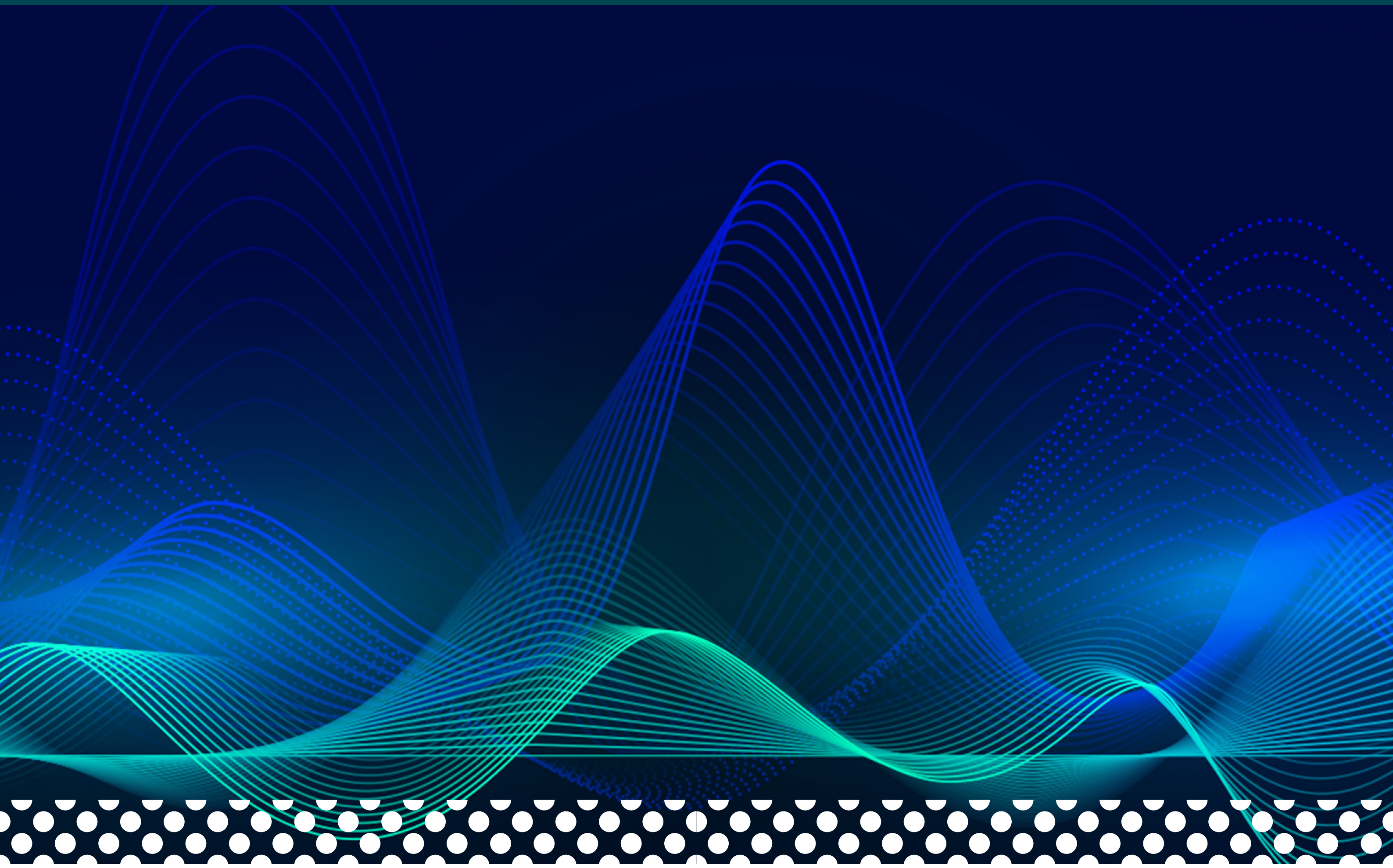


Abbie Sui
Director, Infrastructure (Australia) – Portfolio Management

Aaron McGovern
Executive Director, Infrastructure (Europe)

The mid-market advantage in infrastructure investing

Private infrastructure fundraising surpassed the high watermark years of 2021-22 and reached nearly US$300 billion in 2025[1]. This record milestone reflects 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 a steady demand profile, inflation hedge, sustainable growth, and low correlation to traditional asset classes.

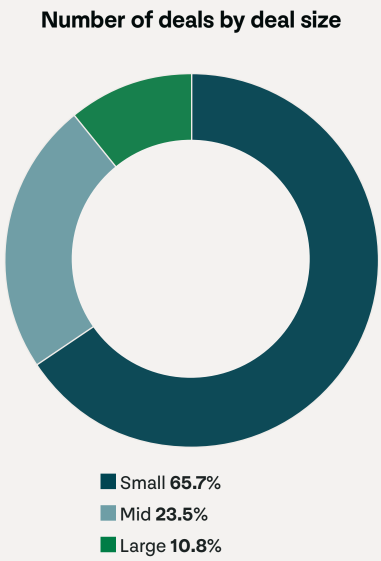
Well-aligned opportunity set: An expanding market

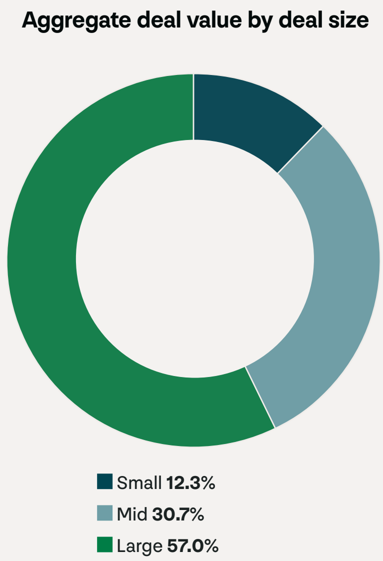
While large-cap infrastructure has attracted increased institutional capital, the mid-market remains central to deal activity. Over the last five years, infrastructure deals less than US$1 billion accounted for just under half of the market in transaction value and approximately 89% of deals, underscoring the depth and liquidity of the segment (see Chart

[1] Source: Infrastructure Investor Fundraising Report Full Year 2025

CHART 1

INCREASING FLOW OF OPPORTUNITIES WHICH REQUIRE SMALLER EQUITY CHEQUES TO FUND GROWTH





Source: Preqin infrastructure deals (2021 – 2025), with the deal size representing the total transaction value including leverage. Small: less than US$250 million; Mid: less than US$1billion but greater than US$250 million; Large: greater than US$1 billion.

1). For global investors seeking diversification and higher return potential while retaining the defensive characteristics of infrastructure, the mid-market offers an attractive and growing opportunity set.

Preqin's fund search data indicates that investor intentions are shifting further toward smaller commitments[2], highlighting growing interest in mid-market strategies. At the same time, the increasing size of infrastructure funds has created attractive pricing in the mid-market. As many infrastructure managers originally focused on the mid-market have migrated into the large-cap space as their fund sizes have grown, the mid and lower market have become comparatively underserved.

Enhancing long-term portfolios through stronger risk-adjusted returns

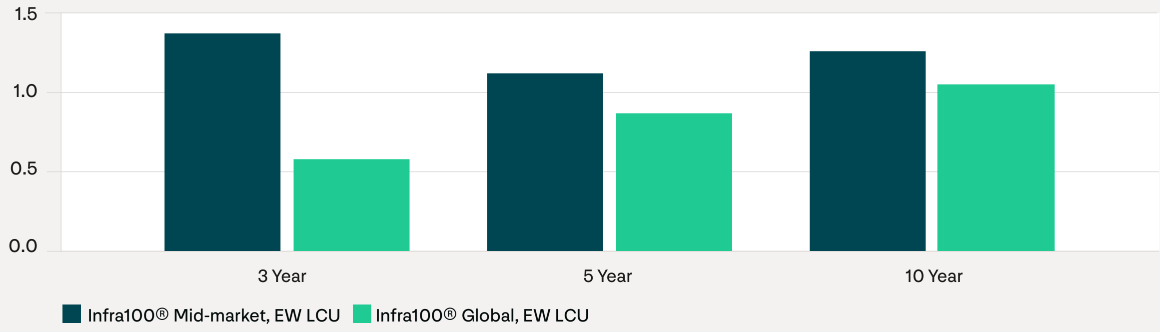
Chart 2 illustrates that generally mid-market infrastructure has consistently demonstrated higher risk-adjusted performance relative to the broader infrastructure market across multiple time horizons. The difference is most pronounced over three years, where mid-market infrastructure's Sharpe ratio was 1.37, more than twice the broader market's 0.58. 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 mid-market infrastructure is well-positioned to benefit from the macro trends of digitalisation, deglobalisation and decarbonisation**

[2] Source: Preqin Global Report Infrastructure in 2026

CHART 2

SHARPE RATIO OF THE MID-MARKET INFRASTRUCTURE VERSUS BROADER INFRASTRUCTURE



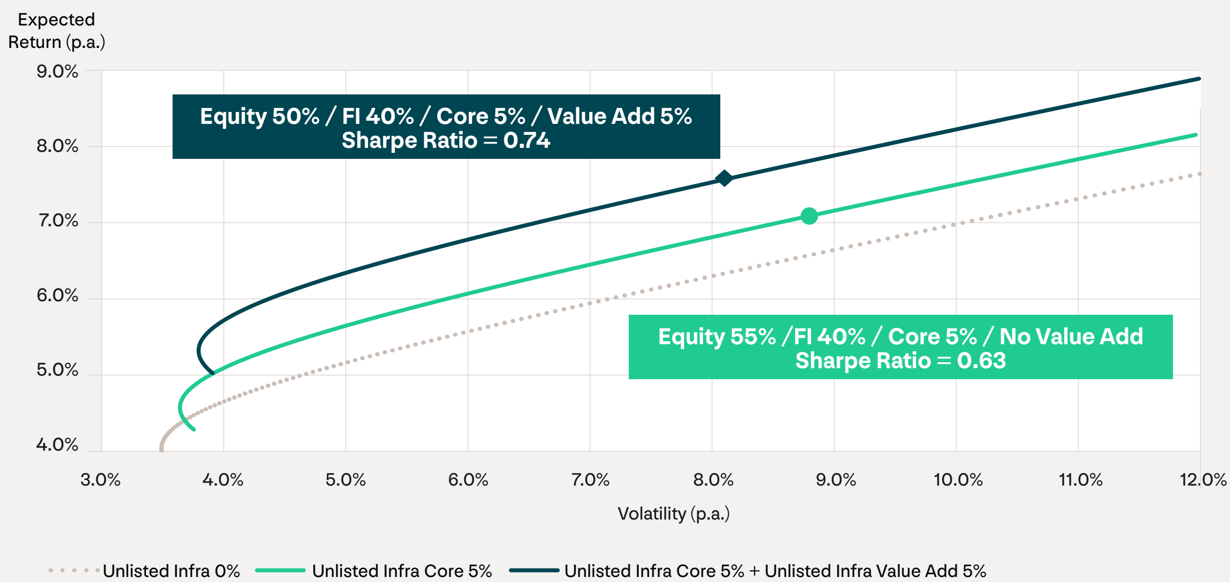
Source: Scientific Infra & Private Assets (SIPA) as of 31 January 2026.

Improving mid-market exposure to improve portfolio efficiency

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 following analysis in Chart 3 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. Adding a 5% allocation to unlisted value add infrastructure increased the Sharpe ratio by 0.11, further enhancing the portfolio's risk-adjusted returns and reinforcing the benefits of diversification within the infrastructure asset class.

CHART 3

VALUE ADD INFRASTRUCTURE ENHANCES PORTFOLIO-WIDE RISK-RETURN



Notes: The chart reflects the risk-return profile of the portfolio based upon the performance from June 2001 to December 2025, with different allocations in listed equity (MSCI World 100% Hedged to USD Net TR USD), fixed income (Bloomberg Global-Aggregate Total Return Index Value Hedged USD), unlisted infrastructure core (SIPA Global unlisted infrastructure core, EW LCU) and unlisted infrastructure value add (SIPA Global unlisted infrastructure value add, EW LCU). The Sharpe Ratio is calculated using the performance in excess of the risk-free rate of returns (1.5% p.a.) for each portfolio divided by the standard deviation of the performance.

Combining infrastructure sub-strategies to improve diversification

While infrastructure sub-strategies - such as core, core plus, and value add - share certain common characteristics, their distinct value drivers offer complementary exposures. Access to opportunities across the infrastructure risk spectrum may allow investors to combine these differentiated return drivers within a single portfolio, potentially strengthening diversification and improving risk-adjusted returns. As shown in Table 1, core plus and value add infrastructure generally show lower immediate profitability than core infrastructure, 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 with higher return potential.

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 categorisation 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.

Positioned for resilience across market cycles

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, mid-market infrastructure strategies focused on asset centricity with positive infrastructure adjacency and supported by clear value creation pathways naturally lend themselves 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[3], further underscores the relevance of this resilience. Mid-market has accounted for a large share of transaction volume and deal activity in recent years, highlighting the depth of the opportunity set. For investors seeking to enhance portfolio diversification and improve risk-adjusted returns while retaining the defensive characteristics of infrastructure, mid-market can offer a compelling way to access this opportunity.

Contact our Client Solutions team

To discuss what the growing opportunity set in the mid-market could mean for your portfolio, please contact our Global Client Solutions team.

[3] Source: Preqin Private Markets in 2030

Important Disclosures

The following disclosure applies to this material and any information provided regarding the information contained in this material. By accepting this material, you agree to be bound by the following terms and conditions. The material does not constitute an offer, invitation, solicitation, or recommendation in relation to the subscription, purchase, or sale of securities in any jurisdiction and neither this material nor anything in it will form the basis of any contract or commitment. IFM Investors (defined as IFM Investors Pty Ltd and its affiliates) will have no liability, contingent or otherwise, to any user of this material or to third-parties, or any responsibility whatsoever, for the correctness, quality, accuracy, timeliness, pricing, reliability, performance, or completeness of the information in this material. In no event will IFM Investors be liable for any special, indirect, incidental, or consequential damages which may be incurred or experienced on account of a reader using or relying on the information in this material even if it has been advised of the possibility of such damages.

Certain statements in this material may constitute "forward looking statements" or "forecasts". Words such as "expects," "anticipates," "plans," "believes," "scheduled," "estimates" and variations of these words and similar expressions are intended to identify forward-looking statements, which include but are not limited to projections of earnings, performance, and cash flows. These statements involve subjective judgement and analysis and reflect IFM Investors' expectations and are subject to significant uncertainties, risks, and contingencies outside the control of IFM Investors which may cause actual results to vary materially from those expressed or implied by these forward-looking statements. All forward-looking statements speak only as of the date of this material or, in the case of any document incorporated by reference, the date of that document. All subsequent written and oral forward-looking statements attributable to IFM Investors or any person acting on its behalf are qualified by the cautionary statements in this section. Readers are cautioned not to rely on such forward-looking statements. The achievement of any or all goals of any investment that may be described in this material is not guaranteed.

Past performance does not guarantee future results. The value of investments and the income derived from investments will fluctuate and can go down as well as up. A loss of principal may occur.

This material may contain information provided by third parties for general reference or interest. While such third-party sources are believed to be reliable, IFM Investors does not assume any responsibility for the accuracy or completeness of such information.

This material does not constitute investment, legal, accounting, regulatory, taxation or other advice and it does not consider your investment objectives or legal, accounting, regulatory, taxation or financial situation or particular needs. You are solely responsible for forming your own opinions and conclusions on such matters and for making your own independent assessment of the information in this material. Tax treatment depends on your individual circumstances and may be subject to change in the future.

Australia Disclosure
This material is provided to you on the basis that you warrant that you are a "wholesale client" or a "sophisticated investor" or a "professional investor" (each as defined in the Corporations Act 2001 (Cth)) to whom a product disclosure statement is not required to be given under Chapter 6D or Part 7.9 of the Corporations Act 2001 (Cth). IFM Investors Pty Ltd, ABN 67 107 247 727, AFS Licence No. 284404.

United Kingdom Disclosure
This material is provided to you on the basis that you warrant that you fall within one or more of the exemptions in the Financial Services and Markets Act 2000 ("FSMA") [(Financial Promotion) Order 2005] [(Promotion of Collective Investment Schemes) (Exemptions) Order 2001, or are a Professional Client for the purposes of FCA rules] and as a consequence the restrictions on communication of "financial promotions" under FSMA and FCA rules do not apply to a communication made to you. IFM Investors (UK) Ltd shall have no liability, contingent or otherwise, to any user of this material or to third parties, or any responsibility whatsoever, for the correctness, quality, accuracy, timeliness, pricing, reliability, performance, or completeness of the information in this material.

Switzerland Disclosure
This Information is provided to you on the basis that you warrant you are (i) a professional client or an institutional client pursuant to the Swiss Federal Financial Services Act of 15 June 2018 ("FinSA") and (ii) a qualified investor pursuant the Swiss Federal Act on Collective Investment Schemes of 23 June 2006 ("CISA"), for each of (i) and (ii) excluding high-net-worth individuals or private investment structures established for such high-net worth individuals (without professional treasury operations) that have opted out of customer protection under the FinSA and that have elected to be treated as professional clients and qualified investors under the FinSA and the CISA, respectively.

IFM-24JULY2026-5770557