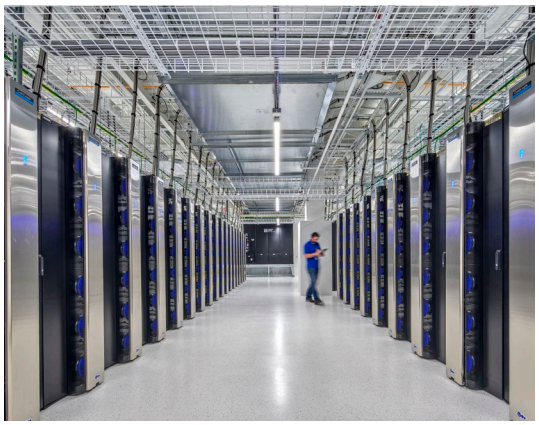
Compass Impulse

Core and Core+ infrastructure for more resilient portfolios

SwissLife Asset Managers

November 2026


Source: Brisa Auto-Estradas de Portugal, DataBank and Bring Energy, portfolio companies of Swiss Life Asset Managers.

For many institutional investors, Core and Core+ strategies remain the backbone of an infrastructure allocation. Their appeal is rooted in the characteristics that have long distinguished infrastructure from other asset classes: resilient cash flows, inflation protection, portfolio diversification and the ability to support long-term liabilities.

In today's market environment, infrastructure labels often reveal less than investors might assume. As the asset class has evolved, traditional classifications have become increasingly blurred, making it essential to look beyond labels and focus on the underlying drivers of risk and resilience. Not every investment marketed as Core or Core+ necessarily offers the stability, visibility and downside protection these categories have historically implied.

Infrastructure for more resilient portfolios

After more than a decade of exceptionally accommodative monetary policy, capital markets are undergoing a structural shift. Higher interest rates, geopolitical uncertainty and the reconfiguration of global trade and supply chains are reshaping the investment landscape. At the same time, inflation has become more volatile, while concerns about slower growth and persistent price pressures have returned to the forefront. Against this backdrop, resilient and inflation-protected income streams are attracting renewed attention from institutional investors.

As a result, infrastructure is assuming a more prominent role in strategic asset allocation. By providing essential services that underpin economic activity and everyday life, infrastructure combines defensive characteristics with long-term relevance. Power and gas networks, transport systems, communications infrastructure and social infrastructure assets often benefit from stable demand, high barriers to entry, long-term contractual frameworks and, in many cases, revenues that are at least partially linked to inflation.

The need for infrastructure investment remains substantial. Electrification, the expansion of renewable energy generation and transmission networks, digitalisation, a growing demand for data centre capacity and the modernisation of ageing public infrastructure are driving a multi-decade investment cycle with significant capital requirements and a broad opportunity set for long-term investors.

Why labels no longer tell the full story

Within infrastructure, investors typically distinguish between Core, Core+, Value-add and opportunistic

Core infrastructure

Investments in mature infrastructure assets characterized by highly predictable cash flows and lower risk profiles:

- Stable and predictable cash flows
- Revenues supported by regulatory frameworks or long-term contractual arrangements
- Moderate leverage
- Limited development or construction risk
- Focus on capital preservation and ongoing distributions

Typical examples: regulated utility networks, mature transport concessions, communications infrastructure assets with long-term contracted revenues.

Core+ infrastructure

Investments in largely stable infrastructure assets with identifiable opportunities for growth and operational enhancement in exchange for moderately higher risk:

- Partial reinvestment of cash flows to support future value creation
- Refinancing initiatives, targeted acquisitions
- Selective use of leverage
- Expansion and development projects
- Operational improvement

Typical examples: renewable energy platforms with development pipelines, transport infrastructure assets offering expansion or volume growth potential, decentralised energy networks.

strategies. For many institutional investors, Core and Core+ remain the backbone of their infrastructure allocation, reflecting the attributes that have traditionally underpinned the asset class's appeal: resilient cash flows, diversification benefits, a degree of inflation protection and the ability to match long-term liabilities.

The definition of Core infrastructure itself has evolved considerably over the past decade. Historically, the term referred primarily to mature brownfield assets with highly predictable cash flows and limited operational complexity. As capital has flowed into the asset class and competition for investable assets has intensified, the definition has gradually expanded. Today, some strategies classified as Core or Core+ incorporate meaningful development, technology, demand or transition risks that would historically have sat outside these categories.

As a result, the boundaries between Core+, Value-add and, in some cases, even opportunistic infrastructure have blurred. Not every strategy labelled Core or Core+ necessarily offers the stability, cash flow visibility and downside protection investors may expect. The resilience of an infrastructure investment is shaped not by whether it is categorised as Core or Core+, but by the quality of its underlying business model and the risks embedded within it. Technology exposure, capital structure, reinvestment requirements, merchant revenue exposure and the regulatory framework are often far more relevant determinants of investment outcomes than any formal classification.

Increasingly, successful infrastructure investing depends on understanding the underlying drivers of value creation, cash-flow resilience and risk, rather than relying solely on a manager's classification framework.

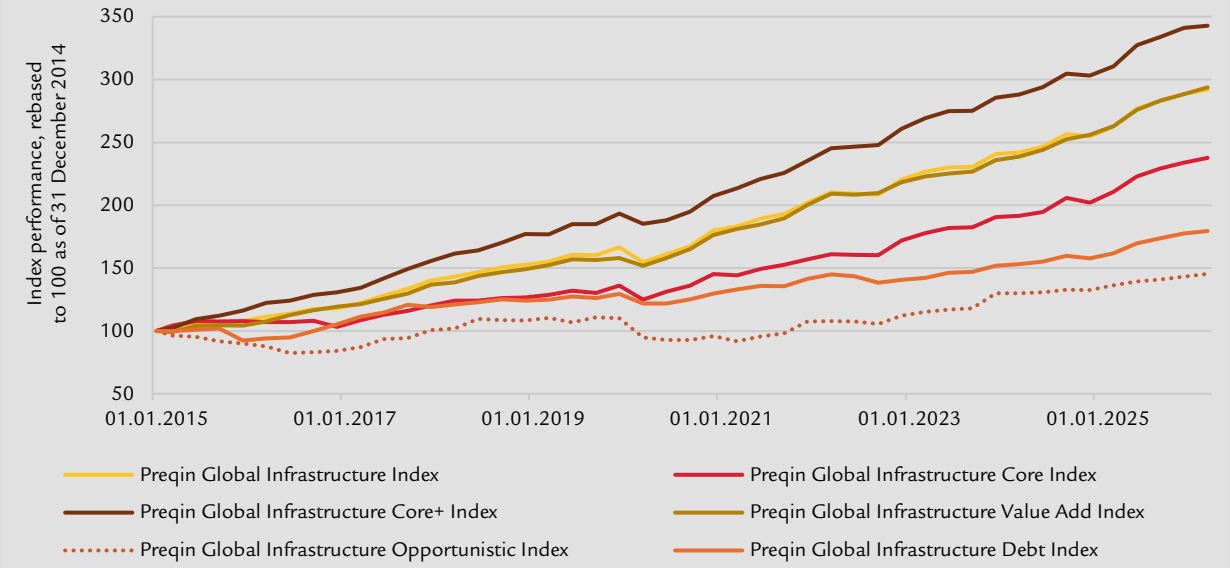
Balancing stability and growth through Core+

Institutional investors continue to seek attractive returns, even as a higher-rate environment has renewed the debate around the appropriate balance between portfolio resilience and return potential. Against this backdrop, Core and Core+ strategies remain central to many infrastructure allocations, valued for their defensive characteristics, cash-flow visibility and ability to generate long-term income.

What distinguishes Core+ is its ability to pursue additional value creation without fundamentally altering the defensive nature of the asset class. Rather than relying on materially higher risk, returns are typically enhanced through clearly identifiable and controllable levers, including asset expansion, targeted acquisitions, refinancing initiatives, operational improvements and the selective reinvestment of cash flows.

Successful Core+ investing is not about taking on risk for its own sake. Rather, additional return potential is generated through disciplined value creation within a well-defined risk framework. Importantly, not all growth opportunities offer the same degree of certainty. Growth opportunities supported by regulatory

Core+ strategies have delivered the strongest long-term performance



Quelle: Preqin (August 2026), data from 31 December 2014 to 31 March 2026; Swiss Life Asset Managers Research.

frameworks, long-term contracts or clearly visible investment programmes typically offers a higher degree of certainty than business plans dependent on competitive dynamics or favourable market conditions.

The most successful Core+ strategies combine the stability and predictability associated with traditional infrastructure assets with carefully selected opportunities for incremental growth and value creation.

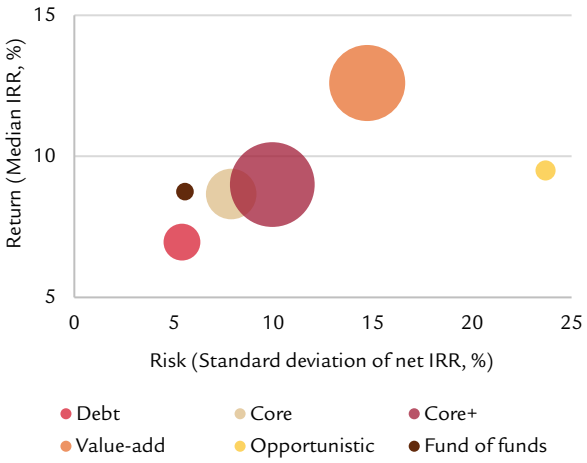
Why Core+ occupies a distinct position

For institutional investors, the quality of returns often matters as much as the level of returns themselves. Against this backdrop, Core+ occupies a distinctive position within the infrastructure universe. By combining the stability and cash-flow visibility of established infrastructure assets with clearly identifiable opportunities for value creation and growth, the strategy can offer an attractive balance between risk and return.

Historical performance data suggests that long-term value creation is not necessarily driven by taking on more risk. While opportunistic strategies typically pursue more aggressive return targets, Core+ strategies delivered the strongest performance over the period analysed. This may indicate that operational and structural value creation initiatives within established infrastructure assets can represent a more sustainable source of returns than simply increasing exposure to higher-risk investments.

The attractiveness of a strategy's risk-return profile is also influenced by the timing and predictability of cash flows. Earlier and more visible distributions can mitigate the effects of the J-curve, improve cash-flow planning and support institutional investors in managing long-term liabilities. This can be particularly valuable for investors with ongoing distribution requirements or liability-driven investment objectives.

Risk and return of infrastructure investments by strategy

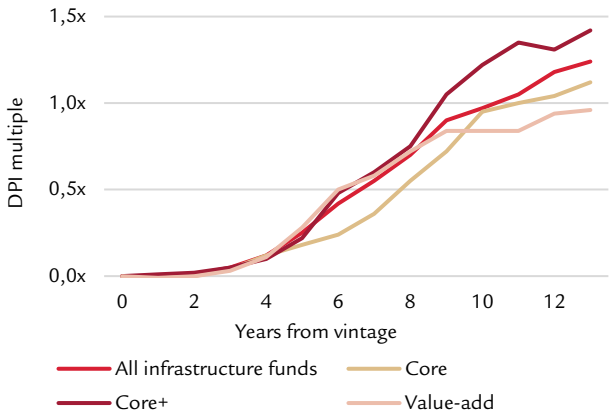


Source: Preqin (August 2026), vintage years 2013 to 2023; Swiss Life Asset Managers Research.

Historically, Core+ strategies have often achieved full capital repayment (DPI greater than 1.0x) relatively early in a fund's life while continuing to generate attractive value appreciation over time. They have also exhibited the strongest multiple expansion across the fund lifecycle. This suggests that a significant share of value creation can be realised during the holding period through operational improvements, growth initiatives and active asset management, rather than relying predominantly on exit valuations.

For long-term investors, this can translate into a compelling combination of current income, capital preservation and additional upside potential.

Core+ funds have historically achieved full capital repayment earlier



Source: Corey Dockser, PEI Group (May 2026). Only closed-end funds between vintage years 2010 and 2022. Vintage year is defined as the year of a fund's first close. All infrastructure funds include core, core+ and value-add strategies.

Active ownership is driving returns

The additional value created by Core+ strategies rarely comes from infrastructure exposure alone. Instead, it is often the result of active ownership, direct influence over strategic decision-making and disciplined governance. In practice, sustainable outperformance is typically driven by three sources:

1. Disciplined sourcing and selective acquisition of high-quality infrastructure assets at attractive valuations
2. Active value creation during the holding period through operational and strategic improvements and targeted growth initiatives
3. Optimisation of value realization through careful preparation and execution of the exit process

Value creation within Core+ strategies is typically generated through a combination of operational efficiency improvements, targeted growth investments, capital structure optimisation, refinancing initiatives and enhancements to governance, reporting and management processes. However, many of these opportunities require direct influence over both strategic direction and operational execution. They often become accessible only through controlling ownership positions and close collaboration with management teams.

A manager's ability to identify these opportunities, implement effective governance structures and execute value-creation initiatives throughout the investment lifecycle therefore becomes a key differentiator. Access to capital alone is rarely sufficient. Equally important are privileged access to transactions, strong relationships with decision-makers and a demonstrable track record of operational value creation. In an increasingly competitive market, these capabilities are often what separates sustainable alpha generation from market returns.

Unlocking value in the infrastructure mid-market

Particularly in the European mid-market segment, typically encompassing enterprise values of approximately EUR 250 million to EUR 1 billion, investors can often exert greater influence over value creation than in larger transactions.

Competition for assets is frequently less intense, proprietary deal flow more readily available and opportunities for active ownership more meaningful than in the large-cap segment. As a result, the mid-market can provide access to sources of value creation that have become increasingly difficult to capture in highly competitive large-scale transactions.

Infrastructure as a building block of long-term portfolios

For many institutional investors, infrastructure serves multiple portfolio objectives simultaneously. It can enhance diversification, provide a degree of inflation protection, generate recurring income and contribute to overall portfolio resilience.

Within this context, Core and Core+ strategies can offer a particularly compelling balance between risk and return. They combine the defensive characteristics of essential infrastructure assets with carefully controlled opportunities for value creation and growth.

Ultimately, successful infrastructure investing requires looking beyond headline classifications. Understanding the underlying drivers of risk and how they align with investor objectives is far more important than any formal category designation. This is what enables investors to capture the diversification benefits, downside resilience and long-term income characteristics that have made infrastructure a strategic allocation for institutional portfolios worldwide.



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