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Unlocking value from mid-market infrastructure

Objective

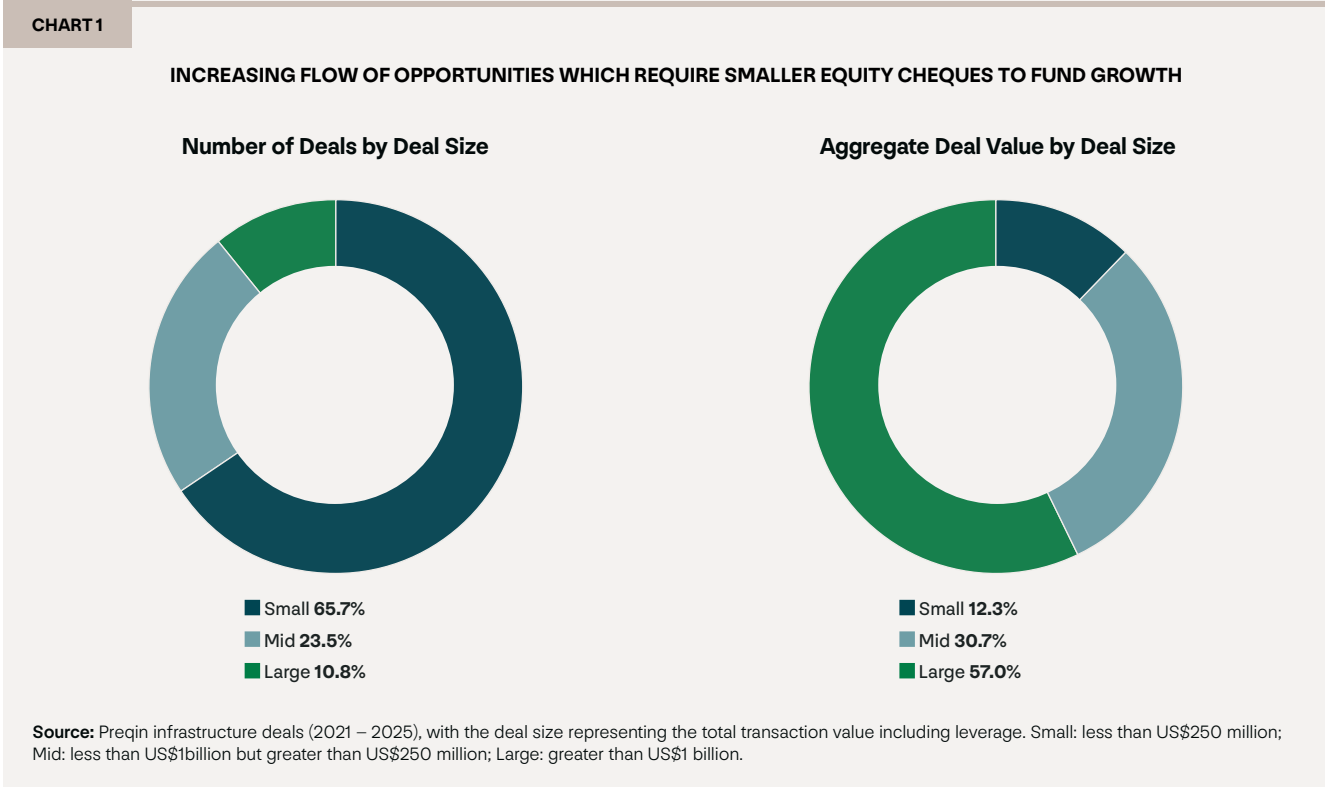
To explore the strategic advantages, performance dynamics, and emerging opportunities in mid-market infrastructure investments, and to assess their role in institutional portfolios amid evolving macroeconomic and market dynamics.

Private infrastructure fundraising surpassed the high watermark years of 2021-22 and reached nearly US\$300 billion in 2025¹ – a record milestone reflecting robust institutional investor confidence and increasing allocations to infrastructure as an asset class. We believe that private infrastructure has become an integral part of institutional investors’ portfolios, offering steady demand profile, inflation hedge, sustainable growth, and low correlation to traditional asset classes.

Large-cap infrastructure has attracted increased institutional capital, however mid-market infrastructure can also offer attractive and growing opportunities for global investors seeking diversification and higher returns, while retaining the defensive characteristics of infrastructure investments. Preqin’s fund search data indicates that investor intentions are shifting further toward smaller commitments,² highlighting increased interest in mid-market strategies.

¹ Source: Infrastructure Investor Fundraising Report Full Year 2025

² Source: Preqin Global Report Infrastructure in 2026



Well-aligned opportunity set

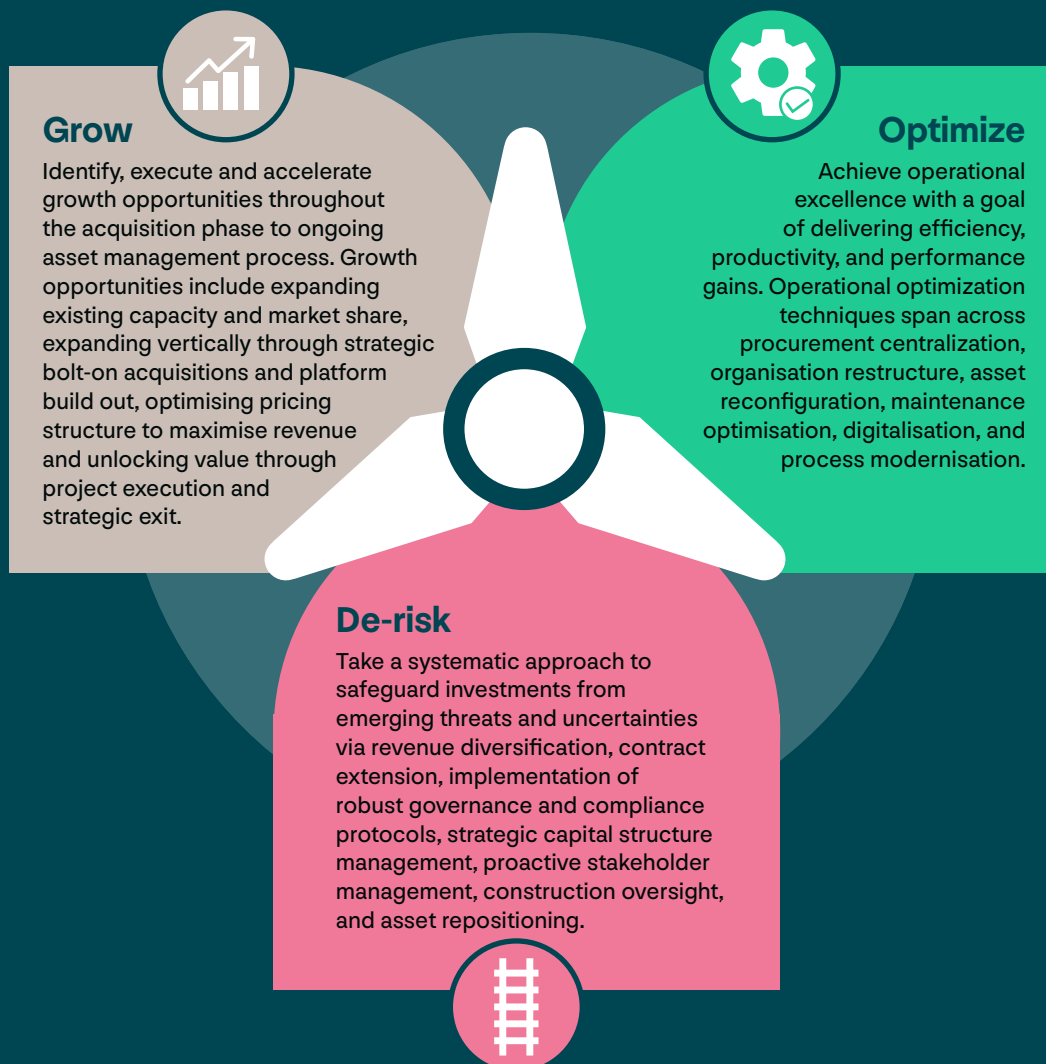
An expanding market: We believe that the increasing size of infrastructure funds has created attractive pricing in the mid-market. Over the last five years, infrastructure deals less than US\$1 billion account for just under half of the market in transaction value and approximately 89% in number of deals completed (see chart 1). We believe this is a scalable and liquid segment with meaningful headroom for future growth. From our observations, many infrastructure managers that originally focused on the mid-market have migrated into the large-cap space as their fund sizes have grown, which has left the mid and lower market comparatively underserved.

Diversified opportunities: The opportunity set is broad, and particularly well suited to IFM’s model: as a global fund manager with over 140 investments professionals, 20+ senior advisors with strong local presences and networks. As a result, IFM’s ecosystem can help to provide differentiated access to a diversified set of mid-market opportunities across a range of geographies and sectors.



IFM's Ecosystem

Over the past 30 years, IFM has leveraged its long-standing experience and best practices to establish a specialised and repeatable value creation playbook, underpinned by a prudent risk management framework. This process starts prior to the acquisition of assets, while active delivery and monitoring contribute towards a goal of continuous improvement. This playbook has been tested over time and is designed with the aim to deliver tangible value through three levers:

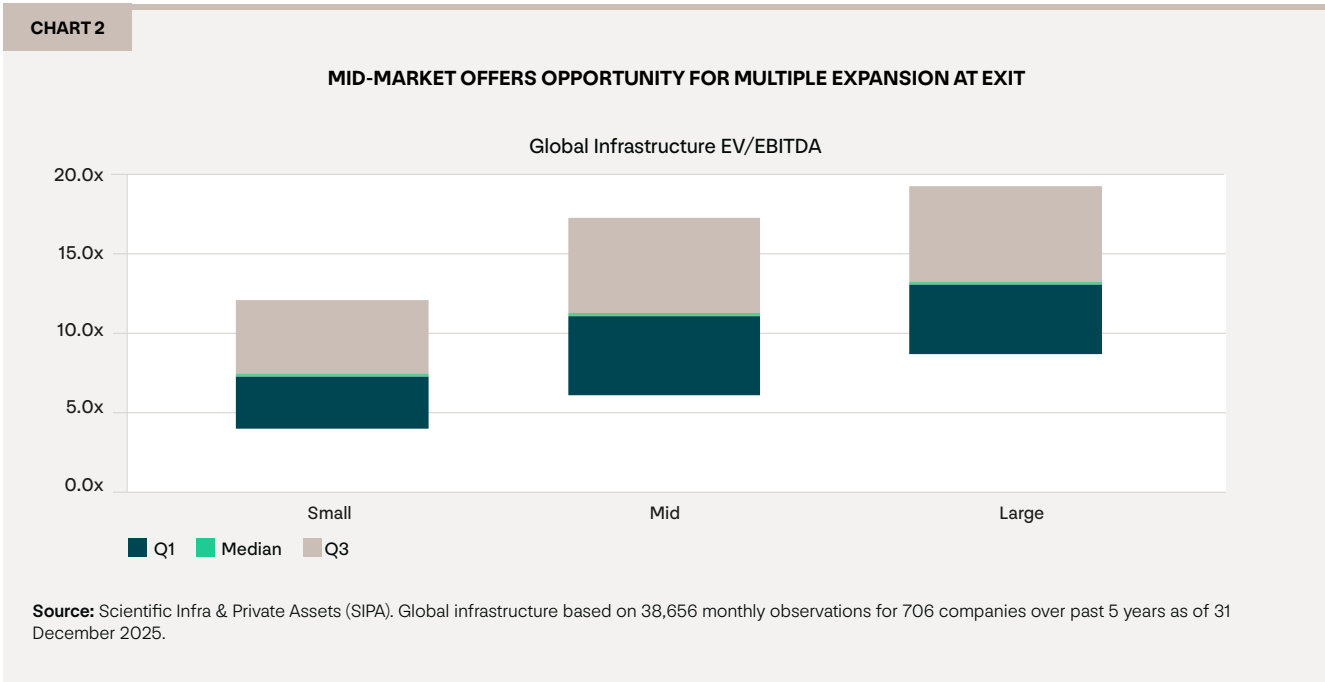


The expertise developed through this playbook enables IFM to apply its capabilities across the broader infrastructure space, including value add strategies that demand advanced alpha generation skills. IFM seeks to integrate an alpha-focused strategy into its ecosystem, potentially providing a differentiated proposition to unlock value creation across both large cap and mid-market exposures.

Aligned with emerging trends: Infrastructure investments offer investors the opportunity to participate in a transformative shift of the economy and industry. We believe mid-market infrastructure is well-positioned to benefit from the macro trends of digitalisation, deglobalisation and decarbonisation, driven by sustained demand across areas including digital connectivity, localised and ever-changing supply-chain infrastructure, and clean energy solutions. Successfully navigating these opportunities requires industry-specialised expertise, innovative financing solutions, and having a strong local market presence.

Greater near term value creation levers

In comparison with large-cap, many mid-market infrastructure investments exhibit greater operational complexity or are in earlier stages of lifecycle. These dynamics present more opportunities for near term value creation through active asset management. We believe mid-market companies also typically have more potential to grow and optimise operations, with the prospect for multiple expansion at exit upon achieving scale. (See Chart 2)



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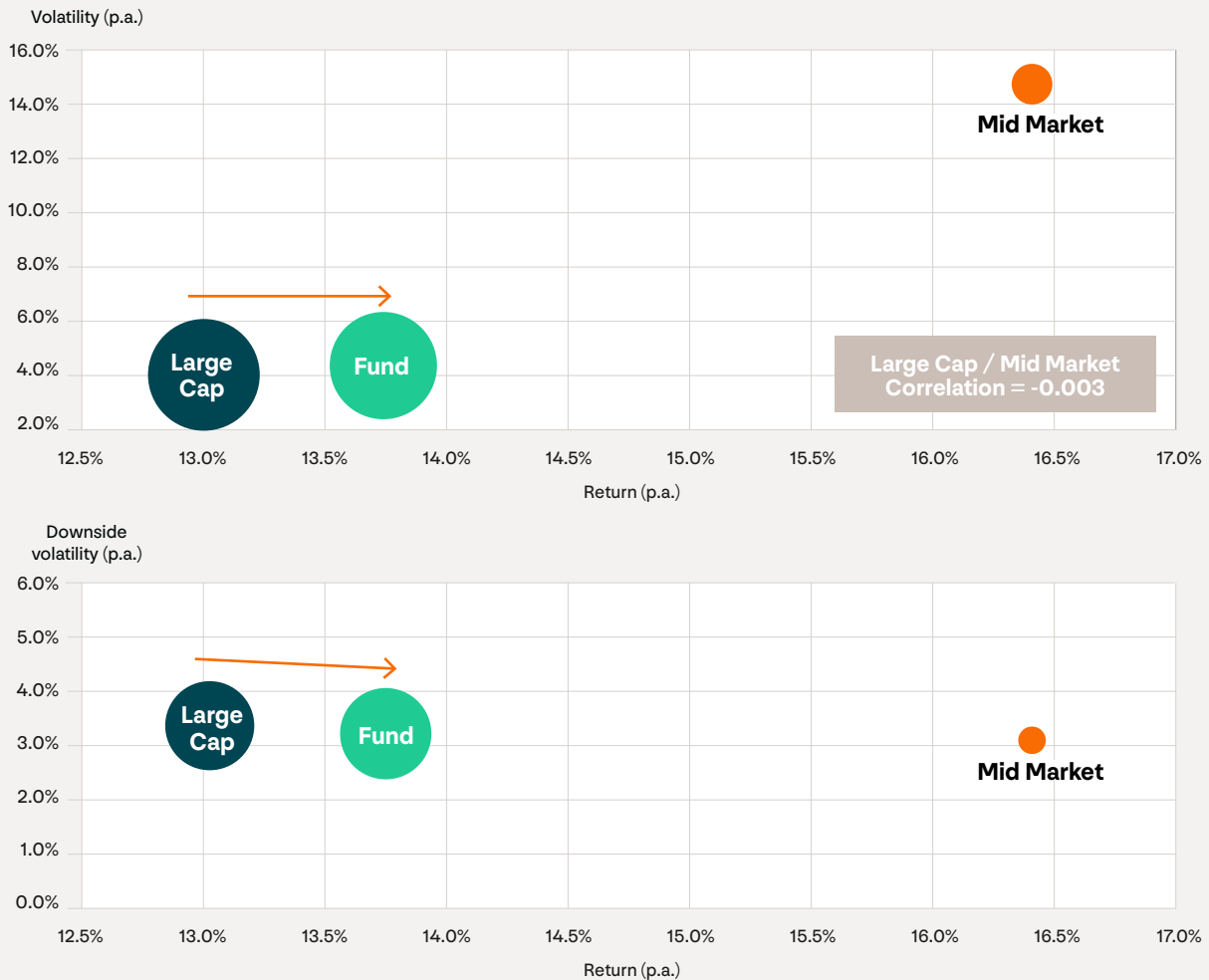
Value creation in infrastructure can be achieved through multiple pathways, often accompanied by risk. Even though the mid-market is generally

perceived as a higher risk segment, we have been able to access it with a better risk/return balance given the IFM footprint, ecosystem, and existing know how.

CHART 3

MID-MARKET EXPOSURE CAN HELP TO ENHANCE RISK ADJUSTED PERFORMANCE

Over the past decade, one of the IFM-managed infrastructure funds mid-market exposure has gradually declined from ~30% to less than 10% as the fund has grown in size and scale. Although mid-market exposure currently represents a relatively small proportion of the overall portfolio, it has historically generated positive outperformance with greater upside volatility and constrained downside volatility (measured as downside volatility). Combining mid-market with large cap portfolio enhances the overall performance of the fund's portfolio without adding extra risks given low correlation between these two.



Notes: The chart illustrates the risk-return profile of each portfolio for the period from 31 December 2015 to 31 December 2025, based on aggregated gross returns at the investment level in local currency terms (excluding the fund exposure in one other IFM-manager fund, two specific newly acquired assets, as well as in IFM Core Energy Transitoin Fund, Green Group, Swift Currency Energy as well as fund-level cash, other net assets, fees and expenses). The allocation between large-cap and small-cap is determined by the initial equity cheque of the underlying infrastructure fund investments, using a threshold of US\$1 billion. The size of the bubble reflects the NAV for each portfolio as at 31 December 2025. Past performance does not guarantee future results. Case studies are provided for illustrative purposes only and should not be relied on to make an investment decision.



Unlocking value in mid-market opportunities also requires strong networks to capitalise on strategic initiatives. IFM has developed an extensive network that can be leveraged to help support the delivery of value creation strategies.

CASE STUDY

Value Creation Case Study: Air Rail

Air Rail started as a family-owned business based in Madrid providing airport ground support equipment (“GSE”) leasing services. Air Rail currently has the #1 market position in Iberia, however its prior operating model and funding capacity limited its ability to expand in other markets. IFM’s global airport footprint, combined with IFM’s local market presence in Spain (where it has c. US\$20 billion of infrastructure investments headquartered in Spain), created a distinct origination angle, which made IFM the preferred partner for Air Rail’s founder and management team when securing exclusivity over other interested parties.

IFM’s portfolio includes 17 airports across 6 countries, with Air Rail’s key customers operating at several airports. Air Rail is well positioned to deliver potential growth through IFM’s airport ecosystem (e.g. identified potential opportunities in the UK, Europe and Australia), representing potential upside to the investment case. We believe IFM’s ecosystem provides us an enhanced approach to the value creation plan, such as derisking the business plan through leveraging relationships in the sector, non-executive director appointments and IFM team member secondments.

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Enhanced exit optionality

Exit optionality is broader for mid-market infrastructure relative to large cap, due to a wider range of potential buyers and strategic pathways such as infrastructure funds, institutional infrastructure investors, strategic industry players and public equity markets. We believe IFM is well

placed to leverage its global network of investment partners, strategic partners, senior advisors and portfolio company connections to identify suitable buyers to help drive potential upside on exit. Further, as one of the largest investors in super core, core and core-plus infrastructure, IFM understands the characteristics that potential buyers will be looking for and how to position these businesses for exit.

³ Source: IFM Investors Private Markets 700 Report



IFM has a long history and extensive experience in successfully divesting assets across our open-ended infrastructure funds. Over the past 10 years, through one of IFM's managed infrastructure funds, IFM has executed on 18 or US\$10 billion of full and partial divestments at a median transaction size of US\$404 million, with an average net IRR of 23.3%.

CASE STUDY

Exit Case Study: GCT

During its ownership, IFM focused on the long-term ownership of GCT's more competitively positioned Canadian assets and identified an upside opportunity in restructuring and repositioning the more cyclically exposed US assets for an opportunistic sale to unlock value.

IFM Investors assisted in leading value add initiatives at GCT USA to drive an operational reset, which increased productivity and de-risked the medium-term volume forecast. IFM helped to reposition the business for growth, supported by IFM Investors' secondments and drawing from IFM's global seaport expertise. Value creation was driven by a series of key strategies including the restructuring of maintenance operations, organisational structure streamlining existing contract extensions, successful new contracts wins and the implementation of on-site rail capacity and capacity expansion plans.

In 2023, IFM spearheaded the carve-out and exit of GCT USA to CMA CGM Group at an attractive price after a 4.5-year hold period. Organisational and operational restructuring was complete by 2022, with GCT USA growing normalised EBITDA by 28% p.a. and increasing EBITDA margins by 10% since acquisition. Scarce terminal capacity on the East Coast & significant free cash flow made GCT USA attractive to both financials and strategics and GCT USA was sold in competitive auction process realising full value at exit and delivering a >30% IRR and >3.0x MOIC to investors.

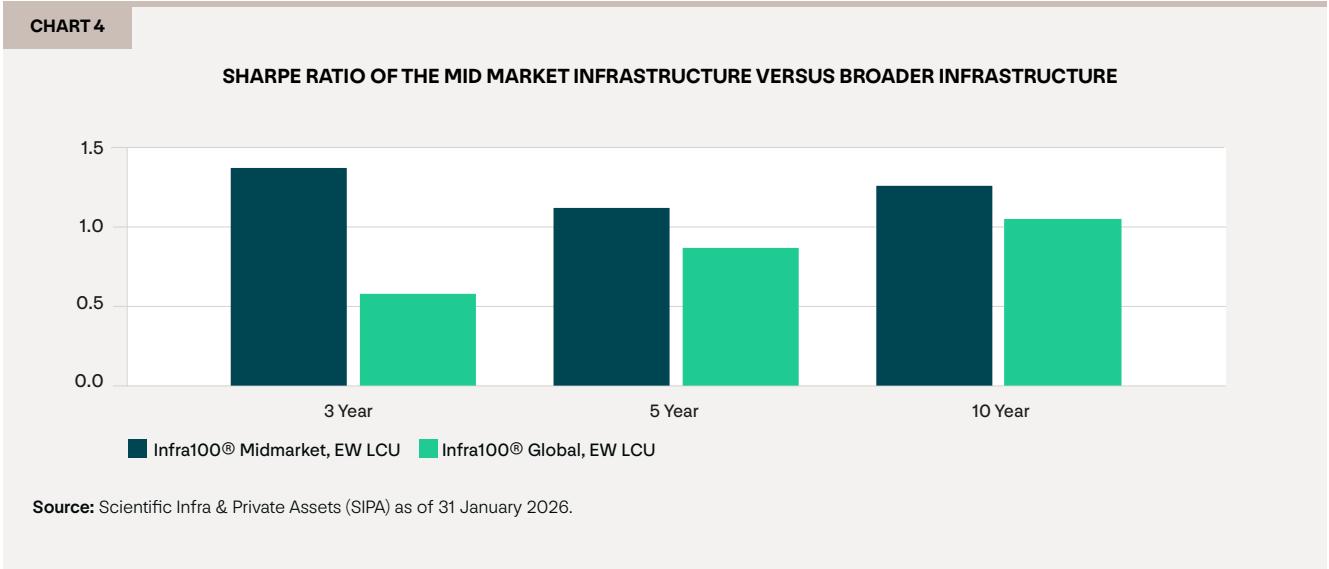
IFM's extensive multi-decade experience as a dedicated infrastructure manager provides us with insights into how to grow, transform, de-risk and ultimately better position infrastructure assets, making them more attractive for exit to core and core plus infrastructure investors.

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Strategic implications for investors - role in portfolio diversification

We believe there is a growing investor appetite for infrastructure strategies that offer higher return potential while maintaining the critical characteristics of the asset class. IFM’s Private Markets 700 research³ found that investors are increasingly moving up the risk curve, with 64% of respondents targeting high yielding sub strategies such as value add and opportunistic infrastructure.

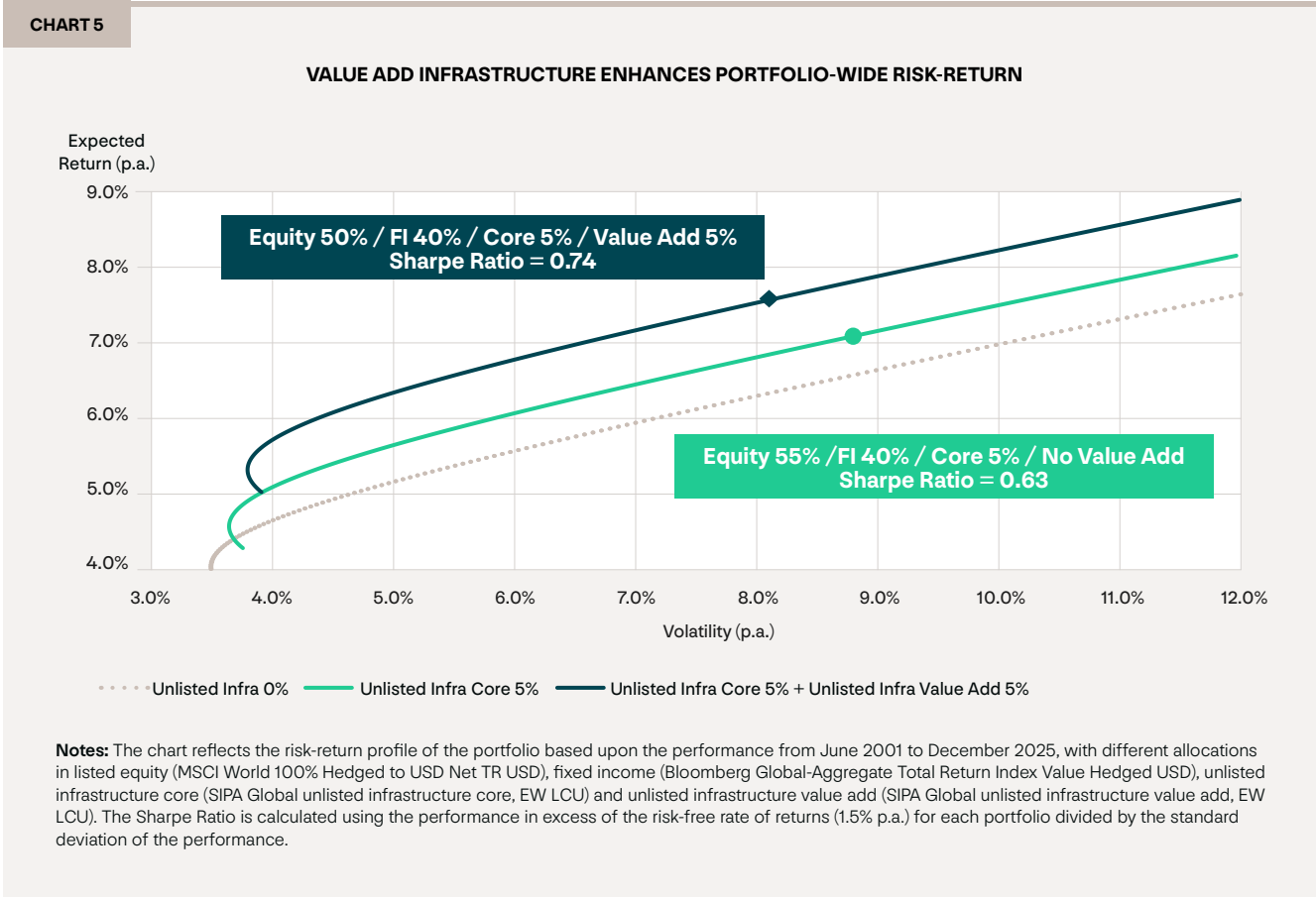
Chart 4 illustrates that generally mid-market infrastructure has consistently demonstrated higher risk-adjusted performance and better downside hedge relative to the broader infrastructure market across multiple time horizons. These findings indicate that mid-market infrastructure can offer a more attractive risk-return profile with stronger capital preservation, which we believe makes it a compelling option for long-term infrastructure investment portfolios.



We believe there is a growing investor appetite for infrastructure strategies that offer higher return potential while maintaining the critical characteristics of the asset class.

Mid-market also provides access to a broader set of infrastructure strategies, extending beyond core into other infrastructure sub strategies and adjacencies. We believe these strategies complement traditional core infrastructure, enabling investors to construct portfolios that aim to balance defensive characteristics with growth potential. The analysis shown in Chart 5 indicates that incorporating

unlisted core infrastructure into a traditional equity/fixed income portfolio can shift the efficient frontier upward and to the left, enhancing returns while reducing overall risk. Furthermore, adding an additional allocation to unlisted value add infrastructure can further enhance the portfolio's risk adjusted returns, reinforcing the benefits of diversification within the infrastructure asset class.



Adding an additional allocation to unlisted value add infrastructure can further enhance the portfolio's risk adjusted returns



TABLE 1

UNLISTED INFRASTRUCTURE RISK FACTOR EXPOSURES BY SUB STRATEGIES

	Leverage		Size (US\$m)		Term spread		Profitability		Investment	
	Median	IQR	Median	IQR	Median	IQR	Median	IQR	Median	IQR
Global Infra	75.5%	56-94%	403	123-1,200	1.2%	1.2-1.7%	10.2%	6.6-16.2%	1.9%	0.1-5.5%
Core Infra	66.6%	45-88%	261	86-796	1.2%	1.1-1.7%	12.0%	7.8-19.9%	0.6%	0.0-2.9%
Core plus Infra	82.7%	64-97%	471	191-1,510	1.4%	1.2-1.6%	9.9%	6.4-14.1%	2.7%	0.4-6.4%
Value add Infra	82%	71-95%	705	234-2,816	1.4%	1.2-1.6%	7.7%	4.7-11.1%	5.3%	1.8-9.3%

Source: Scientific Infra & Private Assets (SIPA) as of 31 January 2026. Leverage: total liabilities over total assets; size: total assets; term spread: 20-year public bond yield minus 3-month public bond yield; profitability: return on assets before tax; investment: capex over total assets. The categorization of core, core plus and value add adopted by SIPA is based on risk/return profiles of unlisted infra companies within the infraMetrics database. Companies with expected returns below the median are classified as core; those above the median but below the 75th percentile are core plus; and those above the 75th percentile are value-add.

Table 1 demonstrates that while infrastructure sub strategies – such as core, core plus, and value add – share certain common characteristics, their distinct value drivers offer complementary exposures that can potentially enhance portfolio diversification. For example, core infrastructure tends to have lower leverage but also lower investment factor, measured as capex over total assets. Core-plus and value add infrastructure generally shows lower immediate profitability, but increased ability to generate higher returns through value creation initiatives.

Mid-market strategies also enable access to emerging infrastructure sub-sectors that typically begin at a relatively smaller scale but rely heavily on active near-term value creation levers, including technological upgrades, operational optimisation, and strategic repositioning. These opportunities may be attractive for investors seeking differentiated sources of alpha within their infrastructure allocations. By targeting these niche segments, mid-market strategies enable investors to complement traditional core infrastructure holdings with assets that combine defensive characteristics and higher return potential.

From our observations, heightened uncertainty amid elevated geopolitical risks and widening divergence in the growth outlook across major economies currently characterise the global economic landscape. In this context, our mid-market infrastructure strategy, focused on asset centricity with positive infrastructure adjacency and supported by a clear path to implement value creation initiatives, naturally lends itself to potentially resilient performance through cycles. The projected acceleration of infrastructure investments, with global assets under management expected to approach US\$3 trillion by 2030,⁴ further underscores the relevance of this resilience. Collectively, we believe these dynamics position mid-market infrastructure as a strategically attractive component of institutional portfolios, balancing defensive characteristics with growth potential in an era of heightened macroeconomic volatility. More importantly, we apply an established infrastructure mindset to our investments, which is critical given the distinct operational and regulatory complexities of infrastructure assets that require a fundamentally different model from conventional private equity.⁵

⁴ Source: Preqin Private Markets in 2030

⁵ Investments in infrastructure are subject to various risks including regulatory risk and market risk, which are outlined in further detail on the "Important Disclosures" page. Prior to making an investment in any infrastructure strategy, investors should refer to the offering documents for a complete discussion of risks.

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