



Q1 2026

Infrastructure Credit vs Corporate Credit



- **Important factors distinguishing infrastructure credit vs general corporate credit (private and public):**

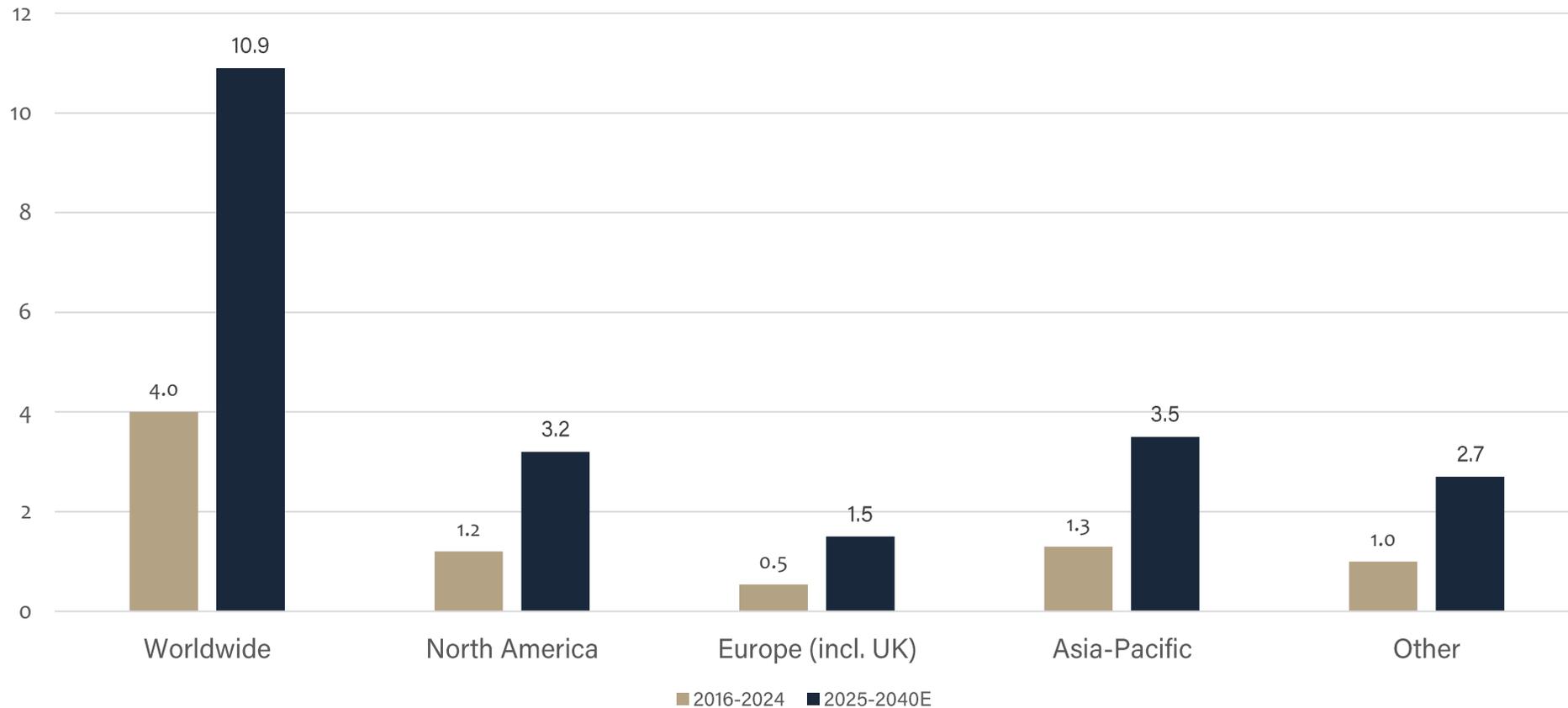
- Demand for infrastructure capital far outstrips the supply of infrastructure capital (the “infrastructure investment gap”).⁽¹⁾ This provides a strong underpinning for infrastructure and will help to ensure infrastructure credit stays a lenders’ market (see page 3).
- Infrastructure is a defensive asset class providing essential services unlike many industries in private credit (e.g., finance, consumer and industrial). Defensive means its demand is relatively inelastic and it tends to outperform industrial credit in times of economic weakness which is more tied to the business cycle.
- Infrastructure debt is not nearly as prone to the covenant light cycle that general corporate loans usually go through at market tops. Infrastructure debt is a heavily covenanted asset class with extensive credit enhancements that are often lacking in corporate credit.
- Infrastructure revenues are often contracted, whereas in general credit companies often sell their product or service in the spot market (i.e., these revenues are subject to merchant risk). This steadier revenue decreases business risk.
- Infrastructure lending is normally against mission critical, hard assets (toll road concessions, power generation turbines, rolling stock, pipelines, etc.) leading to higher recovery value vs general credit which can be against softer or intangible assets such as inventory, IP pledges, brand value, receivable assignments, which can depreciate much more rapidly.

- **These factors contribute to:**

- Infrastructure debt returns being approx. one-half as volatile as global high yield bond returns. This observation is based on 10+ years’ worth of SEQI and high yield bond return data (see page 4).⁽²⁾
- Lower default rates and higher recovery rates for infrastructure credit vs general corporate credit (see page 5).

Infrastructure Investment Gaps

Capital Requirements vs. Identified Funding Sources (USD T)



Source: Euromonitor analysis from desk research sources and trade interviews with relevant trade interview associations.

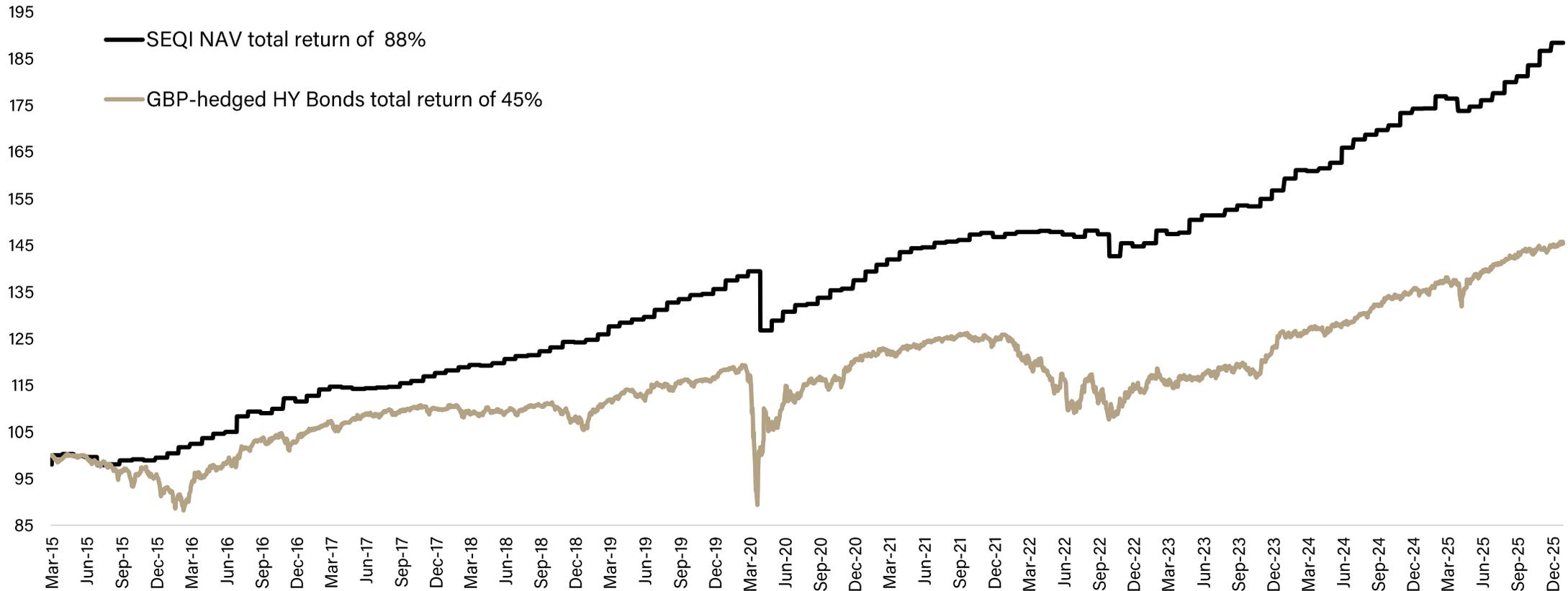
Data rounded up to one decimal point. Infrastructure investment gap represents the cumulative requirement for infrastructure projects to be built or refreshed over a period of time versus the identifiable sources of capital with the point of estimation being at the beginning of the period and is estimated during the time periods as follows: 2016-2024 and 2025-2040.

Fund I track record – significantly outperforming the benchmark



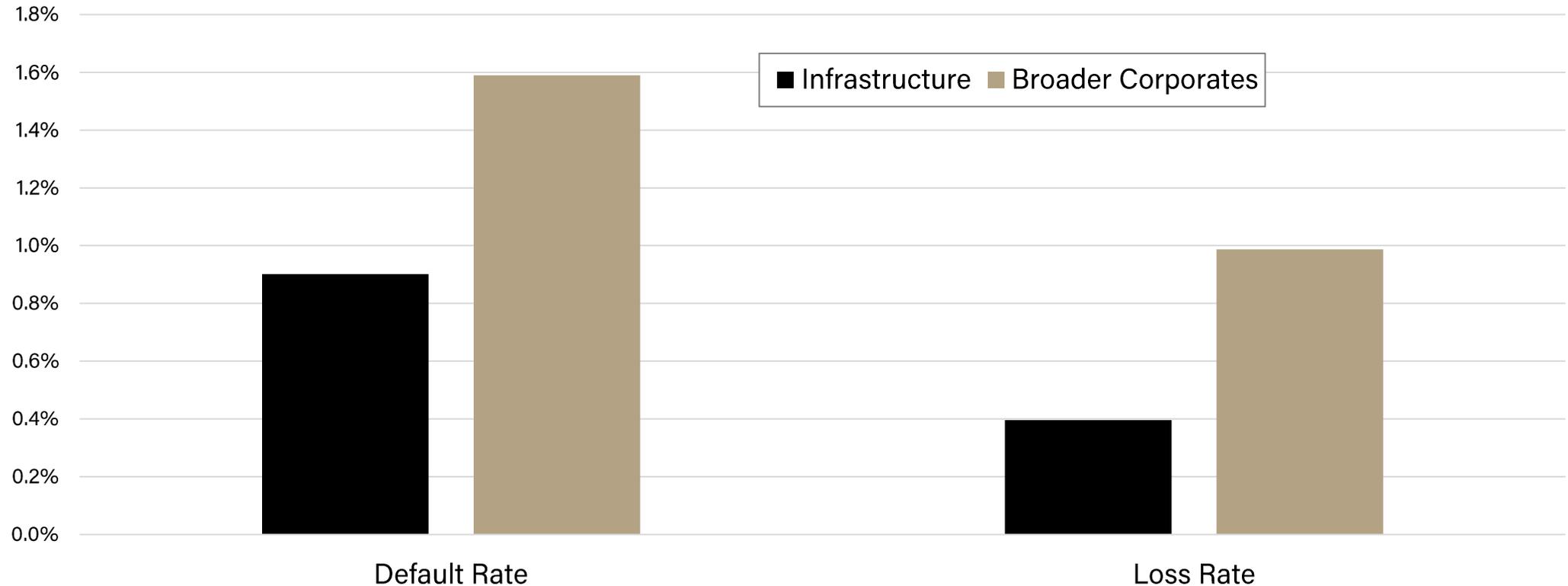
Relative performance ⁽¹⁾

(cumulative total return since the inception of the fund)



(1) Unless otherwise stated, all data is current as of September 2025. (2) Global High Yield Bonds GBP-hedged ETF, ticker GHYSLN. All indices including Fund NAV, rebased to 100.

Average Annual Default & Loss Rates for Ba-Rated Securities (1983-2024)



Infrastructure debt exhibits lower default rates and lower loss rates than corporate debt

Source: Moody's Ratings' Infrastructure default and recovery rates report 3 September 2025.

"Infrastructure" refers to Corporate Infrastructure & Project Finance Debt Securities, and "Broader Corporates" refers to non-financial corporates. Averages are calculated over the first 10 years of each security.

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