



Macquarie Korea Infrastructure Fund

2025 1st Quarter Asset Management Report

Period Quarter 1 (1 January 2025 - 31 March 2025)

Prepared by Macquarie Korea Asset Management Co., Ltd. (MKAM)

Fund code: 35801

Important notice

Under the Financial Investment Services and Capital Markets Act (the Act), Macquarie Korea Infrastructure Fund (MKIF) is required to upload an Asset Management Report on the website of MKIF and KOFIA, in the form and containing specific information set out in the Act, on a quarterly basis. This Asset Management Report has been prepared by MKIF in compliance with its statutory obligations.

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General advice warning

The contents of this report do not constitute an offer, invitation or recommendation for the subscription or purchase of securities. It does not take into account the investment objectives, financial situation and particular needs of the investor. Before making an investment in MKIF, the investor or prospective investor should consider whether such an investment is appropriate to their particular investment needs, objectives and financial circumstances and consult an investment adviser if necessary.

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1. General Report

1.1 Overview

Under the Financial Investment Services and Capital Markets Act (the Act)

Investment Grade: 4*

Fund name	Macquarie Korea Infrastructure Fund (MKIF)
Fund type	Investment company/Special asset fund/Closed-end with an option for new share issuance
Fund code	35801
Date of incorporation	12 December 2002
Date of registration	26 December 2002
Date of listing	15 March 2006
Financial year end	31 December every year
Fund maturity	Perpetual (until the occurrence of dissolution events defined in the Articles of Incorporation of MKIF)
Asset manager	Macquarie Korea Asset Management Co., Ltd. (MKAM)
Sales agents⁺	The shares of MKIF are listed on the stock market of the Korea Exchange, and investors can purchase or sell the shares of MKIF after creating an account at a securities company registered to the Korea Exchange.
Custodian	Korea Securities Finance Corporation (KSFC)
Fund administrator	Samjong KPMG AAS Inc.
Board of directors[^]	Corporate Director: MKAM Supervisory Directors: Tae-Yeon Nam, Jae Do Moon and Hyunju Helen Pak
Key staff of MKAM[^]	Boum Sik Suh (CEO) Jinwook Park (Asset Management) Jae Woo Jung (Investment Management) Ju Dong Kim (Finance) Sangmi Kim (Risk Management) Young Ju Ahn (Compliance) Beumrae Kim (Legal)
MKIF profile	<p>MKIF, managed by MKAM, has the portfolio of infrastructure assets in Korea that have been, or are being, constructed under the Act on Public-Private Partnerships in Infrastructure (PPI Act).</p> <p>MKIF was established in December 2002 with a mandate to invest in entities that construct or operate infrastructure businesses such as toll roads, bridges, tunnels, port and city gas in Korea. MKIF invests in these infrastructure businesses through equity and debt. MKIF is focused on generating profits from its investments and distributing these profits to its shareholders.</p>

* MKAM assessed MKIF risk level, the investment grade, at 4 (moderate risk) in consideration of MKIF's target asset and associated risk. However, this is a subjective rating by MKAM and should not be recognized as an official rating by any external rating agencies. Also, MKIF is not a complex product under the Act.

⁺ The companies that have signed sales contracts with MKIF are Samsung Securities Co., Ltd. and Shinhan Securities Co., Ltd. as of the end of this quarter.

[^] See Section 4. Registered Asset Managers and Appendix I. MKIF Board of Directors for more information.

1.2 Asset details

Under the Act, MKIF is required to report the net asset value per share (NAV per share) of its portfolio.

The total net asset value of MKIF's portfolio is calculated by subtracting total liabilities from total assets of MKIF. MKIF's assets include its equity and debt investments in concession companies, cash and deposits and other investment securities. The net asset value per share of MKIF is calculated by dividing total net asset value by the number of outstanding shares.

The Collective Investment Property Appraisal Committee of MKAM has chosen to adopt the acquisition cost as its assessment of fair value for the unlisted equity investments under the Act and accounting principles generally accepted in Korea (K-GAAP). In addition, the debt investments are measured at amortised cost under the Act and K-GAAP.

The calculation of the NAV per share of MKIF is set out in the table below. For the purposes of this calculation, asset and liability information is based on the balance sheet of MKIF, which is attached as Appendix II.

(Unit: KRW, share)

Type	Q4 2024	Q1 2025	% Change
Total Assets (A)	3,829,603,526,432	3,878,066,339,484	1.27%
Total Liabilities (B)	415,400,925,026	463,203,232,532	11.51%
Net Asset Value (C=A-B)	3,414,202,601,406	3,414,863,106,952	0.02%
Shares (D)	478,921,993	478,921,993	0.00%
NAV per share (E=C/D) *	7,128.93	7,130.31	0.02%

+ NAV per share of MKIF is calculated by dividing total net asset value by the number of outstanding shares. However, as MKIF is listed on the Korea Exchange, its shares are traded at share price.

※ Distribution payment (during the quarter)

(Unit: KRW, share)

Date of Declaration	Distribution Amount^ (KRW Million)	Balance after Payment (Shares)	NAV per share		Remarks
			Before declaration	After declaration	
2025-01-31	181,990	478,921,993	7,166.41	6,787.67	

^ If there is any excess distribution, it will be disclosed in the 4th quarter report.

1.3 Ad- hoc disclosures

Ad-hoc disclosures made during the past three months are as below.

Date	Disclosure
9 January 2025	Expiration of the Concession for Baekyang Tunnel Private Investment Project
31 January 2025	Reports Fourth Quarter 2024 Asset Management Report
31 January 2025	Reports 2024 Full Year Financial Results and Asset Performance
31 January 2025	Reports Audited Financial Statements for the Year ended 31 December 2024
13 February 2025	Prospectus Updated (Completion of Account Settlement for 2024)
24 February 2025	Convening of the 26th Annual General Meeting of Shareholders
13 March 2025	Resignation of Supervisory Director (Hwa-Jin Kim)

Date	Disclosure
25 March 2025	Prospectus Updated (Resignation of Supervisory Director)
28 March 2025	Result of FY2025 Annual General Meeting of Shareholders

2. Management performance and term performance

2.1 Overview

Established on 12 December 2002, MKIF is a leading private sector infrastructure investor in Korea under the PPI Act and governed by the Act. MKIF is mandated to invest in concession companies that construct or operate infrastructure assets through equity and debt. MKIF is focused on generating profits from its investments and distributing these profits to its shareholders. As of current quarter-end, MKIF has committed to invest in 13 toll roads, 1 rail, 1 port, 3 city gas, and 1 digital infra (data centre) business operators with a total investment commitment of KRW 3,059.0 billion.

2.2 Management plan

MKIF focuses on investing in loans to, and unlisted equity of project companies that operate infrastructure assets pursuant to the PPI Act.

Accordingly, main investment targets of MKIF are project companies that operate toll road, tunnel, bridge, port, city gas business, data centre and other infrastructure assets listed under Article 2 Sub-paragraph 1 of the PPI Act.

MKIF aims to grow its revenue and provide stable distributions to shareholders by continuously making investment in project companies that operate infrastructure assets and actively managing its portfolio companies,

2.3 Management performance

The table below sets out the historical NAV (including the distribution paid) for MKIF. As explained above and given that the majority of MKIF's assets are held at their acquisition cost, the net asset value is not representative of changes in the value of the MKIF portfolio.

2.3.1 Short-term performance [※]

(Unit: %)

Type	3 Months (2025.01.01~)	6 Months (2024.10.01~)	9 Months (2024.07.01~)	12 Months (2024.04.01~)
MKIF	5.35	6.00	7.61	9.66
Comparative Index ⁺	N/A			

⁺ MKIF is the largest publicly listed infrastructure fund in Korea by market capitalization at the end of the quarter. Although another infrastructure fund was newly listed on the stock market in the second half of 2024, considering various factors including the new fund's size, listing duration and absence of any other comparable peers, it is still deemed that there is no appropriate benchmark index for comparison.

※ Performance quoted above is historical and does not guarantee future performance.

※ NAV increase by the follow-on public offering in 3Q 2017, 4Q 2020, 3Q 2021, 3Q 2023 and 4Q 2024 is not reflected in performance calculation.

2.3.2 Long-term performance [※]

(Unit: %)

Type	1 Year (2024.04.01~)	2 Years (2023.04.01~)	3 Years (2022.04.01~)	5 Years (2020.04.01~)
MKIF	9.66	10.46	11.15	11.41
Comparative Index [^]	N/A			

[^] MKIF is the largest publicly listed infrastructure fund in Korea by market capitalization at the end of the quarter. Although another infrastructure fund was newly listed on the stock market in the second half of 2024, considering various factors including the new fund's size, listing duration and absence of any other comparable peers, it is still deemed that there is no appropriate benchmark index for comparison.

※ Performance quoted above is historical and does not guarantee future performance.

※ NAV increase by the follow-on public offering in 3Q 2017, 4Q 2020, 3Q 2021, 3Q 2023 and 4Q 2024 is not reflected in performance calculation.

2.4 Profit and loss summary

The table sets out the profit and loss of MKIF recognized during the quarter, in comparison with the profit and loss recognized during the previous quarter.

(Unit: KRW million)

Type	Dividend income	Interest income (Loans)	Interest income (MMDA & Deposit)	Other income	Total Profit (Loss)
Q1 2025	129,482	69,513	170	-	199,165
Q4 2024	19,122	70,911	252	2	90,287

3. Details of assets

3.1 Asset portfolio

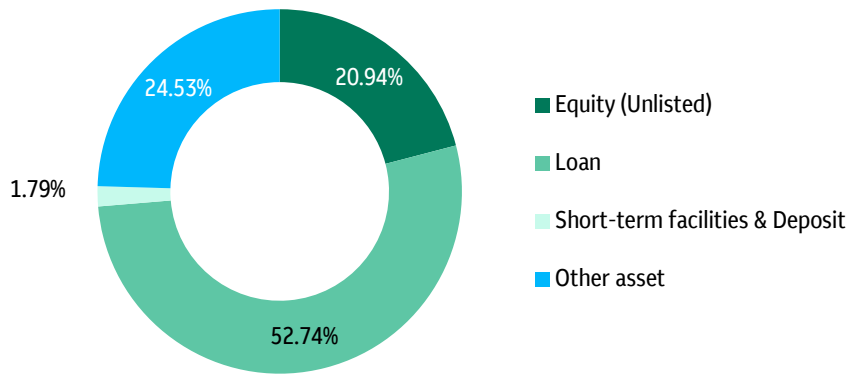
MKIF's investment portfolio consists of equity(unlisted), loans, cash and deposits and other assets.

(Unit: KRW million, %)

Type	Equity (unlisted)	Loans +	Short-term facilities & Deposit	Other assets ^	Total assets
KRW	811,932	2,045,304	69,250	951,580	3,878,066
Composition Ratio	20.94	52.74	1.79	24.53	100

+ Include loans to concession companies

^ Other assets: interest receivable, other receivables, and prepaid expenses



3.2 Top ten invested assets

(Unit: KRW million, %)

Rank	Type	Name	Acquisition Value +	Composition Ratio ^
1	Subordinated loan	Green Digital Infra Co., Ltd.	396,000	10.21
2	Subordinated loan	Youngsan Clean Energy Ltd.*	290,200	7.48
3	Subordinated loan	Incheon Bridge Co., Ltd.	241,000	6.21
4	Subordinated loan	BNCT Co., Ltd.	193,000	4.98
5	Equity (unlisted)	CNCITY energy Co., Ltd.	186,749	4.82
6	Subordinated loan	Cheonan-Nonsan Expressway Co., Ltd.	154,913	3.99
7	Subordinated loan	Gyungso Highway Co., Ltd.	99,633	2.57
8	Equity (unlisted)	Cheonan-Nonsan Expressway Co., Ltd.	93,815	2.42
9	Subordinated loan	Seoul-Chuncheon Highway Co.,Ltd.	87,450	2.25
10	Subordinated loan	MCB Co., Ltd.	79,000	2.04

+ Under K-GAAP and the Act, MKIF recognizes the value of its equity investments in concession companies at their acquisition costs including transaction costs.

^ Ratio refers to the contribution to total assets.

* Youngsan Clean Energy Ltd. is an investment vehicle that owns 100% of equity stake in Haeyang Energy Co., Ltd.

3.3 MKIF's asset portfolio details

3.3.1 Equity securities (unlisted) (top five assets)

(Unit: Share, KRW million, %)

Name	No. of Shares	Ownership stake	Acquisition value (A)	Appraisal value (B) +	Gain/ Loss (B)-(A)	Composition ratio ^
CNCITY energy Co., Ltd	2,207,437	48	186,749	186,749	-	4.82
Cheonan-Nonsan Expressway Co., Ltd.	17,550,000	60	93,815	93,815	-	2.42
BNCT Co., Ltd.	13,284,000	30	67,048	67,048	-	1.73
Incheon Bridge Co., Ltd.	7,826,100	64.05	58,053	58,053	-	1.50
Gyungso Highway Co., Ltd.	10,319,853	43.75	52,095	52,095	-	1.34

+ Under K-GAAP and the Act, MKIF records the value of its equity investments in concession companies at their acquisition costs including transaction costs.

^ Ratio refers to the contribution to total assets.

3.3.2 Equity securities (unlisted) (more than 1% of total issued shares)

(Unit: Share, KRW million, %)

Name	No. of shares	Ownership stake	Acquisition value (A)	Appraisal value (B) +	Gain/ loss (B)-(A)	Composition ratio ^
CNCITY energy Co., Ltd	2,207,437	48	186,749	186,749	-	4.82
Cheonan-Nonsan Expressway Co., Ltd.	17,550,000	60	93,815	93,815	-	2.42
BNCT Co., Ltd.	13,284,000	30	67,048	67,048	-	1.73
Incheon Bridge Co., Ltd.	7,826,100	64.05	58,053	58,053	-	1.50
Gyungso Highway Co., Ltd.	10,319,853	43.75	52,095	52,095	-	1.34
Soojungsan Investment Co., Ltd.	1,114,880	100	47,248	47,248	-	1.22
Incheon-Gimpo Expressway Co., Ltd.	11,254,373	22.76	44,161	44,161	-	1.14
Dongbuk Light Rail Transit	7,076,520	30	35,383	35,383	-	0.91
MCB Co., Ltd.	7,955,780	70	33,925	33,925	-	0.87
Kwangju Beltway Investment Co., Ltd.	6,610,000	100	33,050	33,050	-	0.85
Youngsan Clean Energy Ltd.*	32,286,000	100	32,286	32,286	-	0.83
Kwangju Ring Road Co., Ltd.	5,775,000	75	29,495	29,495	-	0.76
New Airport Hiway Co., Ltd.	3,665,273	24.1	25,235	25,235	-	0.65
Green Digital Infra Co., Ltd	23,000,001	100	23,000	23,000	-	0.59
Busan New Port 2nd Rear Road	8,295,138	47.56	18,873	18,873	-	0.49
Seoul East Underground Expressway Co., Ltd	3,192,000	20.01	16,509	16,509	-	0.43

Name	No. of shares	Ownership stake	Acquisition value (A)	Appraisal value (B) +	Gain/ loss (B)-(A)	Composition ratio ^
Bomun Clean Energy Ltd.**	8,714,000	100	8,714	8,714	-	0.22
Seoul-Chuncheon Highway Co., Ltd.	3,588,118	18.16	5,062	5,062	-	0.13
Baekyang Tunnel Ltd.	100,000	100	1,231	1,231	-	0.03
Woomyunsan Infraway Co., Ltd. ^^	835,200	36	-	-	-	-

+ Under K-GAAP and the Act, MKIF recognizes the value of its equity investments in concession companies at their acquisition costs including transaction costs.

^ Ratio refers to the contribution to total assets.

* Youngsan Clean Energy Ltd. is an investment vehicle that acquired 100% of equity stake in Haeyang Energy Co., Ltd..

** Bomun Clean Energy Ltd. is an investment vehicle that acquired 100% of equity stake in Sorabol City Gas Co., Ltd..

^^ Woomyunsan Infraway Co., Ltd. completed its capital reduction on 16 January 2009 and on 16 February 2016. The value of equity investment in Woomyunsan Infraway Co., Ltd. was recognised as zero because the total proceeds of capital reduction paid to MKIF exceeded the acquisition value of the equity investment. For details, refer to MKIF disclosure on 14 January 2016.

3.4 Loans to project companies (top five assets)

(Unit: KRW million)

Name	Acquisition Value	Interest Receivable +	Issued Date	Maturity Date	Guarantee	Credit Rating
Green Digital Infra Co., Ltd. (Subordinated loan)	396,000	18,973	09/08/2024	09/08/2028	N/A	N/A
Youngsan Clean Energy Ltd.* (Subordinated loan)	290,200	65,925	12/07/2021	12/07/2051	N/A	N/A
Incheon Bridge Co., Ltd. (Subordinated loan)	241,000	12,073	18/08/2017	18/11/2037	N/A	N/A
BNCT Co., Ltd. (Subordinated loan)	193,000	597,684	25/02/2008	31/12/2032	N/A	N/A
Cheonan-Nonsan Expressway Co., Ltd. (Subordinated loan)	154,913	2,801	20/05/2005	26/05/2029	N/A	N/A

+These values are accumulated interest receivables.

* Youngsan Clean Energy Ltd. is an investment vehicle that acquired 100% of equity stake in Haeyang Energy Co., Ltd..

3.5 Short term facilities and deposit

(Unit: KRW million, %)

Name*	Banks	Deposit amount +	Date of Deposit	Maturity Date	Interest Receivable	Composition Ratio ^
N/A						

* Each deposit amount exceeding 5% of the Total Assets.

+ This value is the principal.

^ Ratio refers to the contribution to total assets.

3.6 Other assets

The other assets are set out in the table below and consist of accrued income.

(Unit: KRW million, %)

Type	Amount	Composition Ratio ^
Interest Receivable and others*	951,580	24.54

* Other assets under the invested assets composition (ex: accrued dividends, accrued income etc), exceeding 5% of the total assets.

^ Ratio refers to the contribution to total assets.

For more information, refer to Quarterly Business Reports and Documents of Settlement of Accounts on the website of KOFIA (<http://dis.kofia.or.kr>). However, the effective dates of the Quarterly Business Reports and Documents of Settlement of Accounts on the website of KOFIA may be different from the effective dates of this report.

4. Registered asset managers

4.1 Registered infrastructure asset managers*

MKAM is licensed under the Act to carry out asset management activities for MKIF. MKAM employs at least two infrastructure asset management professionals who meet certain qualifications as follows.

Name	KOFIA registration number	Title	Management fund other than MKIF		Fund with performance fee scheme	
			Number of fund(s)	Total asset under management	Number of fund(s)	Total asset under management
Jinwook Park	2115000350	Division Director	N/A	N/A	N/A	N/A
Jae Woo Jung	2110000811	Division Director	N/A	N/A	N/A	N/A

* For more details, refer to current MKIF prospectus disclosed on DART (<http://dart.fss.or.kr>) fund disclosure. The prospectus translated in English can be found in MKIF website (www.macquarie.com/mkif).

4.2 Change in registered infrastructure asset managers

Period ^	Registered asset managers
	N/A

^ Change in registered asset managers during the past three years.

For more information, refer to ad-hoc disclosures on the website of KOFIA (<http://dis.kofia.or.kr>). However, the effective dates of information displayed on the website of KOFIA may be different from the effective dates of information in this report.

5. Cost summary

5.1 Fees to service providers

The table below sets out fees paid by MKIF to its service providers.

(Unit: KRW million, %)

Type	Q4 2024		Q1 2025		Remarks
	Amount	Ratio+	Amount	Ratio+	
MKIF	Management fee	11,781	0.357	11,327	0.337
	Sales agent fee	-	-	-	-
	Custodian fee	166	0.005	166	0.005
	Administrator fee	104	0.003	103	0.003
	Total	12,051	0.366	11,596	0.345
	Other expenses^	383	0.012	566	0.017
	Transaction fee	-	-	-	-
	Securities transaction tax	-	-	-	-

+ Ratio refers to fees as a proportion of Net Asset Value.

^ Other expenses include fund audit fee, fund settlement fee and other recurring expenditures other than transaction fee. Excluding transaction fee.

5.2 Total expense ratio

(Unit: annualised, %)

Type	Fund	
	Total expense ratio*	Commission fee ratio
MKIF	Q4 2024	1.4967
	Q1 2025	1.4686

* Total expense ratio refers to a ratio calculated by dividing the total management fee and other expenses borne by the fund by annual average balance of the fund (before deducting the fees and expenses) and represents the total fees and expenses borne by the investor during the management period.

6. Invested asset transactions and debt facility

6.1 Equity transactions

(Unit: number of shares, KRW million)

Buy		Sell		Turnover Ratio+	
Shares [^]	Amount	Shares	Amount	Q1 2025	Annualised rate
104,000	520	-	-	-	-

+ The Turnover Ratio shows frequency level for the equity transactions. The ratio refers to average disposal amounts divided by average retained equity amounts during the period. Provided that the average equity investment is 10 billion and the average equity disposal amount is 10 billion, turnover ratio is 100%. High turnover ratio will increase fund cost.

[^] Additional investment made to Seoul East Underground Expressway Co., Ltd. on 28 March 2025.

6.2 Equity turnover ratio during the past three quarters

(Unit: %)

Q3 2024	Q4 2024	Q1 2025
-	-	-

6.3 Loan sales

(Unit: KRW million)

Name	Type	Date	Amount
N/A			

6.4 Loan injections

(Unit: KRW million)

Name	Type	Date	Amount
Green Digital Infra Co., Ltd.+	Subordinated	2025-03-07	16,000
Seoul East Underground Expressway Co., Ltd [^]	Subordinated	2025-03-31	320

+ Additional investment in Green Digital Infra Co., Ltd. made in March 2025 for subordinated loan.

[^] Additional investment in Seoul East Underground Expressway Co., Ltd. made in March 2025 for subordinated loan.

6.5 Debt facility status

(Unit: KRW million)

Name	Limit of the Facility ⁺	Debt facility amounts		
		Balance of Q4 2024	Movements in Q1 2025	Balance of Q1 2025
Kookmin Bank	20,000	-	-	-
Hana Insurance	20,000	-	3,840	3,840
Kyobo Life Insurance	50,000	-	9,600	9,600
NongHyup Life Insurance	50,000	-	9,600	9,600
Kyongnam Bank	30,000	-	5,760	5,760
NongHyup Bank	20,000	-	3,840	3,840
National Credit Union Federation of Korea	60,000	-	15,360	15,360
Total	250,000	-	48,000	48,000

⁺ The limit of facility is KRW 250 billion and maturity is 26 January 2029. For details, refer to MKIF disclosure on 26 January 2024. National Credit Union Federation of Korea represents the Central, Gwangju, Pulmu, Samik association.

6.6 Corporate bond status

(Unit: KRW million, %)

Name	Par Value	Interest rate	Issue Date	Maturity Date	Credit Rating
Unsecured Bond Tranche 2-2 (7year)	100,000	3.205	11/06/2018	11/06/2025	AA0
Unsecured Bond Tranche 3 (5year)	100,000	4.406	12/06/2023	12/06/2028	AA0
Short-term Bond +	150,000	3.640	11/03/2025	30/05/2025	A1
Short-term Bond +	50,000	3.740	11/03/2025	30/05/2025	A1

⁺ MKIF executed the underwriting agreement for issuance of short-term bonds of KRW 539.1 billion on 11 December 2024. Underwriters for short-term bonds are Korea Investment & Securities, Shinhan investment & securities, NH investment & securities, Samsung securities and outstanding balance is KRW 200 billion at the end of this quarter. Please refer to MKIF disclosure on 11 December 2024 for more details.

7. Major risks relating to fund management and management plan

7.1 Major risks to fund management including liquidity risk

A. Potential risk factors from investment strategies

Potential risk factors	Description
Portfolio company risk	A portfolio company's ability to generate cash, repay debt and provide dividends can be affected by factors beyond the company's control such as macroeconomic and market conditions and emergence of competing assets. Such factors may cause a portfolio company to underperform in comparison to respective original forecast.
Liquidity risk	MKIF may not have sufficient liquidity to fund major investments, operating expenses and repayment of principal and interest of debts as a result of underperformance of portfolio companies or occurrence of unexpected negative events.
Environmental and social risk	Business activities of portfolio companies may have a negative impact on the environment, employees, investors and other stakeholders.
Risk of industrial accidents	Industrial accidents for workers may occur in the course of business activities of portfolio companies.

B. Risk events such as fund redemption or fund sale during risk events

Not applicable as MKIF is a close-end fund

7.2 Management plan on major risks

Management plan	Description
Risk Management Committee, Investment Deliberation Committee and decision-making procedure	In accordance with Macquarie's internal guideline, the System 7 process, due diligence including feasibility study and risks analysis is conducted on transactions involving the use of fund's assets and/or capital. After the Risk Management Committee comprised of representative director, legal manager, independent risk manager, compliance manager and fund management team head review risk factors and approve their remediation methods, the transaction is deliberated and approved by the Investment Deliberation Committee in accordance with the Board Charter of the company.

Management plan	Description
Implementation of the Transition Plan	In order to respond to major risks identified through due diligence, the progress of the implementation of risk management plan and transition plan is reviewed regularly. Any major changes to these plans are properly updated to the existing transition plan.
Liquidity management	In accordance with the PPI Act, the company can borrow up to 30% of its share capital. As of the current quarter-end, the debt facility commitment under existing loan agreements is 30% and the outstanding debt balance is 13.6% of the company's share capital, respectively, complying with the legal borrowing limit. In addition, the company manages liquidity risk through quarterly review of cash and remaining borrowing capacity to check if sufficient liquidity exists to fund operating costs and committed investments.
Quarterly industrial safety accidents and ESG reports and regular monitoring of risk management status	The asset manager reports quarterly industrial safety accidents of portfolio companies under management. In addition, evaluation on risk management system of portfolio companies is conducted every three years, and asset deep dive analysis on certain portfolio companies selected by the risk management team is conducted each year to review major risk factors and implement improvement measures, if deemed needed.

7.3 Cross trading

Cross trading	Recent 3 months	Recent 6 months	Recent 9 months	Recent 12 months
Purchase	-	-	-	-
Selling	-	-	-	-

+ There has been no cross trading since last twelve months

7.4 Major emergency plan

Major emergency plan	Description
Portfolio company's emergency plan	In the event of a major emergency at a portfolio company, the asset manager is required to check whether the emergency plan in place is appropriate for each portfolio company and to report the result to the risk manager. In addition, portfolio companies have appropriate insurance coverage to protect against financial losses resulting from unforeseen events including fire or natural disasters.
Fund's emergency plan	Business Resilience Plan (BRP) for critical processes, activities or function has been established under the Business Resilience Standard, where strategies for disruption scenarios involving physical site risk, IT risk, employee risk, supplier risk and data risk are documented and periodically re-examined by reviewing BRP documents conducting remote working tests.

8. Principal Investment by asset manager

Fund	Investment amount	Investment return%
MKIF	No principal investment	Not applicable

+ There is no principal investment in MKIF by the asset manager (MKAM) as of end of this quarter.

9. Environmental, Social and Governance (ESG)

Our vision

MKAM, as an affiliate of the Macquarie Group (Macquarie) and in a capacity as a manager and corporate director of MKIF, has adopted ESG framework that Macquarie Asset Management (MAM) applies to its fund management activities to the extent relevant and possible. MAM aims to improve the sustainability performance of its portfolio companies by addressing material ESG issues and opportunities to enhance long-term value for our investors. MAM addresses a broad range of ESG risks and opportunities throughout the entire investment lifecycle from screening and due diligence through to ongoing asset management and exit. MAM also regularly collect a range of ESG data from portfolio companies, allowing us to track and support improvement of their ESG performance. ESG information is communicated to shareholders at least annually in fund reports and fund presentations. MKAM is committed to continuously improving our ESG performance and look forward to continuing to share our progress with investors.

Macquarie Asset Management (MAM) net zero commitment

In December 2020, we announced a commitment to invest and manage our portfolio in line with global net zero emissions by 2040.

The implementation of our net zero commitment is inherently complex, and we are in the early stages of making progress on our goals. There have been significant developments in this area over the past three years, including new methodologies that were not available in 2020, along with a deeper understanding of the various pathways to net zero and their associated challenges across the sectors and asset classes in which we invest.

In light of these developments, we confirm our commitment to invest and manage our portfolio in line with global net zero scope 1 and 2 greenhouse gas (GHG) emissions by 2040, where we have control or significant influence⁺. Where we do not have control or significant influence, such as in our managed portfolio of public securities, we will continue to support the goals of the Paris Agreement[^] in a manner consistent with our client-guided fiduciary and regulatory responsibilities.

Over the coming months, we will provide more detail on how we are implementing our net zero strategy across our various asset classes. We will also disclose further information on our interim targets, the assumptions we have made and the methodologies we are using*.

We look forward to working with our investors, portfolio companies, regulators and other stakeholders to achieve these transformational objectives for the benefit of all. We remain grateful for these partnerships and we welcome continued engagement as we seek to play our part in building a more sustainable future for everyone.

⁺ MAM generally only has influence over scope 1 and 2 emissions. However, to the extent possible, in line with the Net Zero Asset Managers initiative guidance, MAM intends to support assets where it has control or significant influence to reduce their scope 3 emissions.

[^] The Paris Agreement's central aim is to strengthen the global response to the threat of climate change by maintaining a global temperature rise this century well below 2°C above pre-industrial levels and to pursue efforts to limit the temperature increase even further to 1.5°C. The Intergovernmental Panel on Climate Change concluded the need for net zero emissions by 2050 to remain consistent with 1.5°C.

* Learn more: Macquarie Asset Management - Our approach to sustainability

10. Notice

Under the Act, MKAM shall prepare this report and upload it on the website of MKIF and KOFIA after confirmation from the Custodian (KSFC).

For more information on the website:

MKIF	www.mkif.com
KOFIA	http://dis.kofia.or.kr

Appendix I. MKIF Board of Directors

Supervisory directors

Name	Career
Tae-Yeon Nam	<ul style="list-style-type: none">• Kim & Chang• Arthur Andersen Seoul Co.• International finance division at Ssangyong Investment Securities Co., Ltd.• International Bureau of Fiscal Documentation• KICPA
Jae Do Moon	<ul style="list-style-type: none">• Professor by special appointment at Seoul National University Graduate School of Engineering Practice• Chairman of H2KOREA• President & Chairman of the Korea Trade Insurance Corporation• Vice Minister of the Ministry of Trade, Industry and Energy• Secretary of Trade, Industry and Energy to the President of Korea
Hyunju Helen Pak	<ul style="list-style-type: none">• Shin & Kim• Jipyong LLC• Simpson Thacher & Bartlett, Hong Kong• Shin & Kim• Simpson Thacher & Bartlett, New York• A member of the New York State Bar

Corporate director – MKAM

Name	Career
Boum Sik Suh	<ul style="list-style-type: none">• Representative Director, Macquarie Korea Asset Management Co., Ltd.• Former Managing Director, Macquarie Korea Opportunities Management Limited• Joined Macquarie Infrastructure and Real Asset Division (MIRA) in 2003 and held various roles mainly in infrastructure asset investment and transaction advisory in Hong Kong, Singapore, Seoul and Japan
Yong Hwan Kim	<ul style="list-style-type: none">• Country Lead of Macquarie Group Korea• Representative Director, Macquarie Korea Asset Management Co., Ltd.• Former Representative Director, Macquarie Korea Opportunities Limited prior to the merger with MKAM• Joined Macquarie in 2002, previously held senior positions in Macquarie Capital Korea and Macquarie Securities Korea Limited. (Investment Banking Division)
Soojin Lee	<ul style="list-style-type: none">• Executive Director, Macquarie Korea Asset Management Co., Ltd.• Former Division Director, Macquarie Korea Opportunities Management Limited• GE Real Estate, GE International

Appendix II. Summary of financial statements

Statements of financial position

As of 31 Mar 2024, 31 Dec 2024 and 31 Mar 2025

(Unit: KRW million)

	31 Mar 2025	31 Dec 2024	31 Mar 2024
Assets			
Invested assets	2,926,486	2,904,637	2,518,603
Cash & deposits	69,250	48,878	50,280
Loans receivable	2,045,304	2,044,347	1,695,982
Equity securities	811,932	811,412	772,341
Others	951,580	924,967	877,907
Interest receivables	946,559	915,765	869,220
Dividend receivables	-	4,122	-
Other receivables	-	-	2,348
Prepaid expense	2,945	3,014	3,570
Prepayment	2,076	2,066	2,769
Total assets	3,878,066	3,829,604	3,396,510
Liabilities			
Operational liabilities	446,603	398,209	467,267
Bond	398,603	398,209	309,267
Long-term debt	48,000	-	158,000
Others	16,600	17,192	21,188
Payables	0	2	3,419
Management fee payable	11,327	11,781	12,092
Other liabilities	5,273	5,409	5,677
Total liabilities	463,203	415,401	488,455
Shareholders' equity			
Share capital	3,297,209	3,297,209	2,807,423
Retained earnings (accumulated deficit)	117,654	116,994	100,632
Total shareholders' equity	3,414,863	3,414,203	2,908,055
Total liabilities and shareholders' equity	3,878,066	3,829,604	3,396,510

Statements of profit and loss

For the quarters ended 31 Mar 2024, 31 Dec 2024 and 31 Mar 2025

(Unit: KRW million)

	Quarter Ended 31 Mar 2025	Quarter Ended 31 Dec 2024	Quarter Ended 31 Mar 2024
Revenue	199,165	90,287	184,133
Interest income	69,683	71,163	73,122
Dividend Income	129,482	19,122	111,010
Other income	0	2	1
Expenses	16,514	18,258	18,014
Management fee	11,327	11,781	12,092
Custodian fee	166	166	143
Administrator fee	104	104	89
Interest expense	4,098	5,628	4,829
Other expense	819	579	861
Net income	182,651	72,029	166,119

Corporate directory

Manager of MKIF

Macquarie Korea Asset Management Co., Ltd.

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MKIF Custodian

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MKIF Administrator

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