

Reinforce Your Portfolio with Infrastructure

Infrastructure is everywhere, except in the one place where its impact is often overlooked: investment portfolios. After decades of underinvestment, the U.S. government and institutional investors are committing trillions of dollars to rebuild and modernize America's infrastructure.

To the public, infrastructure means roads, transit systems, dams and power plants. To investors, it represents capital cascading through construction, engineering firms, raw material producers and heavy equipment manufacturers.

The Global X U.S. Infrastructure Development Index ETF (PAVE) offers investors targeted exposure to this broad infrastructure theme.

Overall Health of U.S. Infrastructure¹



In the 2025 Report Card for America's Infrastructure, the American Society of Civil Engineers (ASCE) gave U.S. infrastructure an overall grade of C. Several economically critical systems remain in the D range, including aviation, energy, roads, stormwater, and transit.

A MULTI-YEAR INVESTMENT THEME TAKING SHAPE

01 Aging Infrastructure
U.S. infrastructure still requires significant repair and modernization. Roads, energy, and aviation systems remain under pressure after years of underinvestment.

02 Major Spending Is Underway
Hundreds of billions of dollars in recent U.S. federal funding have begun to support infrastructure renewal across transportation, energy, water, and other essential systems.

03 More Investment Is Needed
Current funding represents only part of what is needed to restore, upgrade, and expand America's infrastructure over the long term.

04 A Long-Term Investment Theme
Continued investment will be needed to support a growing economy, a rising population, and more resilient infrastructure in the face of severe weather and climate-related strain.

“PAVE goes beyond traditional construction exposure to capture the broader infrastructure opportunity set.”

¹American Society of Civil Engineers (ASCE) — 2025 Report Card for America's Infrastructure. [infrastructurereportcard.org](https://www.asce.org/infrastructure-report-card)

A CHANCE TO INVEST IN AMERICA'S INFRASTRUCTURE REBUILD

The flow of capital into companies that support America's infrastructure is not a one-time commitment. Trillions of dollars in sustained investments are required to restore and modernize U.S. infrastructure, ensuring it is safe, reliable and resilient.

Infrastructure is Already Failing Under Daily Use

America's most essential systems are visibly wearing out, and the categories Americans rely on most are still earning the lowest grades.

- **9 of 18** Infrastructure categories remain in the D grade range — including roads, transit, stormwater, and dams.¹
- **46,000+** U.S. bridges classified as structurally deficient.¹

The Cost of Inaction is Already Being Paid

Underinvestment is a direct drag on American households, and the gap between what's planned and what's needed continues to widen.

- **\$2,700** Annual cost of poor infrastructure to the average U.S. household.²
- **\$3.7T** estimated investment shortfall to bring U.S. infrastructure to a state of good repair — up from \$2.59T in 2021.¹

Climate Pressure is Accelerating the Timeline

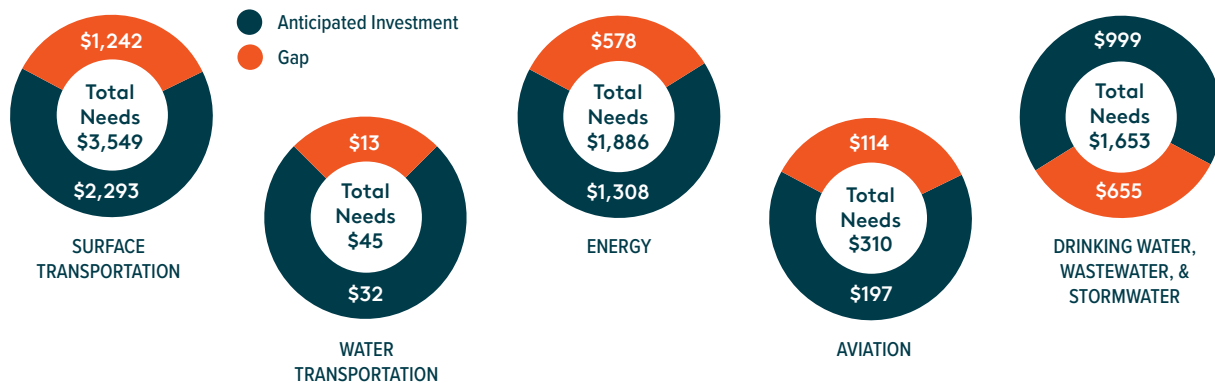
Systems designed for a different climate are being stressed by more frequent and geographically widespread extreme weather.

- **+64%** Increase in U.S. power outages over the past decade, driven largely by extreme weather.³
- **~570%** Increase in the average annual cost of climate-related disasters (1980s vs 2021–2024).⁴

A MULTI-TRILLION-DOLLAR RUNWAY, NOT A ONE-TIME SPEND¹

ASCE estimates that the U.S. still faces a US\$3.7 trillion infrastructure investment gap through 2033. The shortfall spans multiple categories, including transportation, energy, water, and aviation, reinforcing that infrastructure modernization remains a broad, multi-year build cycle rather than a single-project story.

EXPECTED INFRASTRUCTURE SPENDING NEEDS¹ | ANTICIPATED INVESTMENT GAP, 2024-33



Total Needs - Anticipated Investment = Gap | Dollars in 2022 Billions

¹American Society of Civil Engineers (ASCE) — 2025 Report Card for America's Infrastructure. infrastructurereportcard.org






²Bridging the Gap | ASCE Economic Report

³Surging Weather-related Power Outages | Climate Central

⁴U.S. Billion-Dollar Disasters: 1980-2024 | Climate Central

“ America wasn't built in a day; the nation's ambitious infrastructure plans won't be either.”

INFRASTRUCTURE DEVELOPMENT: AT THE CENTER OF SEVERAL STRUCTURAL FORCES

STRUCTURAL TRENDS	GLOBAL FRAGMENTATION	CLIMATE CHANGE	ELECTRIFICATION & SHIFTING POWER GRID DYNAMICS	GROWTH OF DISRUPTIVE TECHNOLOGIES	SHIFTING DEMOGRAPHICS
					
SPENDING NEEDS	Power Grids	Clean Water Infrastructure	Energy Storage	Data Centers	Clean Water Infrastructure
	Power Plants	EV Chargers	EV Chargers	Energy Storage	Housing
	Production Facilities	Green Buildings	Smart Grids	EV Chargers	Power Grids
	Renewable Energy	Power Grids		Power Grids	Retail
	Sea Walls		Power Plants	Roads	
	Smart Grids		Renewable Energy	Wastewater Infrastructure	

WHAT U.S. INFRASTRUCTURE EXPOSURE CAN BRING TO A PORTFOLIO



Cash Flow Potential

- Most infrastructure companies have long-term contracts which can contribute to revenue stability.
- Infrastructure assets have the potential to generate consistent, stable cash flow streams and a steady yield for investors.
- Predictable revenues and a pre-determined customer base usually mean lower volatility compared to other asset classes.



Inflation Sensitivity

- Revenues from infrastructure assets are typically tied to inflation and often supported by regulation.
- In some cases, owners of infrastructure assets can pass inflation costs to consumers due to less flexible demand.
- May provide investors some protection against market volatility in most economic cycles and serve as an inflation hedge.



Barriers to Entry

- Infrastructure projects often require significant capital and expertise, which can limit new entrants.
- Assets are often strictly regulated and face significant scrutiny, which can discourage new entrants.
- The high barriers to entry can create a monopoly-like environment for existing owners and operators.



Most industries fight to win business from competitors to grow their business. Infrastructure is the exception to the rule.

FUND SNAPSHOT

FUND NAME

Global X U.S. Infrastructure Development Index ETF
PAVE/PAVE.U**

RISK RATING

HIGH

MANAGEMENT FEE

0.49%*

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INVESTMENT STRATEGY HIGHLIGHTS

PAVE seeks to replicate, to the extent possible and net of expenses, the performance of an index that measures the performance of U.S. listed companies that provide exposure to infrastructure development in the U.S. (currently, the Indxx U.S. Infrastructure Development Index).

EXPOSURE ACROSS THE U.S. INFRASTRUCTURE ECOSYSTEM

Sub-Theme	Description
Construction & Engineering Services	Companies providing engineering, design, maintenance and construction services for large-scale infrastructure projects.
Raw Materials & Composites	Companies that produce and supply the raw and composite materials required in construction.
Products & Equipment	Companies that sell or rent heavy construction equipment or develop products like fibre optic cables utilized in large-scale infrastructure projects.
Industrial Transportation	Companies that transport the raw materials and equipment to and from projects.

REVENUE-FOCUSED, PURE-PLAY EXPOSURE

Selection of companies is driven by revenue, not sector classification. Companies must derive a significant portion of their revenues from U.S. infrastructure, and must be U.S.-listed with more than 50% of revenues generated in the U.S. This delivers a concentrated pool of businesses whose fortunes are genuinely tied to the U.S. build cycle.

WHY **PAVE** MAY FIT IN A PORTFOLIO:

1. Diversified Approach

Exposure to a broad range of companies involved in infrastructure development in the U.S.

2. Structural Growth Theme

Participation in a generational opportunity around the modernization of U.S. infrastructure.

3. Unconstrained Approach

Invest in the full infrastructure ecosystem not just construction companies and developers.

4. Focused Equity-Based Investment

Target companies with revenues closely tied to U.S. infrastructure projects.

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