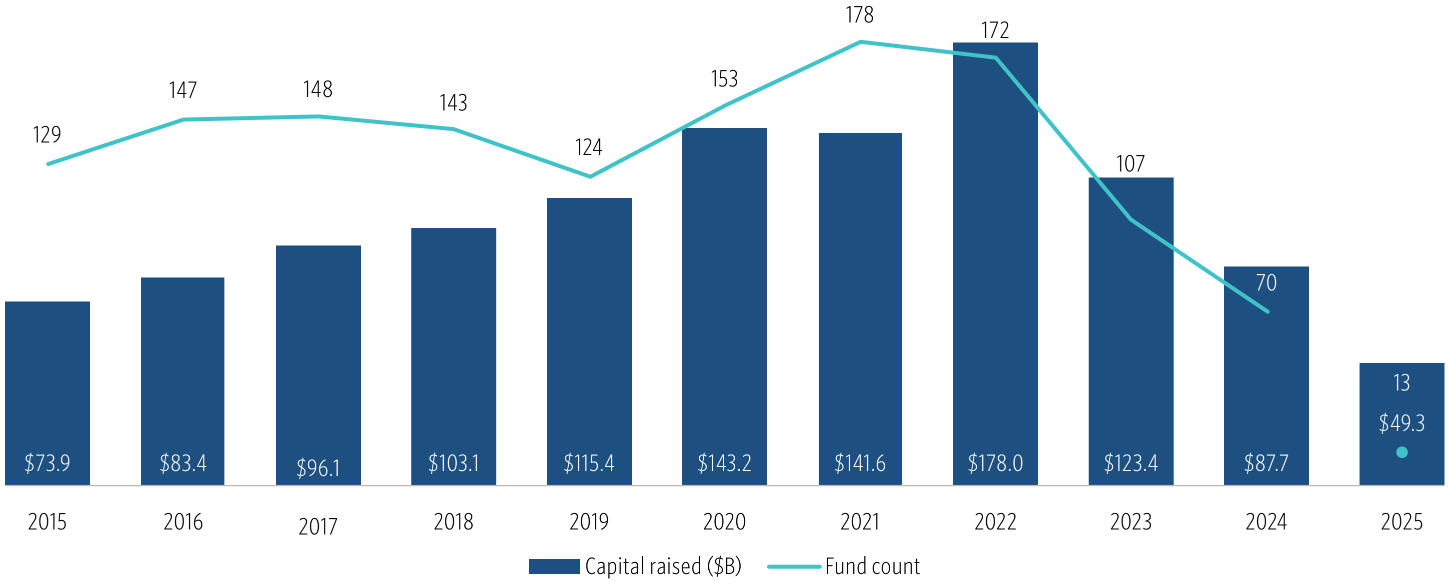
Building on our positive view of the space, we forecast that real assets AUM will reach $2.4 trillion by the end of 2029 in our base case and potentially $3 trillion in our bull case. The base case implies an annual growth rate of 5.4%, whereas the bull case implies a growth rate of 10%, outpacing the 8.6% CAGR observed from 2019 to 2024. The bull case appears increasingly probable given the strong and persistent global demand for infrastructure investment.

Real assets construction has been supported in part by favorable policy. In recent years, US initiatives such as the Inflation Reduction Act (IRA) and the CHIPS and Science Act have provided subsidies, tax credits, and direct investment, driving a wave of construction across renewable energy and digital infrastructure. Continued policy support of this kind would suggest the potential to reach the upper end of our AUM forecast range. However, the new presidential administration has moved quickly to restrict access to IRA-related funding. Without a clear alternative to fill the gap left by a rollback of the IRA, the US infrastructure ecosystem could face significant headwinds.

Growth in natural resources has lagged relative to infrastructure growth. The oil & gas sector has seen a steady decline, with little indication of a near-term rebound. Private investment in the space remains scarce, and dry powder levels continue to trend downward. With West Texas Intermediate (WTI) crude oil hovering around $60 per barrel, widely regarded as the break-even point for new wells, capital deployment into new projects is expected to remain muted. In the absence of a sustained price rally or a shift in investor appetite, we anticipate continued softness in natural resources fundraising and activity. Given that natural resources represent a relatively small portion of the real assets ecosystem, we do not expect the sector to meaningfully contribute to the forecast AUM growth within the asset class.

Infrastructure

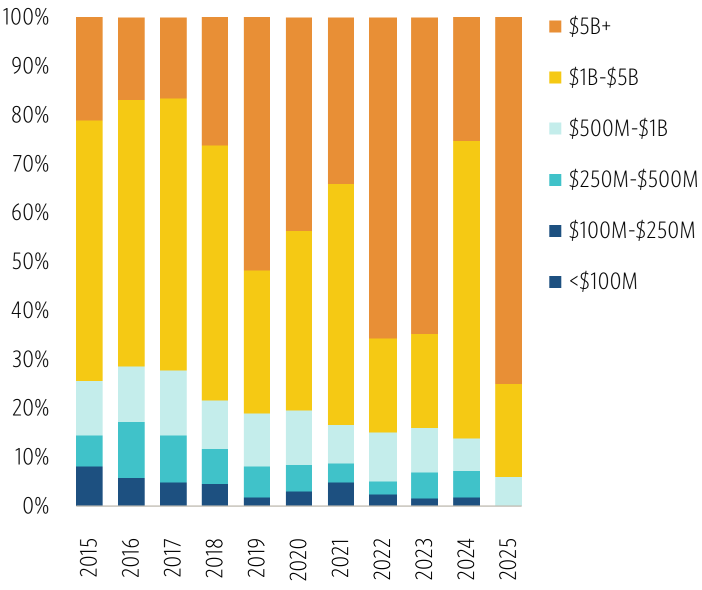
Infrastructure fundraising activity



Source: PitchBook • Geography: Global • As of March 31, 2025

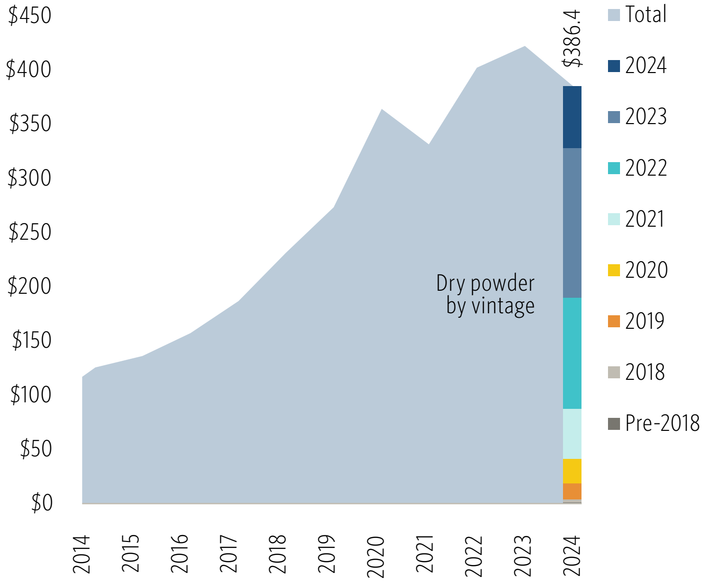
After a sluggish 2024, infrastructure fundraising had a strong start to 2025, with $49.3 billion raised by 13 vehicles. As is common in the asset class, most of these commitments came in the form of a few massive fund closes. The largest fund to achieve its final close during Q1 was the $23.1 billion EQT Infrastructure VI, followed by Copenhagen Infrastructure V at $13.8 billion and North Haven Infrastructure Partners IV at $4.1 billion. Together, these three vehicles constituted 83.2% of Q1's total capital raised. With many of the large funds that closed in Q1 located in Europe, the region has already raised more capital in Q1 2025 than it did in 2023 or 2024. In contrast, North American vehicles are not yet pacing to meet the totals of previous years. While we may see a greater share of infrastructure capital raised by European funds in coming years if the US political and economic environment proves as unfriendly to key segments of infrastructure as is expected, Q1 2025's regional split of capital cannot be attributed to this dynamic. Many of the major infrastructure fund closes in Q1 happened after approximately two or more years of fundraising, before the seismic shift from President Trump's inauguration. Slower fundraising and decreased appetite for private capital funds have contributed to dry powder falling from $423.1 billion in 2023 to $386.4 billion in 2024 through Q3, and it will take more than a few large closes in 2025 for it to build back up to previous levels.

Share of infrastructure capital raised by size bucket



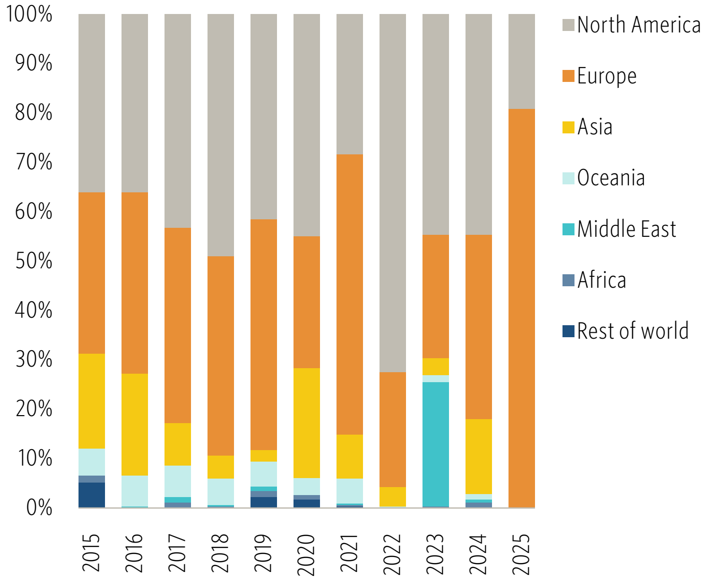
Source: PitchBook • Geography: Global • As of March 31, 2025

Infrastructure dry powder ($B)



Source: PitchBook • Geography: Global • As of September 30, 2024

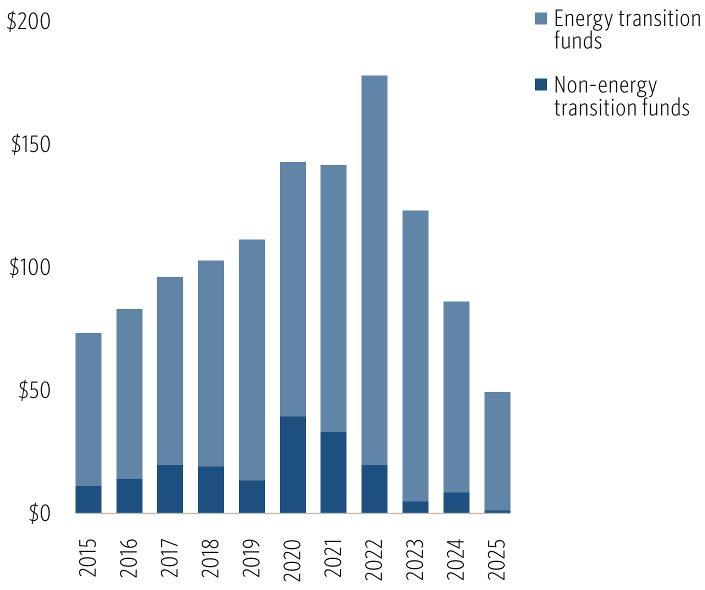
Share of infrastructure capital raised by region



Source: PitchBook • Geography: Global • As of March 31, 2025

The energy transition is one of the major forces driving the continued demand for infrastructure funds. Recent discourse has questioned whether the sector will be of less interest to investors in coming years due to a combination of factors. These include President Trump's pro-fossil fuel and anti-renewable energy stance and related pullback in government support of energy transition infrastructure in the US, Europe's need to remain competitive with the US and China taking precedence over net-zero initiatives, and less-than-stellar performance of public clean energy indexes.[4] We have yet to see a pullback manifest in the private fund data, as 33.3% of Q1's commitments went to specialist funds focusing exclusively on the sector. When including generalist vehicles that invest in energy transition infrastructure alongside other sectors, the figure jumps to 98% of Q1's commitments that have some degree of exposure. For comparison, from 2020 to 2024, anywhere from 5.7% to 42.3% of infrastructure capital went to energy transition specialists, which puts Q1 2025's share of energy transition specialist infrastructure capital at the upper end of recent norms. We only have a few months

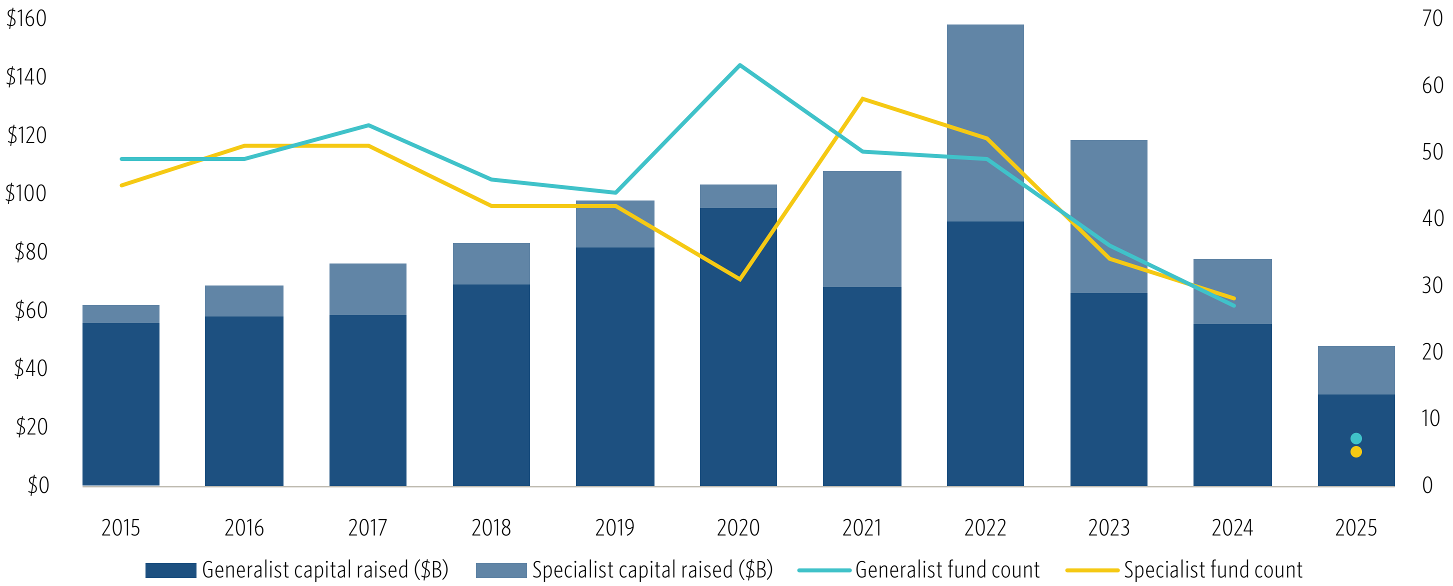
Capital raised ($B) by infrastructure funds with and without energy transition investment



Source: PitchBook • Geography: Global • As of March 31, 2025

4: "S&P Global Clean Energy Transition Index," S&P Global, n.d., accessed June 3, 2025.

Energy transition infrastructure fundraising activity

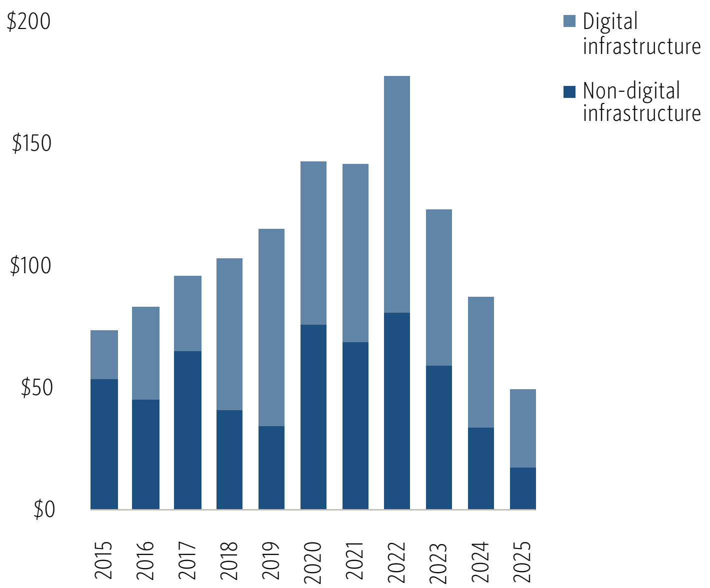


Source: PitchBook • Geography: Global • As of March 31, 2025

of 2025 data, and energy transition infrastructure fundraising may slow during the year and beyond if the economics of projects that relied on subsidization or grants for profitability change enough to materially harm returns, or if other factors such as tariffs or shifting energy market dynamics have an impact on performance that is expected to be long-lasting. Still, some segments of clean and low-carbon energy are thought to be cost-competitive even without subsidization,[5] and many have high conviction in the space given the finite nature of conventional energy and the fact that the most accessible fossil fuel reserves have been depleted. As a result, some postulate that extractors will have to expend more capital in production, and renewable and low-carbon energy will become the less costly alternative in the future.

Another key factor supporting infrastructure fundraising is the expectation that telecom infrastructure and datacenters are poised to perform well in the coming years. The digitalization of the global economy has catalyzed dramatic growth that is expected to continue over the next decade, with the widespread uptake of AI and the resulting anticipated need for computational power playing a major role. In Q1, 62.3% of total infrastructure capital went to funds that invest in telecom and datacenters alongside other sectors, with an additional 2% of the total raised by a $1 billion specialist fund investing exclusively in digital infrastructure. When

Capital raised ($B) by infrastructure funds with and without digital infrastructure investment



Source: PitchBook • Geography: Global • As of March 31, 2025

5: "Levelized Cost of Energy," Lazard, June 2024.

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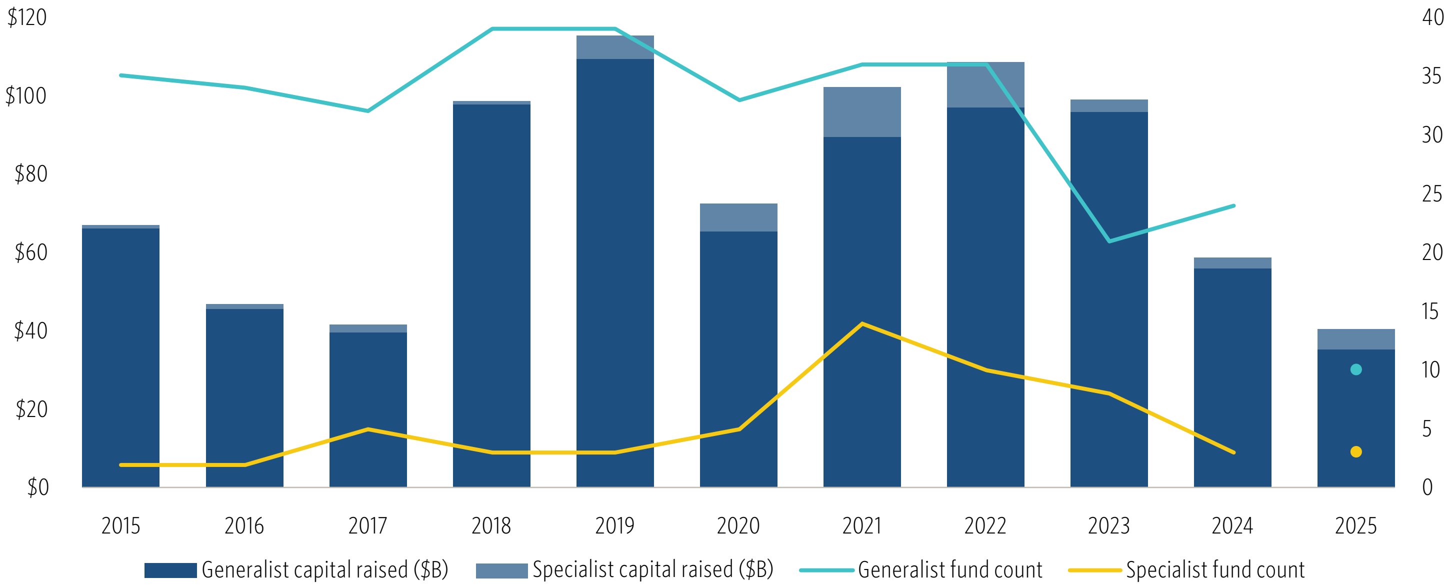
Digital infrastructure fundraising activity

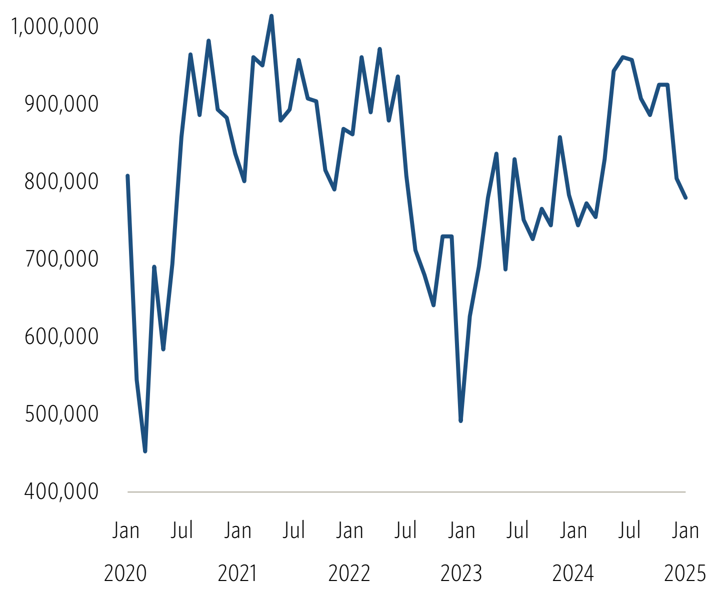


Source: PitchBook • Geography: Global • As of March 31, 2025

including specialist funds that are technically categorized as real estate rather than infrastructure but focus entirely on digital infrastructure, two additional funds raising a total of $4 billion are added to the Q1 2025 specialist count. Unlike energy transition infrastructure, which has become a highly politicized topic in the US, digital infrastructure is typically supported by officeholders across the political spectrum. As such, policy will likely continue to be supportive in coming years, although one exception to this would be unintended harm to datacenter developers and operators resulting from Trump's tariff policies. While there is still plenty of optimism around the return potential of datacenters, we are also hearing of growing wariness from investors as the space becomes more crowded.

Despite being a less common investment theme than decarbonization and digitalization, the deglobalization theme also remains an area of interest, drawing investment dollars from allocators hoping their GPs will be able to take advantage of the shift in global supply chains that began during the pandemic. Five of the 13 infrastructure funds that closed in Q1 invest in transportation infrastructure, making up 16.5% of the quarter's commitments, or $8.1 billion—all of which also invest in other sectors. Two of the vehicles are in North America, two are in Canada, and the last is in Germany. Other funds, such as EQT Infrastructure VI and Aberdeen Standard Core Infrastructure III, invest in the adjacent area of transport decarbonization. Early 2025 has undoubtedly been an entertaining time to be in the transport infrastructure

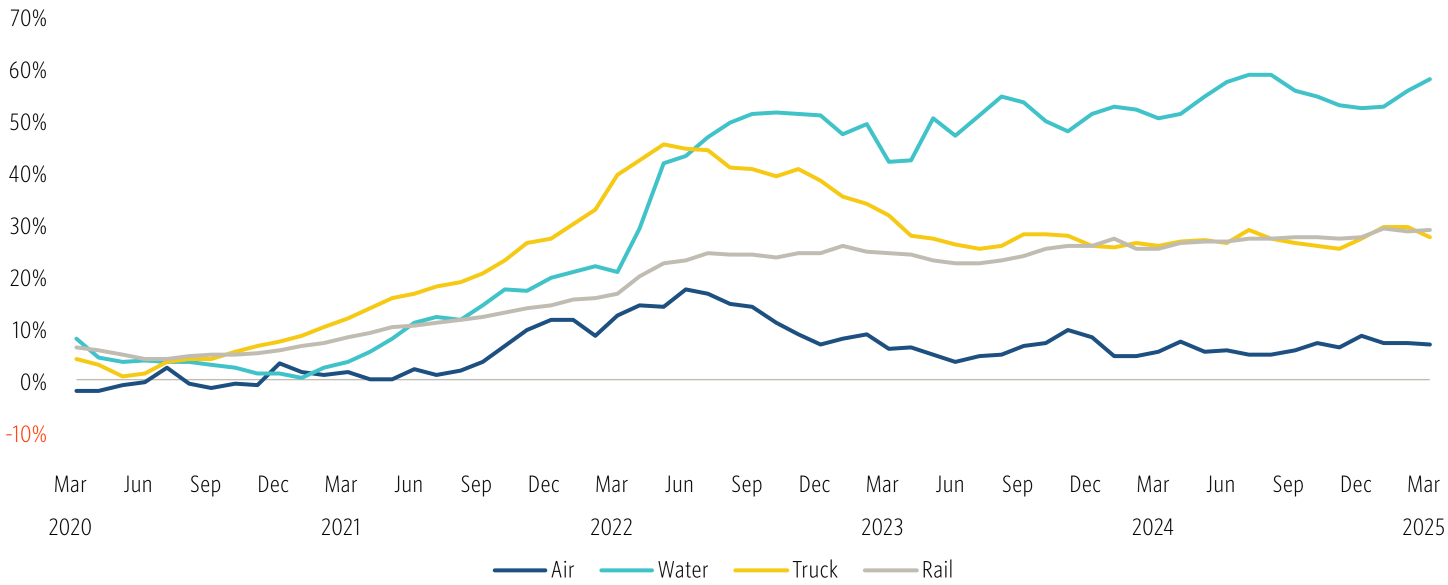
Port of Los Angeles container volume (20-foot equivalent units)



Source: Port of Los Angeles • Geography: US • As of March 31, 2025

space. Following a recovery in throughput at US ports after major drops in late 2022 and early 2023, proxied by Port of Los Angeles container volumes, 20-foot equivalent unit (TEU) volume dropped again in March as President Trump took office and began rolling out trade policies. In the following months, it has been almost impossible to predict the effects on international trade, as things seem to change on a weekly

Producer price index (PPI) for select freight transportation services

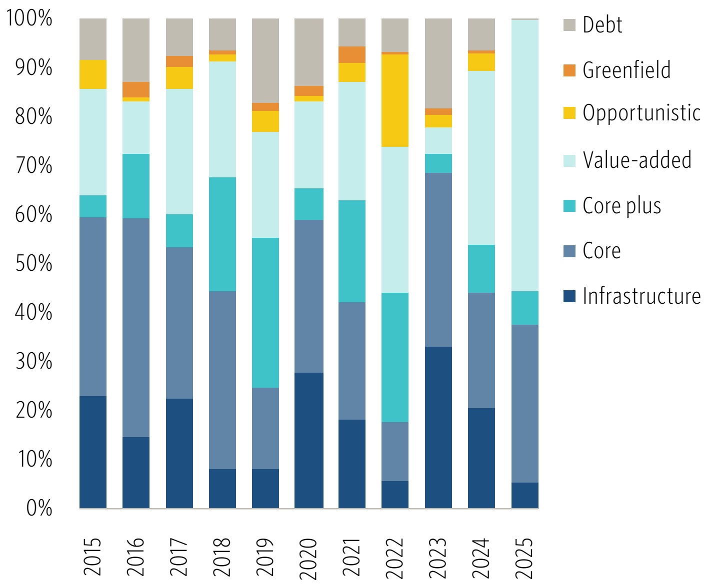


Source: FRED • Geography: US • As of March 31, 2025

basis, with the most recent updates at the time of writing being a US trade court striking down some of the tariffs in May,[6] followed by a federal appeals court temporarily reinstating some of those tariffs at the end of the month.[7] We have yet to see these dynamics play out in the cost of shipping goods through April, with PPIs for air, water, truck, and rail transportation all holding steadier than one might expect given the enormity of these events. Little can be said for certain, but we do know that there will be some winners and certainly some losers in the transportation infrastructure space in the aftermath. Truck and rail transportation are likely less vulnerable than other types of transportation that are more frequently used in international trade such as water and air.

The infrastructure funds that closed in Q1 will execute on these plays using a variety of strategies, with the total count of Q1 funds spread across the categories of generalist, core, core plus, value-added, and debt fairly evenly. Most capital is sitting in core and value-added funds, which is not a tremendous departure from previous years. It is worth noting that infrastructure funds do not only categorize their strategies based on the approach they plan to take in developing, creating value, or generating income with their assets, and the calculus of the risk-return analysis leading to a strategy's categorization can be murky. Other factors that are considered include asset type—for instance, regulated

Share of infrastructure capital raised by type

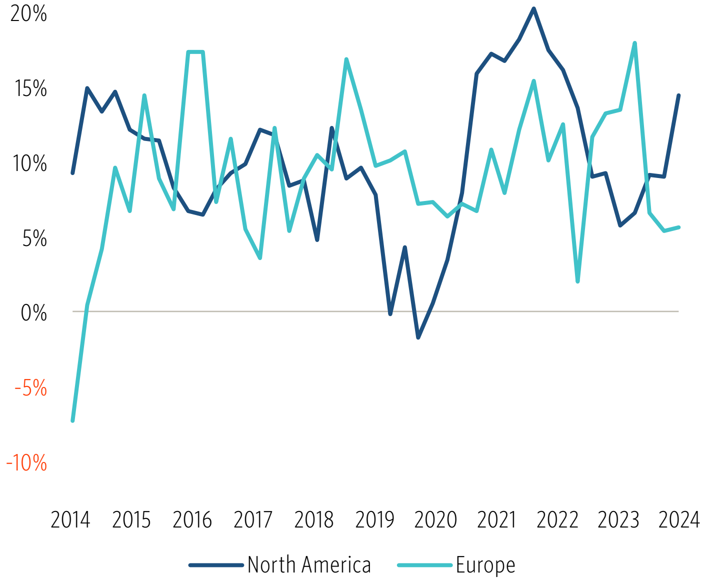


Source: PitchBook • Geography: Global • As of March 31, 2025

utility as core versus midstream energy assets, which are often thought to be higher on the risk spectrum—and the riskiness of the jurisdiction in which an asset is located, the types of contracts it does or does not have, and more. As such, one investor may call a strategy core that another would call value-add or opportunistic. This makes it difficult

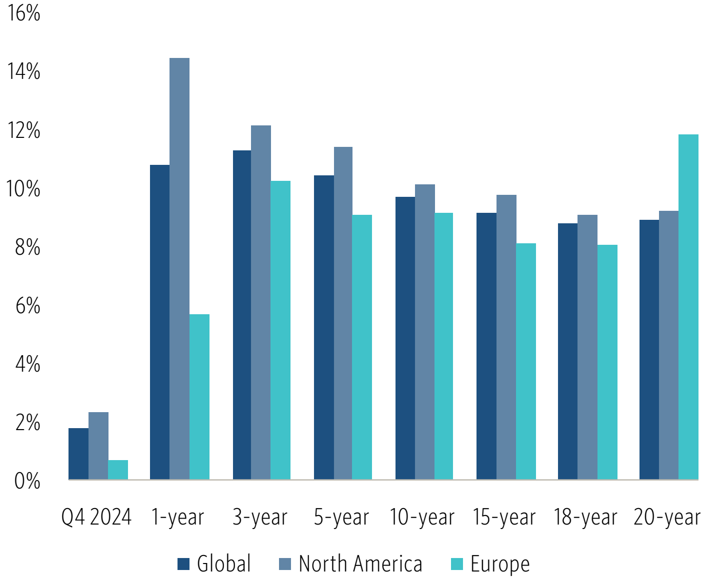
6: "Federal Appeals Court Temporarily Spares Trump From Having To Wind Down Tariffs," The New York Times, Tony Romm, May 29, 2025.
7: "Trump's Tariffs To Remain in Effect After Appeals Court Grants Stay," Reuters, Dietrich Knauth and Sarah Marsh, May 30, 2025.

Infrastructure funds rolling one-year horizon IRRs by region



Source: PitchBook • Geography: North America and Europe
As of September 30, 2024

Infrastructure funds horizon IRRs by region

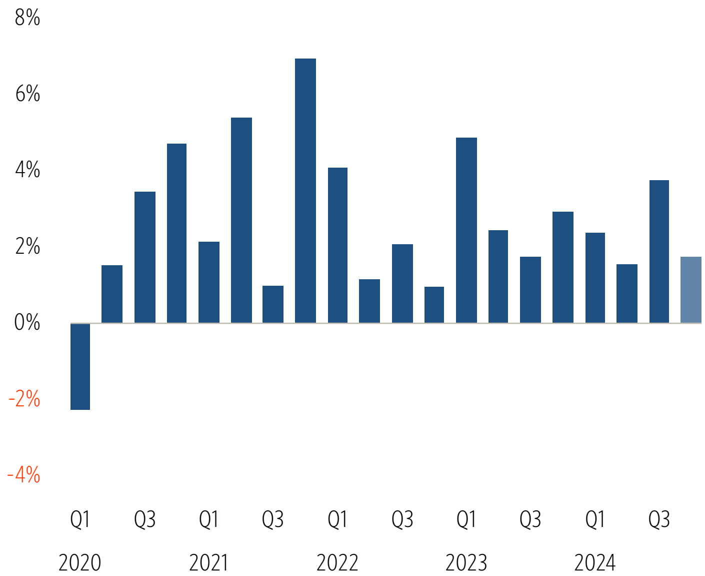


Source: PitchBook • Geography: Global • As of September 30, 2024
Note: Q4 2024 data is preliminary.

to determine which macroeconomic or market trends have made particular strategies more or less popular in such a wide-ranging asset class. Still, the fact that no opportunistic and greenfield funds closed through March indicates that allocators were, to some degree, leaning into the lower-risk, moderately returning characteristics that infrastructure has become known for.

One of the central reasons that infrastructure has become a mainstay of private capital portfolios over the past couple of years is because of its steady performance in the face of market volatility, macroeconomic headwinds, and widespread uncertainty. True to its reputation, infrastructure performance remained reasonably stable through Q4 2024, with our preliminary data for the quarter showing a return of 1.7%—neither among its highest nor its lowest of recent years. Beneath the asset class's smooth global returns, though, there are divergences in performance by region. When isolating North American and European performance, North American vehicles have generally seen higher peaks and lower troughs than their European counterparts. Ultimately, across almost all time horizons except 20-year returns, this has culminated in North American vehicles outperforming European funds. Many possible explanations exist for this, including opportunities created by US government spending following the global financial crisis and COVID-19 pandemic, significantly more digital infrastructure development and fossil fuel infrastructure in the US, and large, sophisticated

Infrastructure funds quarterly returns



Source: PitchBook • Geography: Global • As of December 31, 2024
Note: Q4 2024 data is preliminary.

North American private fund managers operating in a more established private market ecosystem. Geographical performance dynamics may change over the next few years as new policies in the US and, to a lesser extent, Canada influence the return profiles of different asset types and if US trade policies have an inflationary effect on the economy, requiring higher interest rates yet again.

PitchBook

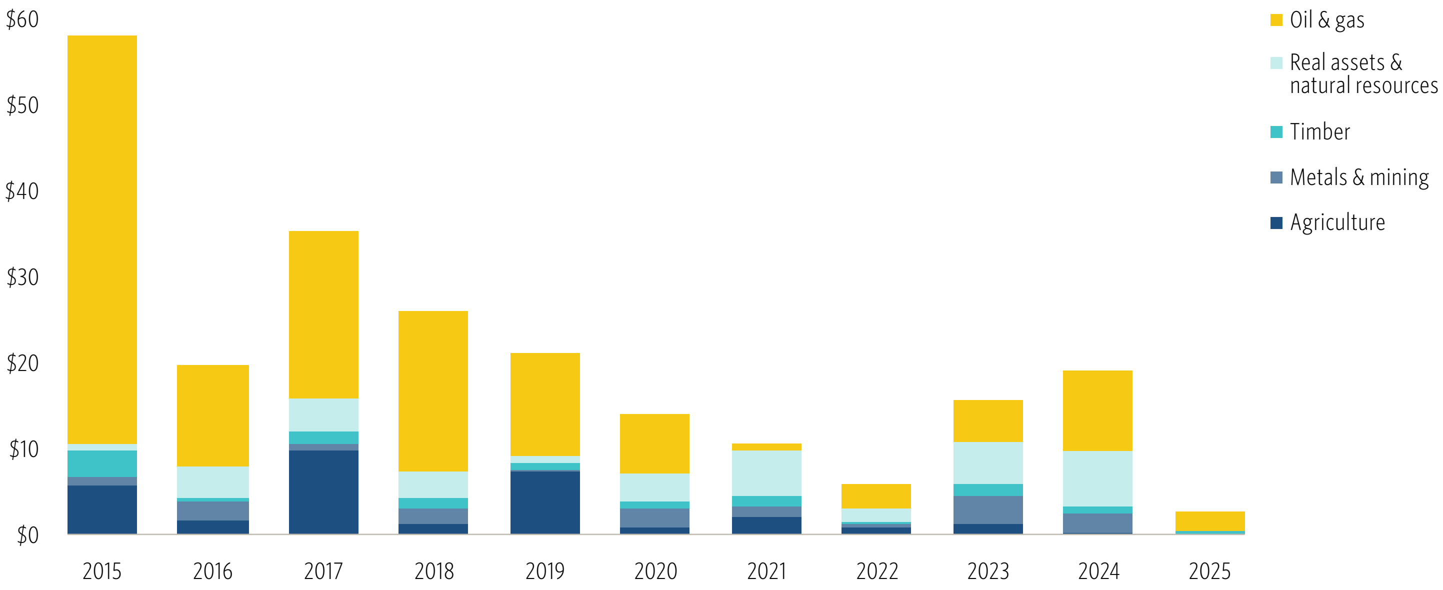
Largest infrastructure funds to close in Q4 2024 and Q1 2025

Fund	Capital raised ($M)	Close date	Fund type	Previous capital raised ($M)	Fund step-up	Fund location
EQT Infrastructure VI	$23,127.2	March 28, 2025	Value-added	$18,952.2	1.3x	Stockholm, Sweden
Copenhagen Infrastructure V	$13,778.5	March 14, 2025	Core	$8,598.8	1.8x	Copenhagen, Denmark
Antin Infrastructure V	$10,724.8	December 19, 2024	Value-added	$7,403.5	1.6x	Paris, France
North Haven Infrastructure Partners IV	$4,100.0	March 14, 2025	Value-added	$5,500.0	0.7x	New York, US
Capenergie 5	$1,894.3	December 17, 2024	Value-added	$800.5	2.7x	Paris, France
Ridgewood Water & Strategic Infrastructure II	$1,200.0	January 15, 2025	Core	$600.3	2.0x	New York, US
Fengate Infrastructure IV	$1,100.0	January 23, 2025	Core plus	$818.6	1.3x	Toronto, Canada
Infrared Infrastructure VI	$1,005.0	November 20, 2024	Value-added	$1,215.0	0.8x	London, UK
Novacap International Digital Infrastructure I	$1,000.0	January 22, 2025	Infrastructure	N/A	N/A	Brossard, Canada
Brookfield Infrastructure Structured Solutions	$1,000.0	March 11, 2025	Core plus	N/A	N/A	Toronto, Canada
Excelsior Renewable Energy Investment Fund II	$1,000.0	March 1, 2025	Core	$503.8	2.0x	Excelsior, US

Source: PitchBook • Geography: Global • As of March 31, 2025

Natural resources

Natural resources capital raised ($B) by type



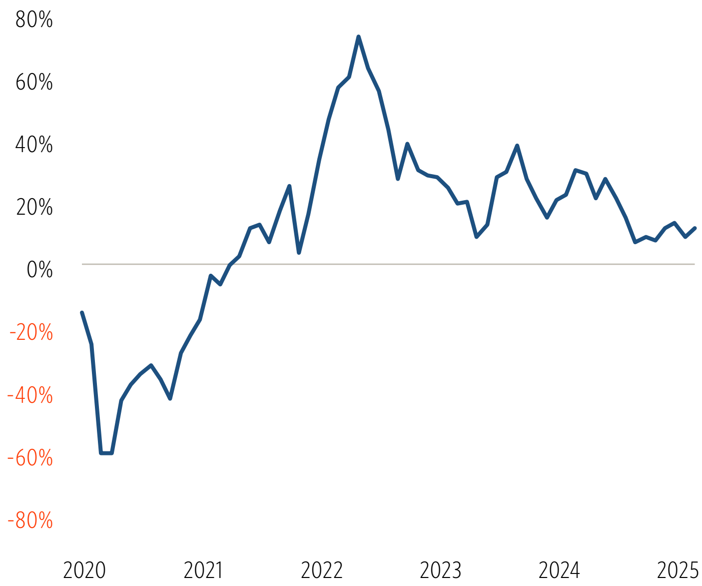
Source: PitchBook • Geography: Global • As of March 31, 2025

When we first began publishing our real assets report in 2019, it was a diverse collection of assets—from real estate to energy, and from infrastructure to mining, agriculture, and timber. We stripped real estate out of the report in H2 2020 to give it the space needed to be covered more deeply. Infrastructure now dominates what remains in our real assets report, justifying its own major section. This has left the funds investing in things grown or extracted from the Earth for the natural resources section: oil & gas, timber, agriculture, and metals & mining. They are not a monolithic grouping and will act differently from each other and be acted upon differently by external factors like tariffs, weather, and investment preferences. This section includes thoughts about each.

Oil & gas

Oil & gas, despite the best efforts of those in the industry, leans toward boom-and-bust cycles. When energy prices rise, more companies extract fossil fuels because it is more profitable, and supply comes online and eventually exceeds demand, leading prices to fall and changing the profitability profile to negative. Add to this the market manipulation by large energy producers, such as the countries in OPEC, and the projects found in private market oil & gas funds are often at the mercy of many external forces over the long lifetime of the funds. Crude oil circled $100 a barrel for more than three years after first hitting that price in early 2011, a time when the conventional wisdom was that the major wells were drying up and there was little hope of additional major finds—in other words, we were out of oil. Then came new extraction techniques in oil sands and shale, causing crude to lose more

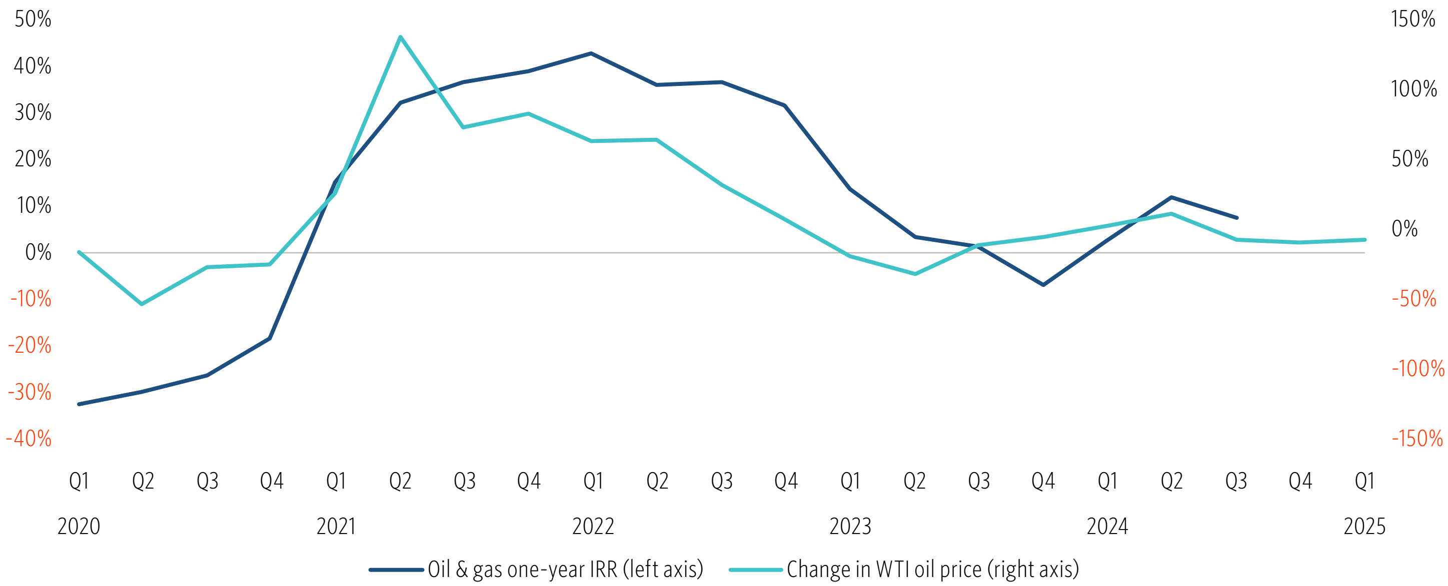
Price changes for Brent Crude (Spot)



Source: PitchBook • Geography: Global • As of March 31, 2025

PitchBook

Oil & gas rolling one-year IRR and change in WTI oil price



Sources: PitchBook and FRED • Geography: Global • Performance data as of September 30, 2024
Note: WTI crude oil price is as of March 31, 2025.

than half of its value in 2014, spurring record fundraising in 2015 from those who thought the price drop was temporary and it was a good time to pick up cheap assets. That trade did not work out, however, as prices remained subdued, hitting an eventual low at the beginning of 2020. Investors felt they had learned a lesson in 2015, however, and took the opposite approach to lower energy prices. They fled private oil & gas funds, with only 11 funds representing $800 million in aggregate committed capital raised in 2021.

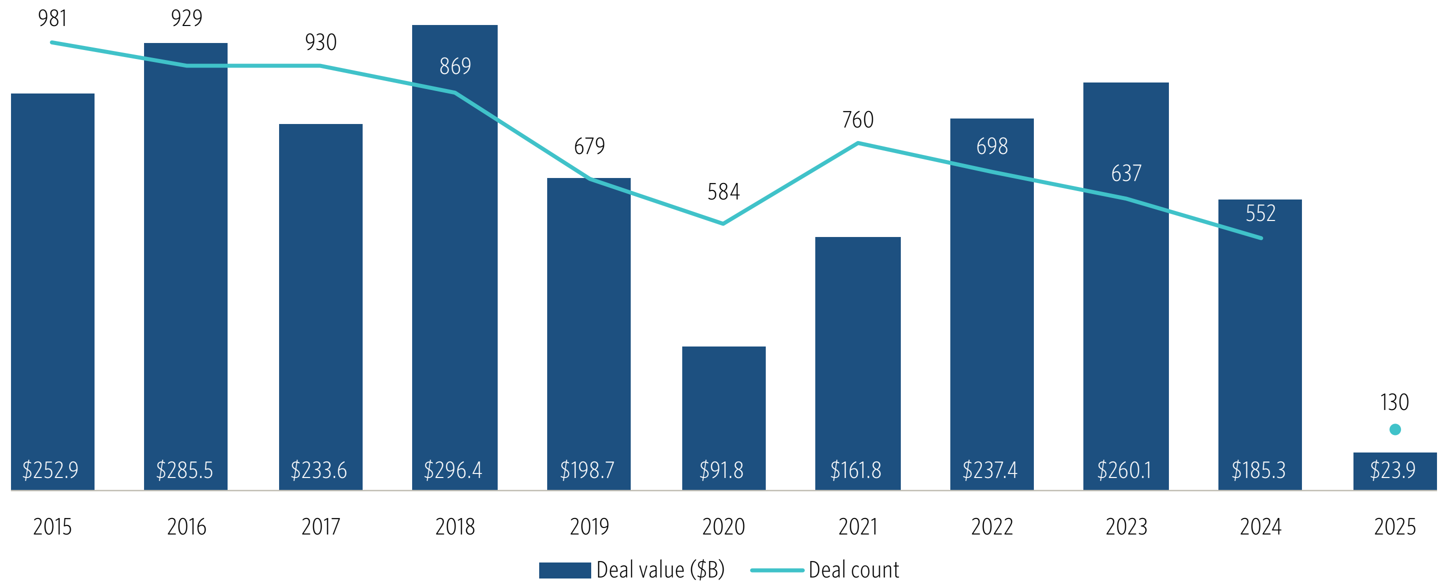
One reason for seemingly counterintuitive investment flows when prices swing is that when prices are high, oil reserve rights also become expensive. An investor can try to buy rights when energy prices sink, but then they risk prices not rising enough to make the investment pay off. In a private market fund, too, there may not be enough time in the fund's limited life to wait for the oil price to rise enough to cover the cost of the acquisition and the extraction of resources, increasing the risks investors take on these funds. Unlike private equity, where a fund manager may make operational changes to improve the prospects of a portfolio company to support a higher price on exit, holding commodities as portfolio assets leaves one at the mercy of what the market will bear.

The 2022 invasion of Ukraine saw oil prices top $100 for the first time since 2014, but this did not translate into a spike in fundraising for oil & gas funds. There has instead been a spike in investment in alternative forms of energy that are now able to charge profitable prices with the increase in traditional energy prices. This has shown up in the fundraising for energy transition assets, as chronicled in our Infrastructure Funds Fuel the Energy Transition analyst note. 2024 saw the best year of oil & gas fundraising since 2019, but that was only $9.3 billion—well off the 2015 high of $47.5 billion. 2025 has started off well, with Pearl Energy Investments and Waterous Energy Fund each raising funds that nearly reached $1 billion in Q1, and a $2.25 billion Kayne Anderson Capital Advisors fund successfully closed in May. In January, the Trump administration declared an energy emergency,[8] which allowed for the removal of barriers to new fossil fuel projects, providing a boost to the types of projects targeted by private oil & gas funds. Based on recent history, however, it is not clear that private market funds will be the chosen vehicle for fossil fuel investing any longer. Too many investors have internalized the booms and busts and remain skeptical that the outcomes will be better going forward.

The performance of oil & gas funds has tracked the gyrations of energy prices much more closely than fundraising has. The quarterly swings of spot prices, however, have generally been less extreme than the performance marks on oil & gas funds. In 2015, the funds saw lower lows than oil prices, while in 2017, the funds rose much more than the WTI oil price. Granted, we

8: "Declaring a National Energy Emergency," The White House, January 20, 2025.

Oil & gas M&A activity



Source: PitchBook • Geography: Global • As of March 31, 2025

are only showing the oil-price part of the oil & gas equation, but these funds appear to have been posting higher returns than WTI spot prices would have suggested since partway through 2021. The threat of worldwide trade wars in 2025 has caused oil prices to sink, as increased odds of a US recession and a decline in consumer spending have depressed estimates for transportation-related fuels. Higher tariffs mean higher prices and fewer goods purchased, which requires fewer oil-powered ships, trains, and trucks delivering goods. In thinking through other demand drivers for oil and how that could impact oil prices, while the US's attempt to move away from gas-fueled engines will slow for the foreseeable future, China's growing demand for oil has slowed, and European demand is in decline. This suggests that the outlook for oil & gas funds may have actually degraded since the start of the year.

Deals

Of the 130 oil & gas deals—strategic and financial buyouts—that occurred in Q1 2025, the vast majority were mergers or acquisitions by nonfinancial buyers. Leading the way was the $4.3 billion acquisition of EnLink Midstream, a Dallas-based owner of a 60,000-mile pipeline network that transports natural gas, natural gas liquids, refined products, and crude oil—just the products to benefit from the energy emergency US executive order, though the deal was in the works well before the January decree. This was a multistep acquisition, as October 15, 2024, saw ONEOK making a $3.3 billion purchase of Global Infrastructure Partners' position in the company,[9] but the company's common units continued to trade on the New York Stock Exchange. On January 31, ONEOK completed the acquisition with an exchange of ONEOK common stock for EnLink units at a valuation of $4.3 billion.[10] While this was an energy services deal, energy exploration made up four of the top 10 deals completed in Q1 2025, with the likes of Franklin Mountain Energy, Pavilion Energy, Maverick Natural Resources, and Paloma Natural Gas all bringing fossil fuel reserves to their purchasing entities.

The problem of energy access is one faced by all regions around the world—a global view reflected in Q1 2025 deal activity, as acquirers from many geographies looked to shore up a supply chain providing energy production, energy services, energy exploration, energy storage, and more to capitalize on what many are predicting will be an AI-driven surge in energy demand. Four of the deals valued over $1 billion were related to companies based in Texas and Colorado, though other large companies were acquired out of Peru, the UK, Singapore, and Italy. While the January deal dates were largely before the Trump administration leaned in on fossil fuel production, seven of the top 10 deals closed after the US inauguration day, perhaps hoping to capitalize on an even easier regulatory environment for energy production than was anticipated following President Trump's election.

9: "ONEOK Announces Closing of Controlling Interest in EnLink From Global Infrastructure Partners," EnLink Midstream, October 15, 2024.
10: "ONEOK Announces Completion of Strategic EnLink Midstream Acquisition," ONEOK, January 31, 2025.

Top 10 oil & gas deals completed in Q1 2025

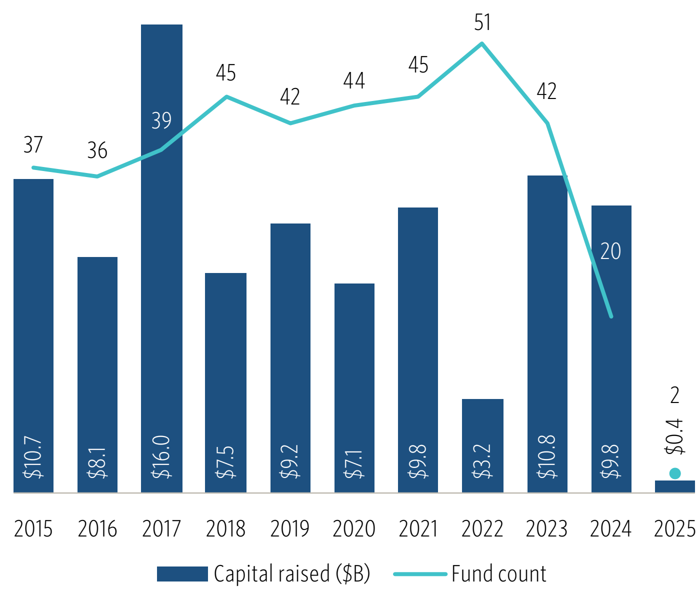
Company	HQ location	Primary industry code	Deal date	Deal value ($M)	Post-money valuation ($M)	Deal type	Investor(s)
EnLink Midstream	Dallas, US	Other energy services	January 31	$4,300.0	$7,543.9	M&A	ONEOK
Primax Perú	Lima, Peru	Distributors/wholesale	March 24	$3,500.0	$3,500.0	M&A	Aramco
Franklin Mountain Energy	Denver, US	Energy exploration	January 1	$2,500.0	$2,500.0	M&A	Coterra Energy
KCA Deutag	Portlethen, UK	Energy infrastructure	January 16	$2,456.7	$2,456.7	M&A	Helmerich & Payne
Pavilion Energy	Singapore	Energy exploration	March 31	$2,000.0	$2,000.0	M&A	Shell
Maverick Natural Resources	Houston, US	Energy exploration	March 14	$1,275.0	$1,275.0	M&A	Diversified Energy
Paloma Natural Gas	Houston, US	Energy exploration	March 13	$1,200.0	$1,200.0	Buyout/LBO	Citadel Enterprise Americas
Navig8	London, UK	Other commercial services	January 8	$1,040.0	$1,300.0	M&A	ADNOC Logistics and Services
DCP Midstream	Denver, US	Energy production	February 4	$865.0	$865.0	Buyout/LBO	ArcLight Capital Partners, Kinder Morgan
Edison Stoccaggio	Milan, Italy	Energy storage	March 3	$588.2	$588.2	M&A	Snam

Source: PitchBook • Geography: Global • As of March 31, 2025

Other natural resources

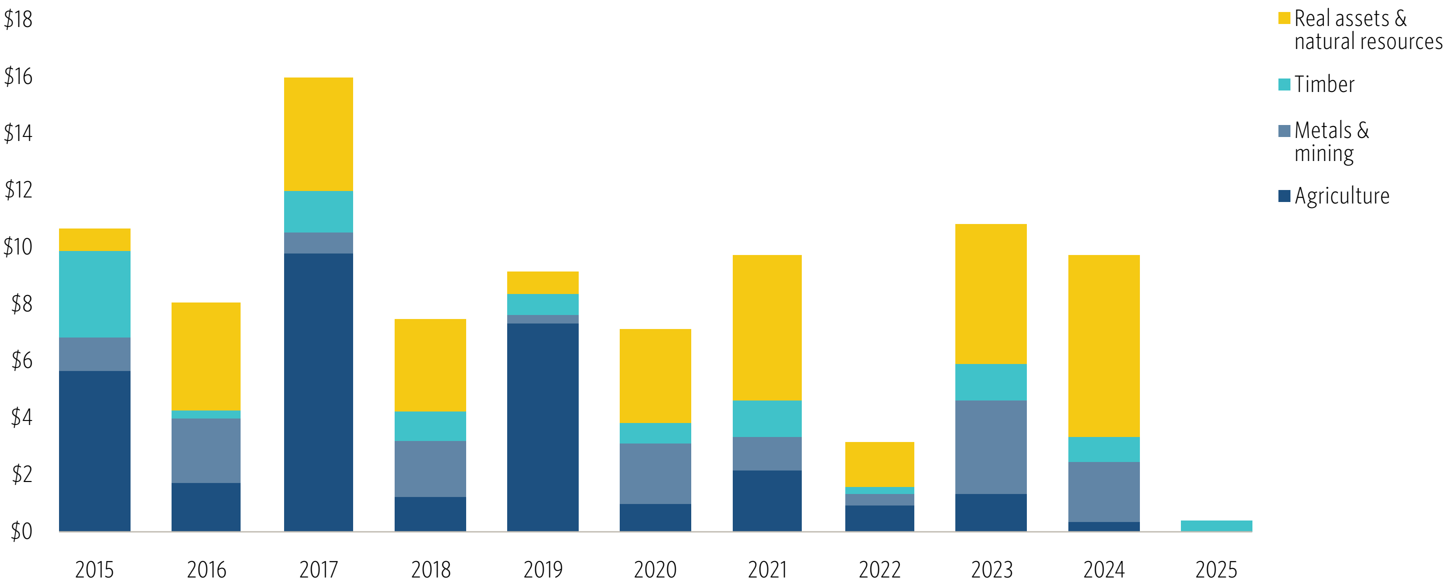
The remaining funds in the real assets strategy are generally few in number and small in size. The numbers are so low—the record year for fundraising was 2017, with only $16 billion raised by 39 funds—that the data can be extremely lumpy from one period to the next. Over a longer-term lens, the makeup of this group has shifted over time, sometimes reflecting waves of popularity for different types of natural resource assets. Timber was particularly popular as an investment theme from 2008 to 2015, but raised smaller amounts in the years since, until 2025, when two timber funds greater than $1 billion closed in February and April, with one each from Campbell Global and Stafford Capital Partners. Timber is not only a diversifier, but it also produces a nice income stream for investors and naturally helps remove greenhouse gases from the atmosphere—a trait that can be monetized as carbon credits, making it an attractive Impact investment opportunity. In addition to having a renewable resource to periodically sell, asset managers can choose not

Other natural resources fundraising activity



Source: PitchBook • Geography: Global • As of March 31, 2025

Other natural resources capital raised ($B) by type



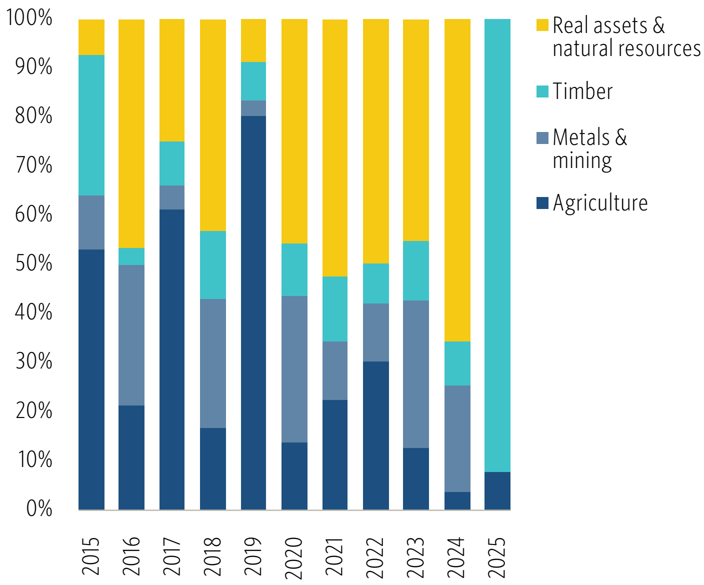
Source: PitchBook • Geography: Global • As of March 31, 2025

to chop a tree down in a year when prices are low, so the tree can be left to keep growing more valuable. Besides the trees themselves, there are sometimes other revenue streams, such as the pine needles dropping from deciduous pine forests that can be sold for garden mulch.[11]

Given the international discussions around rare earth minerals and deals being made to secure access to these resources that go into cellphone batteries, catalytic converters on cars, and magnets on wind turbines,[12] one might expect the private metals and mining funds to be a hot (forgive the pun) commodity. In addition, gold has been reaching new highs in 2025 in the face of market and geopolitical uncertainty. These funds, however, have raised only $9.1 billion since the start of 2020. Major public companies like BHP Group and Rio Tinto, which have market caps well in excess of $100 billion, are responsible for much of the world's mining, benefiting from expertise and oligopolistic scale. They also have time: Mining projects can take a lot of up-front cash and long exploration periods before they can begin monetizing any finds, making them a difficult prospect for the typical 10-year private fund.[13]

Agriculture conjures up the image of vast tracts of land being planted, grazed, or sown, feeding the ever-growing population

Share of other natural resources capital raised by type



Source: PitchBook • Geography: Global • As of March 31, 2025

11: For more on the history and benefits of timber investing, read The Emergence of Natural Capital Investments: How It Is Reshaping the Timberland Asset Space.
12: "What Minerals Does Ukraine Have and What Are They Used For?" BBC, Abdujalil Abdurasulov and Robert Plummer, April 30, 2025.
13: "Discovery to Production Averages 15.7 Years for 127 Mines," S&P Global, Paul Manalo, June 6, 2023.

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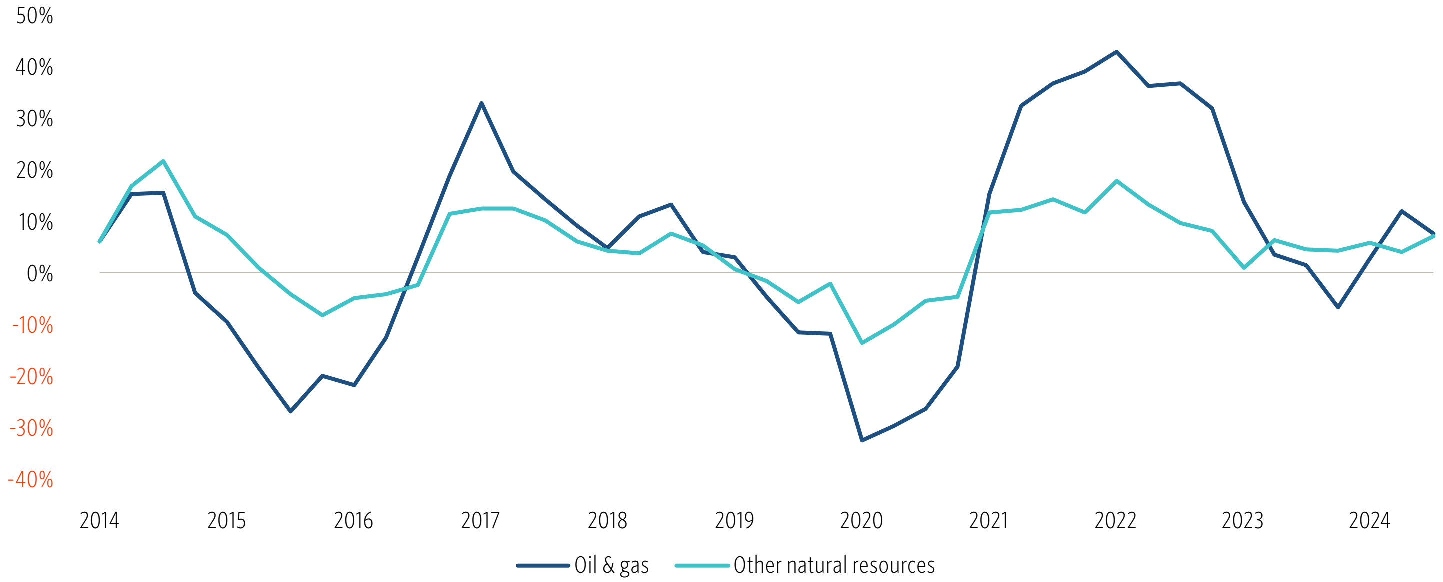
Natural resources funds rolling one-year horizon IRRs by type



Source: PitchBook • Geography: Global • As of September 30, 2024

of this planet. Looking at the six ag funds that have closed since the start of 2024, a common theme is sustainable and ecological farming—possibly a very different approach than the image that PE investing in agriculture might conjure. These funds do not typically invest in the types of agtech reported on by PitchBook analyst Alex Frederick in the VC space, though the spaces are often complementary in their ambitions.

The natural resources funds grouping is a collection of disparate strategies requiring specific expertise to properly manage, and each is impacted by different supply and demand forces globally. In the "Rolling one-year horizon IRRs" performance chart, oil & gas is on its own and has had higher highs and lower lows than the more-diversified other natural resources grouping. Returns have been positive since the start of 2021 for both buckets except for calendar year 2023 for oil & gas. In a world where resources are always becoming scarcer, companies extracting those resources have long-term tailwinds. In addition, those providing sustainable and renewable solutions to food and energy production are supplying to an inelastic demand profile, giving plenty of support to prices that should provide profitable outcomes.

Additional research

Private capital

Q2 2025 Analyst Note: The State of Sustainable Investing in the Private Markets

Download the report here

H2 2024 Global Real Estate Report

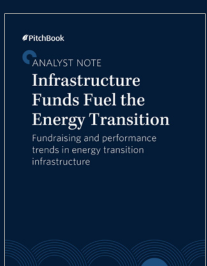
Download the report here

Q3 2024 Global Fund Performance Report (with preliminary Q4 2024 data)

Download the report here

Q1 2025 Private Market Fundraising Report

Download the report here



Q4 2024 Analyst Note: Infrastructure Funds Fuel the Energy Transition

Download the report here

Q3 2024 Analyst Note: Infrastructure Investors Capitalize on the Digital Revolution

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