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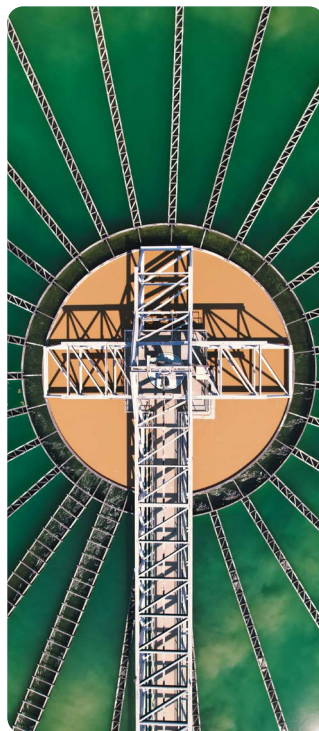
PRIVATE WEALTH

Why Infrastructure's Mid-Market Can Strengthen Your Portfolio

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What is infrastructure:

- At its core, infrastructure is simple. **It is the physical backbone of everyday life.**
- It includes energy grids that power cities, transport networks that keep economies moving, fibre networks that connect people and businesses, and utilities that communities rely on.
- These are essential, real world assets providing services with consistent, inelastic demand.



What infrastructure delivers:

- That simplicity translates into powerful investment characteristics:
 - Long-term contracted revenues
 - Embedded inflation linkage
 - Lower sensitivity to economic cycles
 - Downside protection
- The result is predictable, resilient cash flows with diversification benefits and low correlation to traditional asset classes. **A valuable combination for enhancing long-term wealth portfolios.**

Private infrastructure: Strong performance with downside protection

2007-2024	Annualised Returns %	Volatility %	Sharpe Ratio	Annualised Returns % Inflation Peak ('22-'23)	Correlation to 60/40 Portfolio
Private Infrastructure	8.5	6.5	1.0	10.6	0.23
Private Capital	10.5	16.5	0.5	3.2	0.61
Global Equities	7.8	17.5	0.3	1.2	0.99
Global Bonds	3.3	3.8	0.4	-2.5	0.26

Strong Risk-Adjusted Returns
Downside Protection
Diversification

Sources: Preqin, Bloomberg, CVC. Preqin Private Infrastructure Index (excl. Infrastructure Debt), Preqin Private Capital Index, MSCI World TR Index, Bloomberg Global Aggregate (Hedged to USD) Index. All indices are in USD. Annualised returns and volatility are calculated using quarterly return series from March 2007 to December 2024. Calculations for the annualised volatility of private infrastructure and private equity use de-smoothed quarterly returns adjusted for auto-correlations. Sharpe ratios are calculated based on SOFR rate post-2018 and Libor rate pre-2018. Annualised returns during high inflation regime are calculated using quarterly returns over 2022 to 2023. For illustrative purposes only.

Structural Growth Is Driving Infrastructure

Structural growth:

- The next phase of infrastructure is being driven by powerful structural forces:



Decarbonisation: the shift to renewable energy and electrification



Digitalisation: exponential growth in data, fibre and connectivity

- Critically, governments cannot fund this transition alone, widening a **global funding gap** (~15 trillion by 2040)¹ that experienced private investors are well positioned to fill.



How Europe stands out:

- **Europe combines:**
 - Clear policy direction around energy transition and digital buildout²
 - Ageing infrastructure in need of upgrade³
 - High dependence on private capital to bridge the funding gap⁴
- At the same time, Europe is inherently fragmented across countries, languages and regulatory systems.
- This fragmentation creates opportunity, but it requires experienced, on-the-ground managers who can leverage deep local insight to source and execute opportunities.
- **However, not all infrastructure opportunities are equal. The most attractive are increasingly found in the mid-market.**

Europe is fragmented



Countries:

40+



Currencies:

20+



Political Parties:

1,000+



Cultural Groups:

150+



Languages:

60+



Legislation:

100,000+

¹ Global Infrastructure Outlook. A G20 Initiative. Outlook.gihub.org. Retrieved 30 June 2025

² Massive investment needs to meet EU green and digital targets

³ EU infrastructure modernisation: tackling the finance challenge – GIIA

⁴ Mind the gap: Europe's strategic investment needs and how to support them

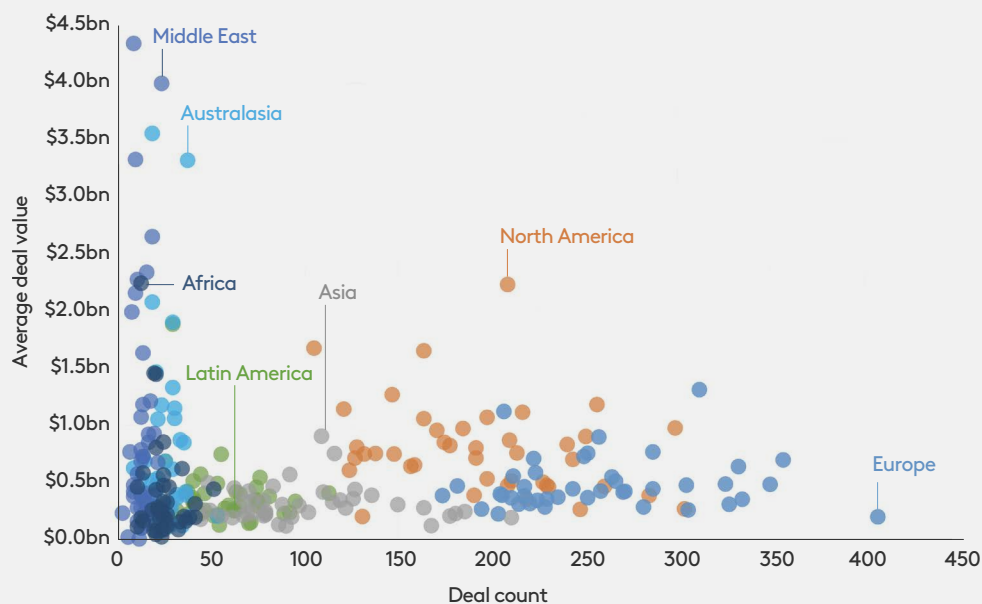
Where The Opportunity Really Lies

The mid-market edge:

- Some of the most compelling opportunities in infrastructure are not the largest, but in the mid-market, where scale and structural growth intersect.
- The mid-market⁵ represents a large and highly investable universe, accounting for approximately 90% of global infrastructure deal flow.⁶

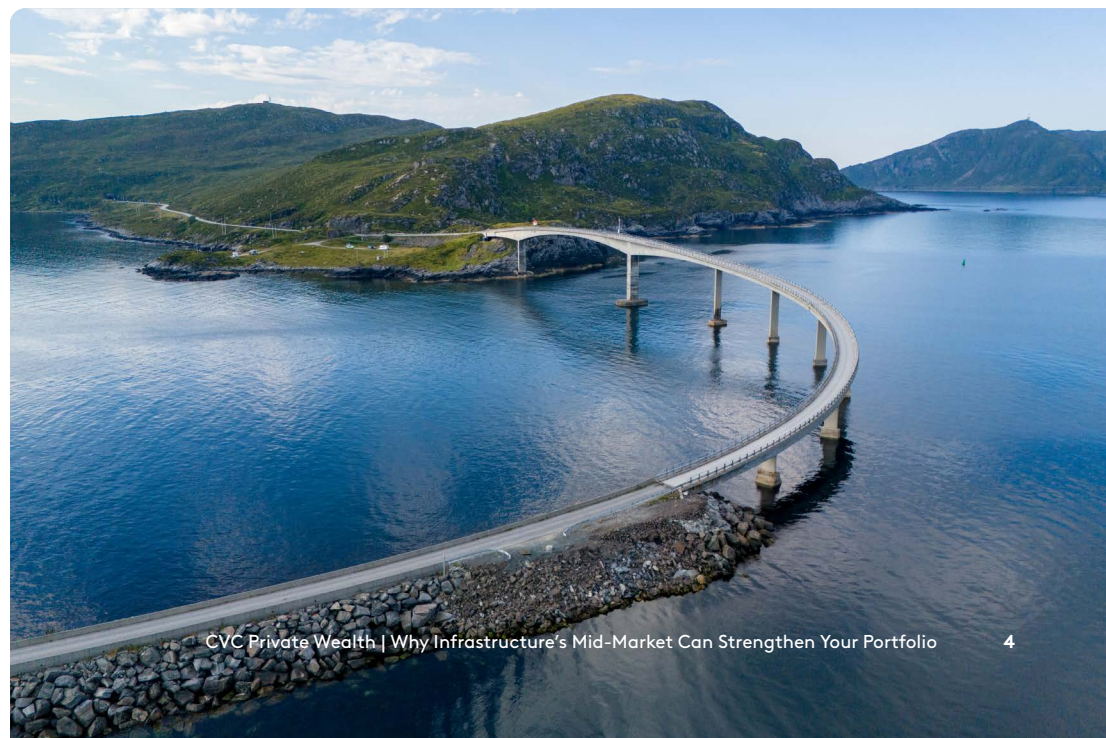
Europe most active deal hub for infrastructure globally

Regional deal flow by quarter, 2015-H1 2025



Sources: Preqin, CVC. As of 30 June 2025. For illustrative purposes only.

- The mid-market offers a differentiated investment profile:
 - Greater **access** to proprietary and bilateral transactions.
 - Typically, **lower entry valuations** than large-cap assets.
 - More levers to **enhance returns** through active value creation.
 - A wider universe of potential buyers, supporting **multiple exit options**.
 - **Diversification benefits**, as capital has historically concentrated in large-cap infrastructure.
- Unlike large auctions, the mid-market offers greater scope to create value through active ownership and operational improvement. However, partnering with the right manager is crucial.



⁵ Mid-market = \$100m<TEV =<\$1bn; large-cap = deals with TEV >\$1bn

⁶ CVC DIF analysis of Preqin data over 10 years to 17 July 2025.

Manager Selection: A Critical Success Factor

Why manager selection is key:

- In this environment, access alone is not enough. Outcomes in infrastructure, particularly in the mid-market, can vary significantly.
- **Success depends on the ability to source proprietary opportunities, execute value creation plans and realise investments effectively.**
- This requires deep local presence, sector expertise and a proven track record across the full investment cycle.
- In Europe especially, fragmentation raises the bar. It requires not just capital, but experience on the ground and the ability to operate across complex local markets.

Bottom line:

- Infrastructure remains a cornerstone of resilient portfolios. However, within the asset class, differentiation matters.
- The mid-market is a particularly attractive segment, combining a large investable universe with greater scope for value creation.
- Within this, Europe's mid-market stands out:
 - Structural growth trends, driven by digitalisation and decarbonisation
 - Market fragmentation, creating inefficiencies and barriers to entry
 - Operational value creation enabled by active ownership and local expertise
- **With the right manager, this opportunity can translate into consistent, risk-adjusted returns for long-term investors.**



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