



Q1 2026

Infrastructure Private Credit vs Corporate Private Credit



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

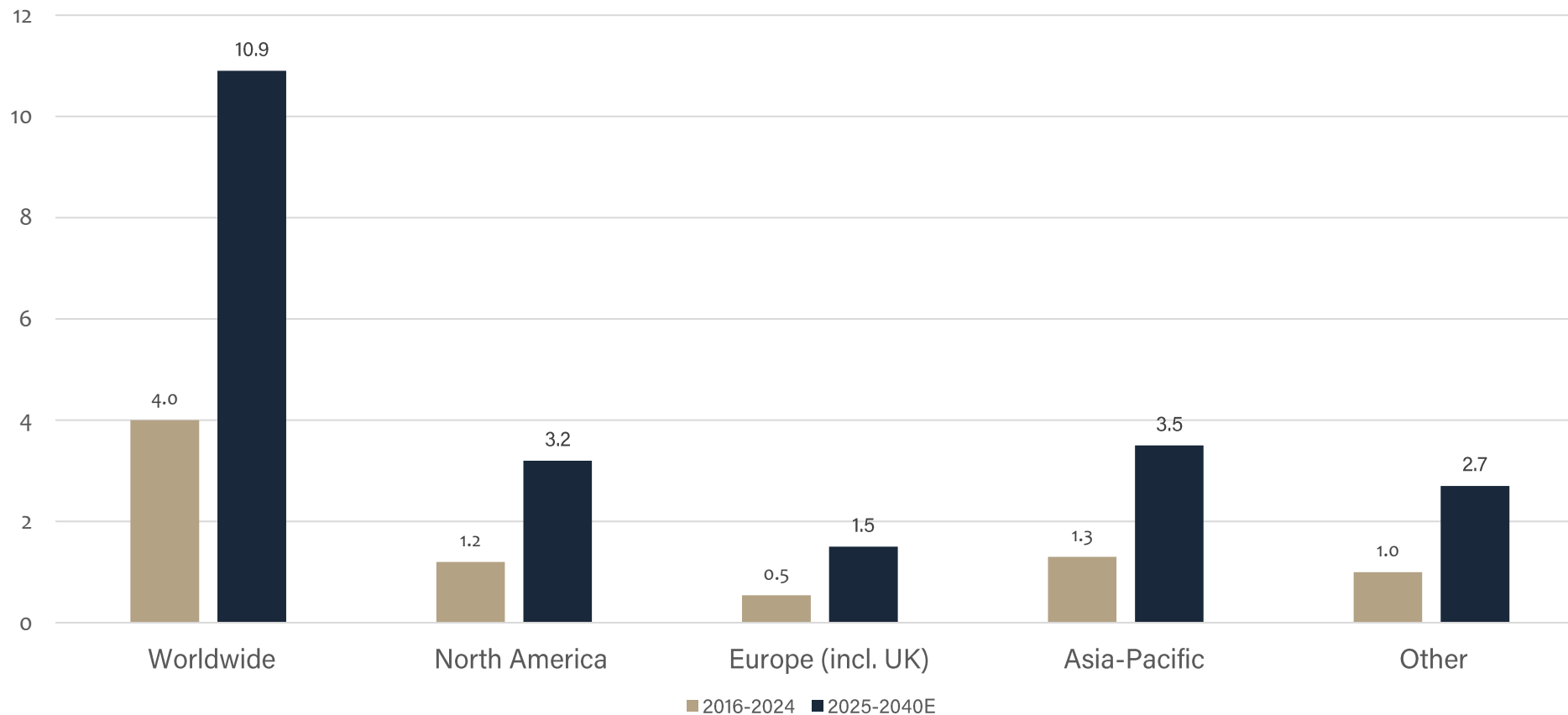
- Demand for infrastructure capital far outstrips the supply of infrastructure capital (the “infrastructure investment gap”).⁽¹⁾ This provides a strong underpinning for infrastructure and will help to ensure infrastructure credit stays a lenders’ market (see page 3).
- Infrastructure is a defensive asset 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.

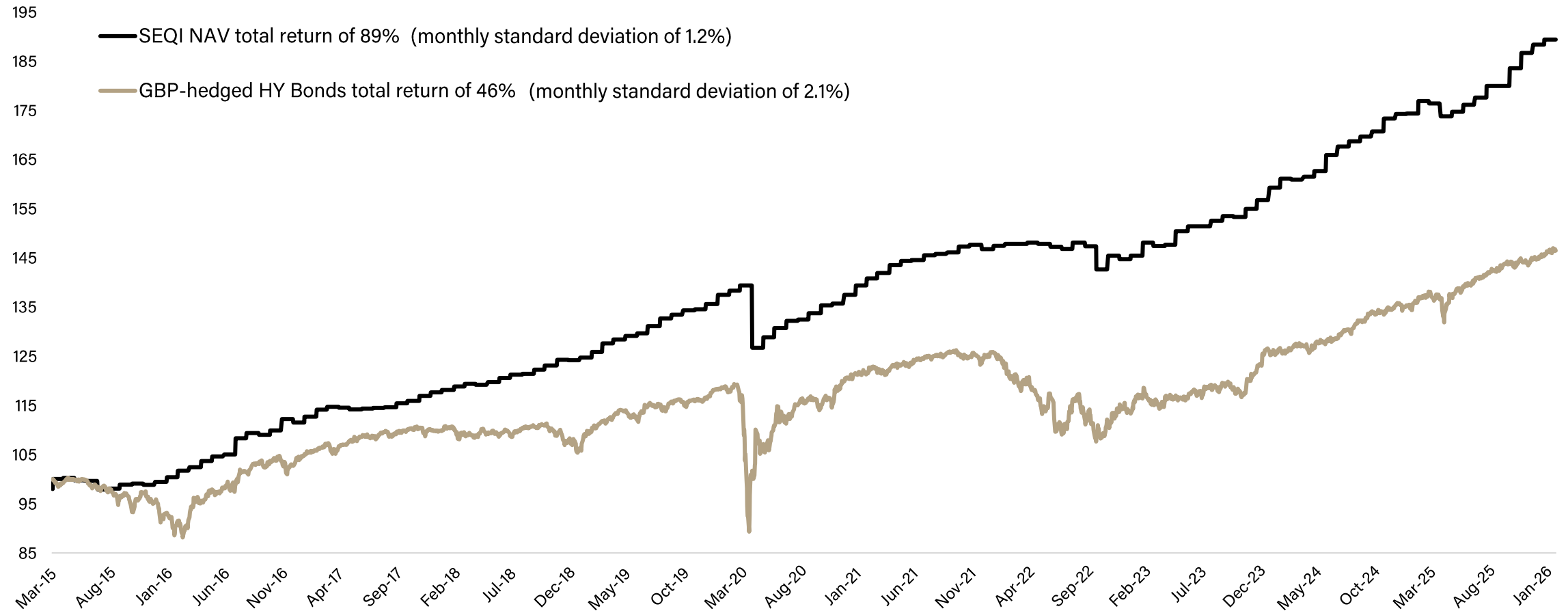
Data rounded up to one decimal point. Infrastructure investment gap represents the cumulative requirement for infrastructure projects to be built or refreshed over a period of time versus the identifiable sources of capital with the point of estimation being at the beginning of the period and is estimated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

Fund I track record – significantly outperforming the benchmark



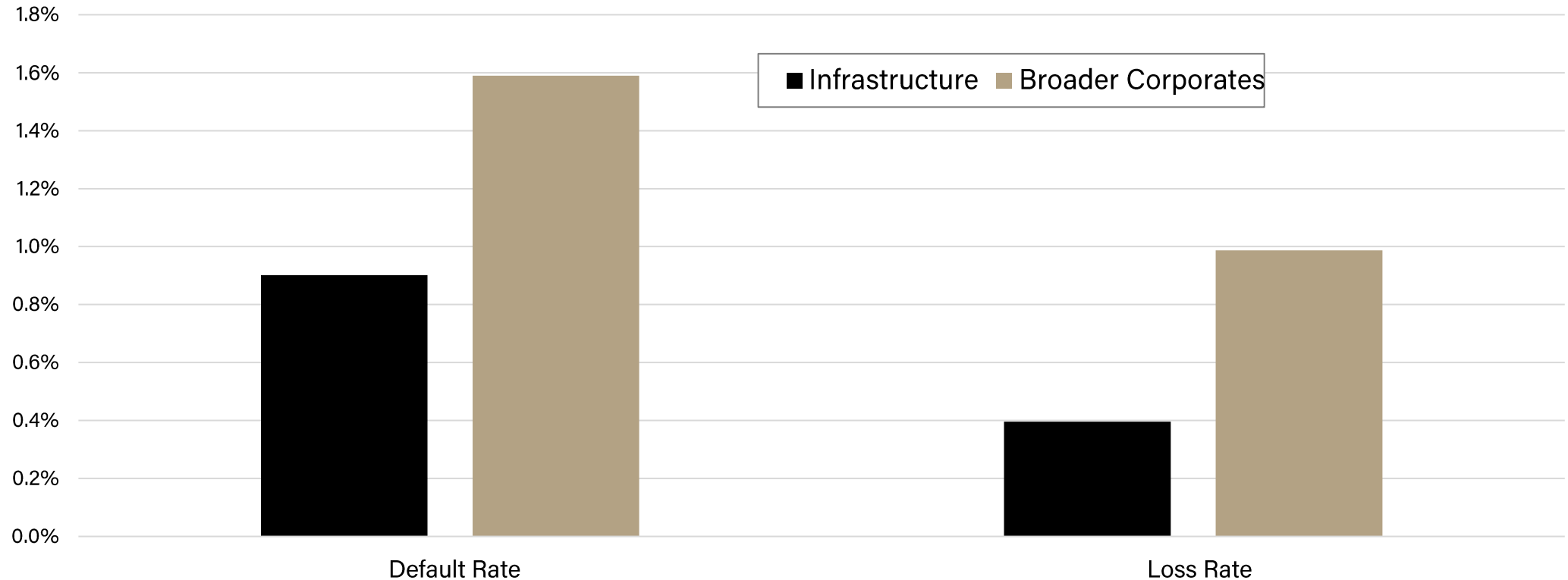
Relative performance ⁽¹⁾

(cumulative total return since the inception of the fund)



(1) Unless otherwise stated, all data is current as of January 2026. (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

THE CONTENTS OF THIS DOCUMENT AND THE PRESENTATION ARE STRICTLY CONFIDENTIAL AND MAY NOT BE COPIED, DISTRIBUTED, PUBLISHED OR REPRODUCED IN WHOLE OR IN PART, OR DISCLOSED OR DISTRIBUTED BY RECIPIENTS TO ANY OTHER PERSON. ANY RECIPIENT OF THIS DOCUMENT AND THE PRESENTATION AGREES TO KEEP PERMANENTLY CONFIDENTIAL ALL INFORMATION IN THIS DOCUMENT AND THE PRESENTATION NOT ALREADY IN THE PUBLIC DOMAIN.

This document and the presentation are not for release, publication or distribution (directly or indirectly), in whole or in part, to any "U.S. person" as defined in Regulation S under the United States Securities Act of 1933, as amended (the "Securities Act") or in or into the United States, Canada, Australia, New Zealand, the Republic of South Africa or Japan or into any other jurisdiction where applicable laws prohibit its release, distribution or publication. It does not constitute an offer for sale of, resale of, transfer of or delivery of or the solicitation of a offer to purchase, directly or indirectly, securities anywhere in the world, including to a "U.S. person" or in or into the United States, Canada, Australia, New Zealand, the Republic of South Africa or Japan.

No recipient may distribute, or make available, this document or the presentation (directly or indirectly) to any other person. Recipients of this document and the presentation should inform themselves about and observe any applicable legal requirements in their jurisdictions. In particular, the distribution of this document and the presentation may in certain jurisdictions be restricted by law. Recipients, and any other persons who come into possession of this document and the presentation should inform themselves about and observe, any such restrictions. Accordingly, recipients represent that they are able to receive this document and the presentation without contravention of any applicable legal or regulatory restrictions in the jurisdiction in which they reside or conduct business.

This document and the presentation have been prepared by Sequoia Investment Management Company Limited ("Sequoia" or the "Investment Advisor"). No member of the Investment Advisor nor any of its respective directors, officers, employees, advisors, representatives, or other agents makes or has been authorised to make any representation or warranties (express or implied) in relation to the Investment Advisor or as to the truth, accuracy or completeness of this document or the presentation, or any other written or oral statement provided. In particular, no representation or warranty is given as to the achievement or reasonableness of, and no reliance should be placed on any projections, targets, estimates or forecasts contained in this document or the presentation and nothing in this document or the presentation is or should be relied on as a promise or representation as to the future.

This document does not constitute a prospectus or offering memorandum or an offer in respect of any securities and is not intended to provide the basis for any decision in respect of any securities or any other entity and should not be considered as a recommendation that any investor should subscribe for or purchase any such securities. Neither the issue of this document nor the presentation nor any part of their contents constitutes an offer to sell or invitation to purchase any securities or any other entity or any persons holding securities and no information set out in this document or the presentation or referred to in other written or oral information is intended to form the basis of any contract of sale, investment decision or any decision to purchase any securities referred to in it.

The information contained in this document and the presentation is given at the date of its publication (unless otherwise marked) and is subject to updating, revision and amendment. No reliance may be placed for any purpose whatsoever on the information or opinions contained in this document and the presentation or on their completeness, accuracy or fairness. The contents of this document and the presentation have not been approved by any competent regulatory or supervisory authority.

This document, any presentation made in conjunction with this document and any accompanying materials (the "Information Materials") are made available for information purposes only. The Information Materials, which do not constitute a prospectus or listing particulars or an admission document, do not contain any representations, do not constitute or form part of any offer or invitation to sell or transfer, or to underwrite, subscribe for or acquire, any shares or other securities, and do not constitute or form any part of any solicitation of any such offer or invitation, nor shall they or any part of them or the fact of their distribution form the basis of or be relied upon in connection with any contract therefore, and do not constitute a recommendation regarding any securities. Sequoia gives no undertaking to provide the recipient with access to any additional information, or to update this document, the presentation or any additional information, or to correct any inaccuracies in it which may become apparent and the distribution of this document and the presentation shall not be deemed to be any form of commitment on the part of Sequoia to proceed with any transaction.

Sequoia Investment Management Company (SIMCo)

10 Lower Grosvenor Place,
London SW1W 0EN
United Kingdom
+44 20 7079 0480
www.simcofunds.com



Randall Sandstrom
CEO and CIO
rsandstrom@simcofunds.com

Steve Cook
Head of Portfolio Management
s.cook@simcofunds.com

Dolf Kohnhorst
Head of Infrastructure
d.kohnhorst@simcofunds.com

Matt Dimond
Executive Director and CEO - SIMCAP
Managing Director, Client Capital - SIMCo
m.dimond@simcap.hk

Xavier Yeung
Executive Director - SIMCAP
x.yeung@simcap.hk

SIMCo Credit Asia-Pacific (SIMCAP)

Unit 61, 35th Floor, Infinitus Plaza
199 Des Voeux Road Central
Sheung Wan
Hong Kong SAR, China

