MACKENZIE Investments | Northleaf

Mackenzie Northleaf Private Infrastructure Fund

Quarterly Report – Q1 2025

Performance and Portfolio Contents

- The Mackenzie Northleaf Private Infrastructure Fund (MNPIF) returned 1.0% for the quarter ended March 31, 2025, net of series F fees.
- The private infrastructure portfolio contributed +0.9% to MNPIF's return in local currency terms. Unhedged US dollar exposure associated with this position detracted -0.2% for the quarter. The infrastructure portfolio is valued quarterly with a two or three-month lag. See pages two to six for more detailed commentary on this strategy.
- The liquid portfolio, comprised of high-quality short duration fixed income, money market investments, and listed infrastructure companies, contributed approximately +0.2% to MNPIF's total return.

Fund Performance (Series F)

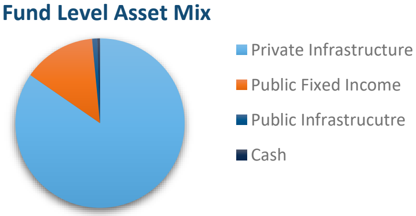
31-March-25	YTD	1M	3M	6M	1Yr	2 Yr	3 Yr	Since inception**
Mackenzie Northleaf Private Infrastructure Fund Sr F	1.0	0.8	1.0	9.0	10.4	12.6	14.7	11.8
Benchmark*	1.6	0.5	1.6	3.2	6.4	6.4	6.3	6.2

*Benchmark: 5 Year Average Canadian CPI +3%
**Inception Date: September 30, 2021. Source: Mackenzie Investments

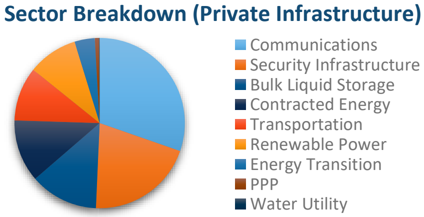
Strategy Allocation[1]	Allocation (%)	LTM Yield (%) [2]
Northleaf Private Infrastructure Portfolio	84.6	2.8
Mackenzie Canadian Money Market Fund	7.0	4.0
Mackenzie USD Ultra Short Duration Income Fund	6.9	8.1
Mackenzie Global Infrastructure Index ETF	1.0	2.9
Cash	0.5	n/a
Total Portfolio Average	**100.0**	**3.3**

[1]as at March 31, 2025.
[2]LTM yield is calculated as the last twelve months of distributions as of the last distribution date divided by average NAV or average paid-in capital over the same 12 months. LTM yield excludes proceeds related to asset realizations.

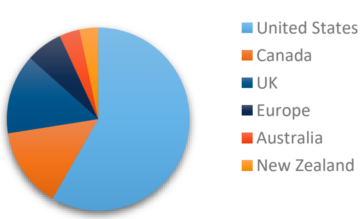
Fund Level Asset Mix



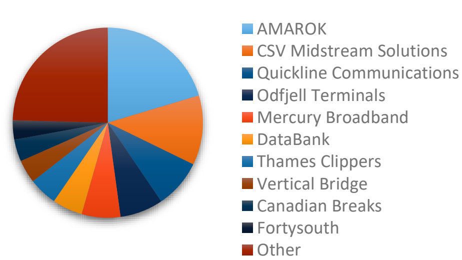
Sector Breakdown (Private Infrastructure)



Regional Breakdown (Private Infrastructure)



Projects (Private Infrastructure)



Weights are based on capital called to date in the underlying private infrastructure funds. Weights and characteristics are based on total invested capital and reflect position sizes in Northleaf Private Infrastructure Portfolio as of December 31, 2024.

The Mackenzie Northleaf Private Infrastructure Fund provides investors with:

- The ability to invest in a portfolio of essential mid-market infrastructure assets that emphasize contracted revenue streams in a targeted subset of sectors, including renewable power, communications infrastructure, and concessions/transportation projects.
- Investments that have historically offered steady growth and long-term income potential, strong downside protection and some inflation sensitivity.

Key Terms

Fund Structure	Trust
Fund Status	OM, Open Ended
Series F Inception Date	September 30, 2021
AUM	$78.8 million
Currency	CAD
Min. Initial Investment	$25,000 accredited $150,000 non-accredited
Min Subs. Investment	$5,000
Purchase Frequency	Monthly
Redemption Frequency	Annually
Redemption Notice	120 days prior to redemption date (but no more than 180 days)
Redemption Gate	Up to 10% of fund NAV may be redeemed each year
Soft Lock	5% penalty if redeemed before three years
Distributions	Quarterly variable
Admin Fee	0.15% (A&F)
Management Fee	A: 2.55% F: 1.55%
Performance Fee	MNPIF does not charge a performance fee though the underlying Private Infrastructure Funds may charge performance fees – see Offering Memorandum for details
Registered Plans	Not Eligible
Fund Codes	A: MFC9274 F: MFC9275

Northleaf Private Infrastructure Portfolio Overview

Northleaf is managing a diversified portfolio of direct infrastructure investments for the Mackenzie Northleaf Private Infrastructure Fund. These investments are all located in member countries of the Organisation for Economic Co-operation and Development. The Northleaf core / core plus program seeks attractive, risk-adjusted net returns by pursuing a flexible investment strategy across targeted subsectors to identify proprietary mid-market opportunities with resilient yield profiles and the potential for upside through active asset management.

As of Q1 2025, the Mackenzie Northleaf Private Infrastructure Fund had invested in Northleaf Infrastructure Capital Partners II (NICP II), Northleaf Infrastructure Capital Partners III (NICP III), Northleaf Infrastructure Capital Partners IV (NICP IV), and Northleaf Essential Infrastructure Fund.

NICP II has constructed a diversified portfolio of infrastructure assets that are projected to generate stable, consistent cash flows over each asset's lifespan. As at December 31, 2024, NICP II had invested $913.2 million (or 96.0% of Fund Capital) in nine investments. One investment has been realized.

NICP III has constructed a diversified portfolio of infrastructure assets that are projected to generate stable, consistent cash flows over the life of the Fund. NICP III is continuing its investment program, and as at December 31, 2024, had invested US$1,234.9 million (or 87.1% of Fund Capital) in eight investments. A further 10.0% of Fund Capital has been reserved for growth.

NICP IV is focused on constructing a diversified portfolio of infrastructure assets that will generate stable, consistent cash flows over the Fund's term. NICP IV held its initial closing in December 2022 and has raised US$1,410.7 million of commitments as of December 31, 2024. Subsequent to quarter end, NICP IV accepted an additional closing and has now raised US$1,820.6 million. NICP IV will continue to raise additional capital until May 2025.

Quarterly performance highlights

The private infrastructure portfolio contributed +0.9% to MNPIF return in local currency terms. Unhedged US dollar exposure associated with this position detracted -0.2% for the quarter.

The private infrastructure portfolios are valued quarterly with a two to three-month lag.

The value of NICP II's portfolio, net of capital invested, increased by $77.9 million (or 6.1%), as a result of an increase in the valuations of NICP II's Portfolio Investments and net favourable foreign exchange rate movements. As at December 31, 2024, NICP II had generated a total value to paid-in capital ratio of 1.92x, a net IRR of 11.8% and a last twelve month's net cash yield of 28.1%, including the Northwest Parkway realization proceeds.

The value of NICP III's portfolio, net of capital invested, increased by US$25.9 million (or 1.5%) as a result of an increase in the valuations of NICP III's Portfolio Investments, partially offset by unfavourable foreign exchange movements. As at December 31, 2024, NICP III had generated a total value to paid-in capital ratio of 1.48x with a net IRR of 15.0%

NICP IV is in the early stages of its investment program and as of December 31, 2024, had completed four investments: Provident Energy, a sub-metering provider; Tillman FiberCo, a partnership focused on deploying wholesale Fiber-to-the-Premise services; EVPassport, an electric vehicle charging platform; and Combined Cargo Terminals, a European shortsea and inland container terminal operator.

Environmental, Social and Governance Update

Northleaf's ESG monitoring activity is supported by a partnership with RepRisk, the world's largest database provider focused on ESG and business conduct risks. The Northleaf Portfolio Investments are assigned a RepRisk Index (RRI) score, which is RepRisk's proprietary metric of a company's reputational risk exposure to ESG issues. The infrastructure team reviews and monitors this metric as part of its asset management process. For all portfolio investments currently tracked in RepRisk, all are considered low or medium risk.

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Top 10 private infrastructure projects by proforma NAV

Comments dated as of December 31, 2024

AMAROK

AMAROK, LLC ("AMAROK") is a provider of contracted perimeter security infrastructure to commercial and industrial customers across the US. AMAROK's installed sites, which are powered by solar panels, operate under evergreen contracts. Operational performance depends primarily on the company's ability to minimize revenue churn of the installed base of systems and drive accretive growth by securing orders for new systems at attractive build multiples.

AMAROK is the only nationally scaled provider of its kind in the US, with ~7,000 total sites that represent a ~95% share of the electric security fence market. However, across the US there remains a large addressable market with over 850,000 eligible sites. The market is currently ~2% penetrated by AMAROK. AMAROK offers its perimeter security solutions through a subscription model, eliminating upfront installation cost to the customers.

AMAROK benefits from highly attractive unit economics, a large installed base of systems with low churn levels and the ability to put through price increases in excess of inflation.

As at December 31, 2024, AMAROK generated US$191 million of Pro Forma Annualized Recuring Revenues ("ARR"), which represents a 24% increase from the prior year.

Since closing on the investment, AMAROK has more than doubled the size of its sales force as part of the company's effort to drive organic growth by broadening its reach within the total addressable market. Organic growth has been very strong, with US$12 million of new ARR being activated during the quarter, which is significantly ahead of Northleaf's base case.

In October 2022, AMAROK obtained an investment grade credit rating and completed a private placement financing that meaningfully lowered the financing cost of the business. Since 2023, AMAROK has completed three follow-on private placement financings, taking advantage of growth in the business since the inaugural issuance and also established a revolving credit facility to fund capex between private placement financings.

CSV

CSV is a Calgary-based developer, owner and operator of contracted energy assets and includes:

(i) Resthaven Gas Processing Facility ("Resthaven") – a 100MMcf/d gas processing facility that operates under a 20-year take-or-pay contract with Tourmaline Oil Corp., Canada's largest natural gas producer.

(ii) South Pipestone Compressor Station ("South Pipestone") – a 70MMcf/d gas compressor station that operates under a 15-year take-or-pay contract with NuVista Energy, a Calgary-based oil and natural gas company. CSV completed a 10MMcf/d expansion in Q3 2023.

(iii) Karr Sour Gas Processing and Liquids Handling Facility ("Karr") – a 165MMcf/day gas processing facility that operates under a 20-year take-or-pay contract with Paramount Resources, a leading independent Canadian energy company. A capacity test was completed in late 2022, increasing nameplate capacity from 150MMcf/d to 165MMcf/d.

(iv) Valhalla Gas Plant ("Valhalla") – 64.5% interest in a 50MMcf/d gas processing facility that operates under an 11-year take-or-pay contract with TAQA North, the Canadian subsidiary of the Abu Dhabi National Energy Company.

(v) Simonette Gas Plant ("Simonette") – 50% interest in a 100MMcf/d gas processing facility that operates under an 8- year take-or-pay contract with Logan Energy Corp. (formerly Spartan Delta), a growth-focused producer.

(vi) Albright Gas Plant ("Albright") – a 150MMcf/d gas processing facility that is currently under construction with commercial operations expected in Q2 2025. The facility is 100% contracted for firm capacity.

Long-term take-or-pay contracts at all locations provide for revenue stability, regardless of volumes or commodity price fluctuations. Northleaf initially acquired the business in mid 2019 from a private equity manager in a transaction facilitated by CSV's management team and Northleaf's industry network.

CSV is focused on advancing the installation of Albright, which is expected to achieve commercial operations in 2025. CSV is also actively evaluating strategic growth opportunities in its core region as regional production activity is expected to increase.

Quickline Communications

Quickline Communications ("Quickline") is a UK broadband operator offering 5G fixed wireless access ("FWA") and fibre-to-the-premises ("FTTP") connectivity, primarily to rural parts of Lincolnshire, Yorkshire, and the North of England.

Quickline is well positioned to take advantage of favourable trends associated with poor access to fast and reliable broadband in rural areas of the UK and increasing data consumption which will drive demand for high-speed broadband.

Quickline is currently delivering eight UK government subsidy contracts including four "Super Fast Broadband ("SFBB")" contracts and four "Project Gigabit" contracts, together representing more than ~170,000 subsidised homes and businesses to be passed and over £300 million of subsidies. The SFBB contracts are now materially complete, and build has commenced across the four Project Gigabit contracts with rollout planned over the next four years.

Quickline is focused on the delivery of the subsidised premises and contiguous areas in rural Lincolnshire and Yorkshire supported by the ~£300m of subsidy contracts secured as part of the UK government's commitment to help broaden gigabit coverage in the UK, of which £1.6 billion has been awarded to date. Quickline management has demonstrated a track record of securing government subsidies and will be well positioned to win future subsidies to assist with the network roll-out.

Odfjell Terminals US

Odfjell Terminals US ("**OTUS**") is a portfolio of bulk liquid storage terminals located in Houston, Texas and Charleston, South Carolina, with storage capacity of 380,000 m^3 and 79,000 m^3, respectively. The terminals are designed for the storage of specialty chemicals used in the manufacturing of a range of products. Users of the facilities are predominantly international specialty chemical companies that provide essential input materials for manufacturers. Utilization contracts generally contain take-or-pay provisions, which facilitate a predictable revenue stream.

Northleaf acquired its 49% stake from a previous private equity owner following a failed auction in 2019. Northleaf's partner is Odfjell SE, a global specialist in the storage and transportation of specialty chemicals.

Since the acquisition, OTUS has optimized storage capacity and installed new tanks. As at December 31, 2024, OTUS was operating at 91% capacity utilization with 12 open tanks. The demand for storage remains strong and management is engaged in discussions with current and prospective customers for new, long-term storage contracts. Revenue and EBITDA are above the prior year quarter and year due to contracted rate escalations. OTUS is on track to meet its targets in the current year as management continues to capitalize on what remains a very tight market for speciality chemicals storage in the Houston Ship Channel.

Bay 13, the recent development of nine new tanks, continues to receive strong interest from customers and is expected to reach full utilization in 2025.

OTUS embarked on a multi-year digital transformation project to drive process efficiencies across terminal operations and implement a modernized enterprise resource planning system that capitalizes on identified revenue and cost optimization opportunities. This project is progressing well and is on track to deliver free cash flow benefits of US$8 million per year once complete.

Further, management expects to undertake a refinancing of its primary credit facility in the first half of 2025.

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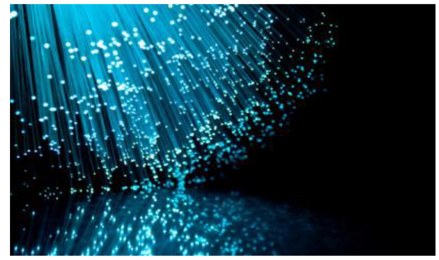
Mercury Broadband



Mercury Broadband or ("**Mercury**") is a communications infrastructure business providing broadband to rural communities in the US using fibre-to-the-home ("**FTTH**") and fixed wireless access ("**FWA**") technologies. Mercury has been awarded subsidies to expand its network footprint across various states in the US Midwest. Investment performance depends primarily on the speed and cost of network deployment, the connection of customers to the network, and number of homes passed (premises to which an operator has capability to connect in service area).

Revenue was higher than the prior year quarter and year, reflecting additional subscribers being added to the network. NICP III contributed an additional US$14.6 million to Mercury during the quarter to advance the company's FWA and FTTH network roll-outs.

Mercury is expanding its service territory into underserved rural markets with the support of government subsidies, which creates strong barriers to entry. Demand for residential broadband internet remains very strong, driven by new tailwinds including remote work, IoT, cord-cutting and online gaming.

Mercury continues to benefit from significant demand for high-speed broadband from residential customers.

DataBank

DataBank is an edge data centre operator in the US with a portfolio of more than 70 data centres and 20 interconnection hubs across 27 markets. The platform includes multiple cloud on-ramps, strong connectivity ecosystems and a diverse presence at the connectivity edge. The business sells contracted space and power within its facilities to a diverse set of customers and facilities cross-connectivity among its customers, creating unique ecosystems. Investment performance is primarily driven by leasing volume and pricing.

At year end, DataBank was significantly ahead of budgeted bookings, primarily due to continued colocation and AI-workload related wins. Additionally, EBITDA was 27% and 33% higher than the prior year quarter and year, respectively, driven by continued elevated bookings and demand for data centre capacity, resulting in strong activations in recent quarters.

DataBank is well positioned to continue capitalising on industry tailwinds including AI, generative language models, remote work, cloud computing, growing demand for latency sensitive applications and cord-cutting/over-the-top video.

Thames Clippers

Uber Boat by Thames Clippers ("**Thames Clippers**") is the only multi-stop river bus service operating on the Thames River in London, United Kingdom. The company is London's fourth mode of public transportation and is integrated into the Transport for London network. Thames Clippers owns and operates a fleet of 24 purpose-built vessels, specifically designed for low draft hulls and low air draft to navigate the unique conditions and bridges on the Thames Rover. Thames Clipper's position is strengthened by a network of 25 owned and licensed piers and unique government and transit regulations.

Passenger volumes are in line with Northleaf's long-term projections and are expected to increase as growth projects come online and additional capacity is added to the routes served. Revenue is ahead of the prior year quarter and year, driven by continued growth of passenger volumes and higher ticket prices.

Thames Clippers continues to be well positioned to benefit from the return of domestic and international tourism, as well as commuters, over the course of 2025. Northleaf is in the process of completing a strategic reset, simplifying how the business operates and promoting a renewed focus on profitability. Together with management, Northleaf is creating a more agile and responsive business that's better able to respond to variations in customer demand. Further, Northleaf continues to oversee the delivery of value-accretive capital projects, including the (i) acquisition of higher capacity vessels (with the fourth next generation, hybrid vessel expected to join the fleet in 2025), (ii) electrification and enhancement of an existing cross-river service, and (iii) diversification into freight, as well as the development of a new dry dock facility to improve maintenance turn-around times and increase fleet resiliency.

Vertical Bridge

Vertical Bridge ("VB") is a diversified private cell tower platform company in the US with a portfolio of more than 10,000 owned and master-leased towers. VB has long-term contracts with a diversified customer base, generating approximately 75% of revenue from mobile network operators. Investment performance depends primarily on customer retention through lease extensions, tower lease-up and network expansion through build-to-suit towers and M&A.

Quarter-over-quarter and year-over-year, VB has continued to incrementally execute on its business plan, through further lease-up of existing towers, acquisition of new towers at accretive multiples, and construction of build-to-suit towers. Balance sheet optimization continues to be a focus for the company, with the most recent asset-backed securitization issuance completed in Q2 2024.

On December 23, 2024, Vertical Bridge announced the closing of its previously announced transaction with Verizon, providing Vertical Bridge the exclusive rights to lease, operate and manage 6,339 towers across the U.S. from Verizon.

VB is expected to continue to benefit from its large, diversified, mature portfolio of telecommunications towers operating under long-term contracts with highly resilient cashflows.

Canadian Breaks

Canadian Breaks is a 210.1 MW wind farm located in Texas. "Canadian" is a geological formation running through Texas and Oklahoma. Canadian Breaks sells ~85% of its power generation under a fixed-price 12-year energy hedge with JP Morgan, which mitigates most of the project's exposure to power price fluctuations for a 12-year term.

The asset was acquired from the original developer in Q1 2019 during installation after a three-year diligence and acquisition process. Northleaf owns 100% of the asset.

Operating cashflow was lower than the prior year quarter due to lower than expected power prices.

Northleaf is actively working on a data center co-location initiative with a high-quality counterparty. Once implemented, the co-location initiative would provide Canadian Breaks with a minimum floor price, eliminating the risk of negative pricing for a pre-determined term. Key agreements have been executed and data center construction is underway.

Fortysouth

Fortysouth owns and operates a diversified portfolio of mobile telecommunications tower infrastructure assets across New Zealand. The tower portfolio was purchased from Vodafone NZ (which has since rebranded to One NZ) in 2022 with 1,485 sites in operation and a commitment from One NZ to lease the towers under a long-term Master Services Agreement ("MSA"). As part of the transaction, One NZ committed to procuring a further 390 new build-to-suit ("BTS") sites from Fortysouth over the first 10 years of the MSA. Fortysouth earns additional revenue from leasing tower space to other third-party customers, which are predominantly the leading mobile network operators in New Zealand.

Revenue and EBITDA for the quarter were higher than the prior year quarter and year due to higher One NZ contribution revenue to tower upgrades and contractual escalations.

Fortysouth is projected to generate stable, inflation-linked cash flows underpinned by its highly contracted tower portfolio with long-term growth in data consumption supporting co-location and further tower builds.

Expertise

Managing Director & Head of Infrastructure, Northleaf Capital Partners

Jamie Storrow

Jamie is the head of Northleaf's infrastructure investment program and is a member of the Investment Committee. Jamie is responsible for transaction origination, due diligence and asset management of Northleaf's infrastructure investments. Jamie acts as the Asset Manager for a number of Northleaf's infrastructure investments and serves as a Director on several asset-level boards.

Prior to joining Northleaf in 2010, Jamie was a Senior Vice President with the Macquarie Group, a leading global infrastructure investment, fund management and advisory firm, where he was directly involved in acquisitions, divestitures, asset management and capital raising. Previously, Jamie worked in London, UK with Scotia Capital and Morgan Stanley where he specialized in the principal acquisition, financing and securitization of assets across a range of sectors, with a focus on the aerospace industry.

Jamie received a B.A. in Economics from Western University and an M.Sc. in Economics from the University of London. He also holds the Chartered Financial Analyst designation.

Managing Director, Infrastructure, Northleaf Capital Partners

Jessica Kennedy

Jessica leads Northleaf's investor relations, business development and communications activities with respect to Northleaf's infrastructure funds, separately managed accounts and co-investment program.

Prior to joining Northleaf in 2011, Jessica was an Associate with the Macquarie Group, a leading global infrastructure investment, fund management and advisory firm, where she was a member of the Private Capital Markets team responsible for building and managing client relationships with Canadian and international financial sponsors as well as raising equity for Macquarie's private funds and transactions.

Jessica received a Bachelor of Commerce from the University of Guelph and a Master of Finance (Economics) from the Rotman School of Management and the Department of Economics at the University of Toronto. Jessica holds the Chartered Financial Analyst designation.

Jamie Storrow and Jessica Kennedy are part of a team that manage the Northleaf Infrastructure Capital Partners III and II Funds.