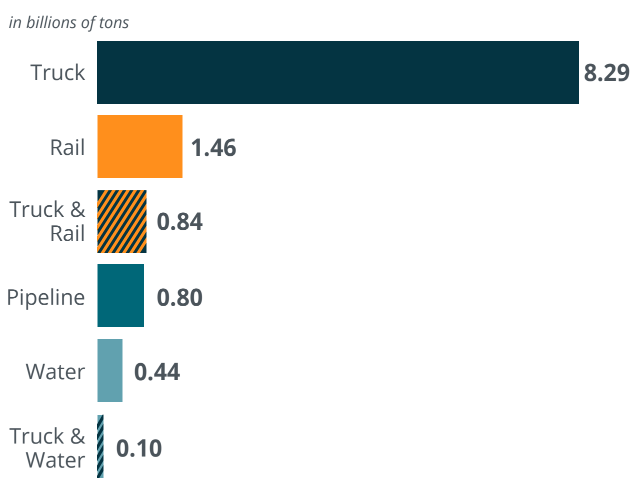
Opportunity in Motion: Driving Transportation Infrastructure Value in Today's Market

Transportation infrastructure performance can be a barometer of economic health. When regional or global trade expands, transportation volumes climb. When the economy slows, transportation activity contracts.[1]

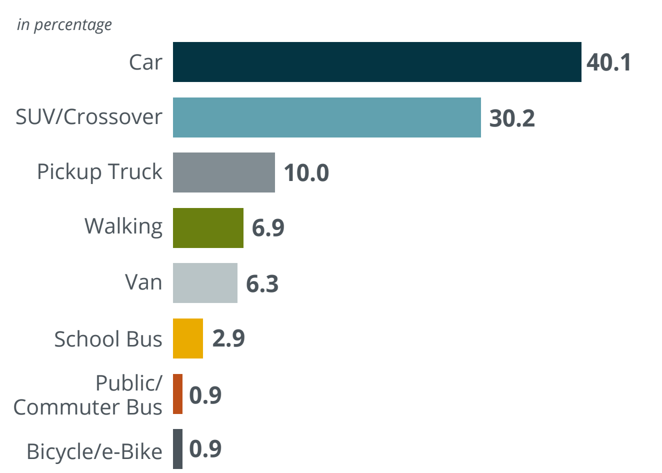
Despite this sensitivity to broader conditions, CIM has observed that the sector has consistently demonstrated resilience. Cycles of disruption—whether driven by trade policy, energy prices, or supply chain realignments—have historically given rise to new investment opportunities.[2] These trends continue today.

U.S. Shipment of Goods
Top Six Domestic Modes of Transportation[3]



Source: Census.gov, June 26, 2025

Estimated Transportation Modes
in All U.S. Residents Trips[4]



Source: Federal Highway Administration National Household Travel Survey 2023

With the current market landscape in mind, this paper explores key considerations for transportation infrastructure investors. In it, we examine the macro forces at play, identify the characteristics that define resilient transportation assets, and highlight subsectors and situations where dislocation may present compelling entry points. We also consider emerging trends influencing the future of transportation.

The transportation sector at a glance

The transportation sector is vast and manages critical functions on a local, regional and global scale. The sector includes a myriad of major industries, including air freight and logistics, airports and airport concessionaires, marine shipping and ports, and road, rail, and intermodal transportation and storage.

Data reported by the U.S. Census Bureau in 2025 revealed that the shipment of goods in the U.S. reached 12.2 billion tons in 2022. The value of those goods topped $18.0 trillion.[5]

12.2 Billion Tons

of goods shipped within U.S. during 2022.

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This critical sector has always been cyclical based on economic growth and contraction over market cycles.[6] Fuel costs, labor availability and shifts in global supply chains can amplify these cycles, putting pressure on operators whose revenues depend on steady volumes. These ebbs and flows create recurring cycles that investors must navigate carefully.

Today's transportation infrastructure landscape

Today's environment adds a new layer of complexity, as U.S. policy changes ripple through global trade, travel and labor markets. Some of these changes continue to disrupt international trade flows and create unease among businesses that depend on predictable supply chains.

At the same time, international tourism to the U.S. is projected to continue declining, with one travel research firm predicting an 8.2% drop in international arrivals this year.[7] For airports, airlines and related concessions, weaker inbound travel affects passenger volumes—and, by extension, revenues tied to retail, food/beverage and ground transportation.

Yet for investors who know where to look, these pressures may also open the door to new possibilities. **Opportunities exist not only within subsectors where dislocation could lead to distressed pricing, but also within those that are well-insulated from—or counter-cyclical to—these risks.**

Characteristics of resilient transportation investments

We see several markers of resilience in this sector, including the following.

Long-term contracts: Multi-year agreements with strong counterparties—such as large industrial customers or school districts—provide predictable revenues and reduce exposure to price fluctuations.

Essential services: Demand tied to everyday needs—such as education or healthcare logistics—is less cyclical.

U.S. domestic focus: Investments positioned to benefit from reshoring and North American trade realignment provide insulation from global volatility.[8]

Resilient subsectors in today's environment

Resilience often stems from stable demand, longer-term contracts or services less tied to global trade flows. A handful of subsectors fit that profile and appear better insulated.

Student transportation

Approximately 38% of U.S. school buses are operated by private contractors,[9] typically through multi-year agreements with school districts. These contracts often include inflation escalators and pass-throughs for fuel costs, creating stable revenue. Because demand is linked to population and school enrollment rather than trade cycles, the subsector can be resilient in growing communities—even amid macro volatility.

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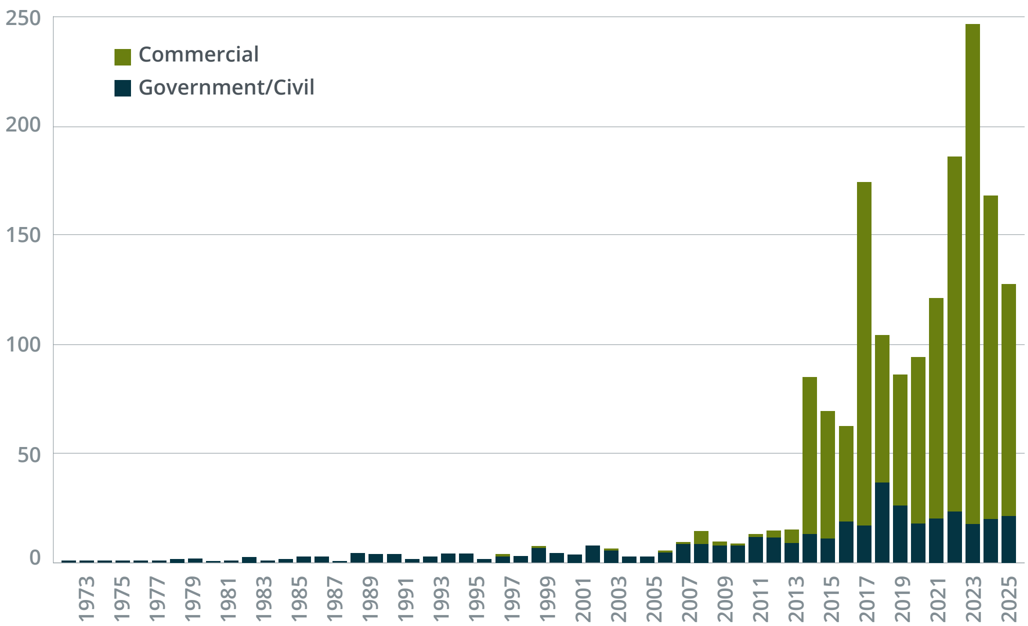
Domestic rail

Domestic rail tends to be the least expensive option for transporting freight across the U.S.[10] With reshoring and more domestic manufacturing, rail may be positioned to grow. Rail also supports industries such as energy, chemicals and agriculture, which often involve longer-term contracts.

Space launch infrastructure

The highly specialized space launch infrastructure subsector serves a growing market with strong government and defense spending support. Industry estimates point to a sharp rise in the commercial space market, from about $630 billion in 2023 to roughly $1.8 trillion by 2035—an average annual growth rate near 9%, outpacing global GDP.[11] Most of that expansion is expected to come from satellite-enabled services, including communications, positioning and Earth observation.[11]

Total Number of Commercial, Government-Civil Satellites Launched by Year[12]



Source: USGS.gov, August 7, 2025

$1.8 trillion
Estimated Commercial Space Market by 2035[11]

Facilities that fit rockets with their mission payloads, including satellites for telecommunications, for example, face limited supply and steady demand, making them attractive despite their niche profile.

Healthcare and elder care

Healthcare logistics is another resilient niche, increasingly supported by large strategics and benefiting from ongoing demand for medical products.[13] This niche includes cold chain solutions for pharmaceuticals, such as cold storage facilities and refrigerated transport vehicles.[14] Elder care transportation parallels the student transportation model but reflects demographic shifts as the U.S. population ages.

New opportunities uncovered by dislocation

We believe current dislocation in the transportation sector is creating several areas of potential entry.

Port and shipping operators under liquidity pressure

Trade volume fluctuations have left some port-side businesses struggling with short-term liquidity. These companies often generate revenue from fees tied to cargo throughput, vehicle processing, or storage, so even modest drops in activity can have an outsized financial impact.

At the same time, the underlying assets—such as port facilities, roll-on/roll-off terminals or adjacent land—remain highly strategic and difficult to replicate. As a result, owners may be reluctant to sell struggling assets, viewing current challenges as temporary. In these situations, we believe providing credit or structured capital offers investors a way to support operators through periods of disruption—while also gaining exposure to critical infrastructure at attractive entry points, with potential upside when volumes stabilize and recover.

Distressed, volume-driven trade and travel businesses

Sectors such as shipping companies, airport services and certain logistics providers are highly sensitive to swings in trade and travel volumes. When demand falls, throughput declines quickly, cutting directly into revenues and compressing margins.

We believe these conditions can create opportunities for investors. As valuations lower, patient capital can step in through equity or structured financing, with the potential to benefit when volumes rebound. Careful underwriting is essential. Long-term contracts, resilient counterparties, or strategic positioning within an airport or port ecosystem can help support cash flows through weaker cycles.

Within airports, assets that depend on international travel volumes may be most exposed. That includes airport services such as cargo handling, de-icing, refueling and other below-wing operations that fluctuate with traffic levels. By contrast, on-airport real estate and development opportunities may offer value for investors who can underwrite through today's "noise" and take a long-term view, even as international travel has softened.

Distressed entry points in volume-driven businesses are not without risk. But for investors prepared to hold through recovery, they can offer attractive returns once demand normalizes.

Domestic and regional freight operators amid shipping disruption

In our view, long-term changes in how goods move—such as the rerouting of cargo from West Coast to East Coast ports—create both risks and opportunities. These shifts often occur when tariffs, trade policy, or geopolitical tensions alter the economics of global shipping.

For example, rising costs on trans-Pacific trade can accelerate onshoring or near-shoring of manufacturing, which in turn disrupts established shipping routes and increases demand for domestic or regional freight. As cargo volumes adjust, some ports and rail corridors may see declines while others gain market share.

For investors, these dynamics highlight the value of diversification across regions and asset types, in our view. Operators with exposure to multiple gateways—West Coast, East Coast and Gulf Coast—are better positioned to capture value as demand realigns, while those tied to a single route may face sharper revenue volatility. Understanding how trade patterns are shifting and where new infrastructure will be needed is critical to identifying resilient opportunities in this environment.

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Undercapitalized, high-value infrastructure assets

CIM has observed that volume volatility and tariff uncertainty have created short-term liquidity needs at port-side operators, airport services firms and logistics providers. Many owners view these assets as core and prefer not to sell, which opens an opportunity where capital is scarce. Investors can fill these gaps with preferred equity or credit facilities that provide priority in cash flows and contractual protections, gaining exposure to essential infrastructure while operators bridge the disruption and position for recovery.

When it comes to direct acquisitions, periods of disruption may force sellers to part with assets at prices near their replacement cost, creating a potentially rare entry point for buyers.

We believe that for investors, acquiring at or near build cost may help mitigate risk. Whether or not market conditions remain soft, the asset’s value is generally supported by its underlying construction cost.

At the same time, there may be meaningful upside if volumes normalize and valuations recover. This dynamic is particularly relevant in infrastructure-heavy sectors—such as logistics facilities, intermodal rail assets, or port-adjacent real estate—where long lead times and high construction costs make it difficult to bring new supply online quickly.

The future of transportation investing

Looking ahead, we believe the sector will continue to evolve as technology, policy and demographics reshape demand. Several themes are likely to define the next decade.

EV fleets: While some investors are retreating, we see compelling economics in electrifying last-mile logistics and local delivery fleets (such as the autonomous vehicle fleets). In many cases, EVs offer lower operating costs than combustion engines, particularly for owned fleets in food and beverage delivery.[15]

Resilience and emergency response: With natural and human-made disasters expected to increase in number and severity,[16] demand for infrastructure that supports resilience will grow. From aerial firefighting capacity to dredging businesses that clean up after spills, these investments serve both economic and community needs.

Aviation ecosystem: Despite some near-term headwinds, long-term demand for airport services[17] and real estate[18] remains strong. Current volatility may present entry opportunities at attractive valuations.

Next-generation infrastructure: Additional opportunities are emerging in space launch, advanced energy generation and storage, and water management and sustainability solutions. By supporting entrepreneurs in these areas, investors may be able to access opportunities in today's assets and tomorrow's infrastructure.

Implications for investors

While ongoing geopolitical uncertainty and tariff changes are reshaping global flows, many parts of the U.S. transportation system remain vital and adaptive, supported by steady domestic demand and the nation's evolving industrial base.

Discernment is necessary when evaluating transportation infrastructure investment opportunities in today's macroeconomic environment, with the full impact of policy changes on global flows still uncertain. But transportation remains a backbone of the global economy, and current uncertainty has also uncovered attractive opportunities. In our view, investors who focus on resilient subsectors, maintain discipline and embrace innovation may be best positioned to weather today's headwinds and build lasting value.

The CIM advantage

At CIM, we believe that transportation investing—particularly amid today's macroeconomic shifts—requires a thoughtful, well-informed approach. We leverage our vertically integrated platform spanning infrastructure, real estate and credit to evaluate opportunities from multiple angles, weighing not only the physical assets but also financing structures and the needs of the communities they serve.

Our real estate and development expertise provides an important foundation. When evaluating projects such as airport logistics facilities or electric vehicle (EV) fleet storage, for instance, we can draw on in-house capabilities to assess entitlement and construction risk—areas that may deter other investors. Our experience managing both credit and equity strategies, meanwhile, enables a flexible approach to businesses under stress, providing liquidity by structuring tailored investments across the capital structure.

Learn more about CIM 's infrastructure platform and approach at cimgroup.com/infrastructure.

Endnotes

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CIM 4987191
WP-TRANSPORT (11/25)