

Our learnings from three decades
of infrastructure equity investing

Learning 6

Create long-term value through active management

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Our sixth learning is about creating long-term value through active asset management.

Infrastructure is not a set-and-forget asset class. Actively managing assets is fundamental for maximising potential long-term returns for our clients.

When we acquire an asset, our starting point is to determine if we have the right talent and expertise

at the company level with appropriate incentives set up to align with the outcomes we're aiming for. Then we identify where we can be additive, such as providing supplemental expertise where needed. For example, when building an additional terminal at one of our airports. The airport's executive team are experts in operating airports, not construction, so we brought in our construction capability to help the team manage the project effectively.



Pictured: IFM portfolio company Manchester Airports Group

Dedicated team

Our dedicated asset management team works closely with our investment professionals, co-shareholders and portfolio company management teams to identify opportunities and implement value-building and or de-risking initiatives. Asset management initiatives and activities can relate to capex programs, financing, M&A, safety reviews, mitigating climate change, cyber security and more.

In relation to cyber security, for example, we run a portfolio-wide cyber risk management initiative. We aim to supplement portfolio company skills and experience through a partnership we've established with an expert global cyber security consultancy. These consultants conduct risk assessments, educate members of our portfolio companies about risks and share best practice management strategies. In relation to safety, we benchmark the safety across all our portfolio companies each year, and we convene safety roundtables that employees of our portfolio companies participate in. The roundtables are valuable opportunities to instil our expectations, understand best practices and share learnings across the portfolio.

Our approach to divestment

Our strategy through the investment cycle is based on buying well and managing intensively. We also recognise an opportunity to create alpha and or to de-risk a portfolio through selective divestments. Our opportunistic approach is based on our preference to have the "best" portfolio that maximises risk adjusted returns for our clients, not the "biggest".

Before we consider a divestment, we aim to de-risk portfolio companies through our asset management capabilities and be in a position to demonstrate how we've changed its risk profile during ownership by realising our value-add initiatives.



Pictured: Our active management initiatives include driving and improving the safety performance of portfolio companies.

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After almost three decades of investing in infrastructure globally, we continue to focus on leveraging the learnings outlined here for the benefit of our clients and their beneficiaries. And we are still learning.

This is our sixth learning in a series of six infrastructure equity learnings.
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