CION INVESTMENTS | GCM GROSVENOR

CGIF: A CONVERSATION WITH THE PORTFOLIO MANAGER

INFRASTRUCTURE OPPORTUNITIES AND TAILWINDS

Below is an interview between Michael Slocum, Senior Vice President, CION Investments and Matthew Rinklin, Managing Director, GCM Grosvenor, portfolio manager for the CION Grosvenor Infrastructure Fund (CGIF).

MICHAEL SLOCUM

Private infrastructure offers the potential for downside risk mitigation, inflation protection, and lower correlation to public markets. These attributes are more relevant today as we try to navigate a global macro backdrop complicated by geopolitics, sticky inflation, rich equity valuations, and the potential for a higher-for-longer rate environment. In this environment, manager selection is critical.

We like to think of GCM Grosvenor as the ultimate infrastructure insider. They see deal flow from around the entire ecosystem. They leverage an incredible Rolodex containing the largest infrastructure players globally, mid-tier GPs, and even emerging sponsors. This bird's eye view lends itself to CGIF's focus on individual assets acquired primarily through co-investment, single-asset continuation vehicles and direct investments. We believe CGIF is the purest attachment point for direct private infrastructure asset exposure available in an evergreen fund today.

Matthew Rinklin will take us through a market and portfolio update for the CION Grosvenor Infrastructure Fund. Matt is managing director at GCM Grosvenor. He focuses on sourcing infrastructure assets and has helped supercharge the growth of GCM's Infrastructure platform since his arrival in 2018.

Starting broad, Matt, how is the conflict with Iran and the related regional instability affecting global energy and supply chain infrastructure? And what impact, if any, is it having on portfolio assets today?

MATTHEW RINKLIN

Rate expectations have changed dramatically over the course of the last 12 months. We went from thinking about four rate cuts this time last year to now we're thinking there's not going to be another rate cut for the rest of the year. Energy is outperforming in the public markets and software is down, given what's happening with AI. The biggest headlines are associated with geopolitical risk. I think all those factors are creating some level of uncertainty across the markets. We're seeing broad divergence amongst winners and losers in the market.

The portfolio has real assets tied to the physical economy. Energy transport is gaining more relevance, and the portfolio today, in terms of the energy space, is mostly focused on North American energy. It is a textbook beneficiary of the risk associated with energy security repricing across the market. Having pipes, refineries, and storage facilities that are actively moving energy product is extremely beneficial in a world that is short those commodities because of what's going on in the Strait of Hormuz.

As an example, we have a large bulk liquid storage business called IMTT[1]. IMTT[1] has seen increased utilization since the breakout of the Iran conflict as commodity owners seek more storage and to secure barrels or gas or chemicals at current prices for fear that prices could escalate as a result of an extended conflict or a more dramatic conflict. We've seen utilization of our storage go from 90% to 92% over the past 45 days.

We haven't seen demand destruction across any of our other assets, and so far, consumers have been resilient through this conflict. We've seen increased volatility in the financial markets, but we haven't seen broad-based demand destruction or economic declines that would give people pause around putting capital to work and continuing to grow our portfolio. We've continued on the path of deploying capital and exiting investments when they're ready to be harvested.

MICHAEL SLOCUM

One thing we are seeing is stickier inflation. Infrastructure has been cited as a hedge against inflation. Could you walk us through a couple of portfolio examples where assets are actively passing along price increases?

MATTHEW RINKLIN

Several of our assets have contracts that are tied to inflation. One example would be the M25[1], the ring road around London. The contractual arrangement contains inflation escalators as an input to what the UK government pays for the road. If drivers can drive on it and utilize the road, the UK government will pay the concession payment to CGIF and various other investors as well. That revenue is determined on a quarterly basis, and one of the key inputs to that revenue stream is inflation. As inflation goes up, the revenue line for the M25[1] also goes up because we are able to pass along the inflation associated that we would theoretically see in our cost base, to maintain the revenue through to the UK government.

Another example would be a tolling arrangement at a power plant. With some power plant contracts, we get paid to turn natural gas molecules into megawatts. If we think about the price of gas going up in an inflationary environment or in a geopolitical environment like we're seeing with the Iran conflict, we're able to pass along the increase in natural gas costs to the off-taker of the power plant. Our revenue line increases as inflation increases and thereby helps to insulate the profit and loss (P&L) from dramatic increases in inflation. A business that doesn't have this type of pass through, as inflation is rising, the revenue line may not be rising as fast as the costs, and therefore the margins experience some contraction.

For most infrastructure assets, a constant margin can generally be maintained because of the ability to pass along many of these cost inputs and inflation to the ultimate customer.

When we think about the current market today, equity price to earnings ratio is at the 90th percentile versus a trailing 12-year period. On the other side of the token, we note high yield spreads are in the bottom first percentile, extremely tight versus history in terms of where yield is pricing today. Equities are expensive versus history and credit markets are seeing low spreads. Currently, there's limited risk premium in public markets available, which makes it a little bit more vulnerable to shocks or repricing. The drawdown associated with the Iran conflict has rippled through markets.

This really sets up the case for private assets with differentiated returns that are uncorrelated with these various markets. Many of the assets in our current portfolio are not correlated with the S&P 500, Bitcoin, the high yield bond index or crude oil. The uncorrelated returns are associated with infrastructure assets that have strong contractual frameworks, healthy cash flow, and great visibility. Regarding the M25[1], as long as we can keep it drivable and the UK government remains solvent, we should get paid for that investment.

That's an example of how market fluctuations are not pulled through into many of the infrastructure assets that are out there. When we think about the risk-return framework of infrastructure, the more opportunistic returns can be more affected by sentiment, public markets, things of that nature, which is why our focus is on core plus and value add since we're trying to deliver return on a four-to-six year underwrite.

MICHAEL SLOCUM

The AI and data center build out have dominated headlines. Can you explain how data centers generate revenue? How does GCM think about the space? What exposure does CGIF have today, and are there any other areas of infrastructure you think could benefit from this secular trend?

MATTHEW RINKLIN

A developer will build a data center and create a building that can be leased, and that building is powered and ready to go for hyperscalers to come in and take up the capacity in that space. Revenue is earned similar to the way revenue is earned in real estate, where powered space is provided for hyperscalers to either deliver cloud services, enterprise services, government services, AI labs, et cetera. The data center space has become more essential and critical to everything that we do. The number of connected devices that we have today, they're all demanding streaming content. That ties back to data centers. As our economy continues to digitize and grow, all that is heavily reliant on data center capacity. That's why we believe they've become more important. What's supercharging the growth is the capital expenditures that we're seeing across data centers over the last 10 years. This amount is growing every year, and expectations continue to get higher for the amount of capital that will need to be committed. From 2020 to today, the amount of capital that's going into data centers has increased five times. We believe it's a theme that's here to stay and could be a meaningful part of infrastructure and the economy.

This asset class is becoming essential to business and social engagement across the globe. The supercharging comes from the AI of everything, and we're all seeing that filter into our lives, whether that be ChatGPT for random health questions, or Claude for building financial models. We've been invested in a data center developer called Vantage[1] which was sold to DigitalBridge as a fundless sponsor in 2017. We were early in the space and in 2017, the opportunity was cloud computing. That was the main growth driver, and then it became connected devices, then it became high content applications, then it became streaming.

The more recent wave in the data center space has been AI, but the vast majority of the data center expansion is coming from just a few companies. Vantage[1] is the number one builder for Microsoft globally, for Amazon in the US and in Canada, and has built for Meta several times. It recently won two of the Stargate projects, which is the joint venture between Oracle and OpenAI in Wisconsin and Texas. Vantage[1] is dealing with the highest quality customers who have the largest developments. Over time, we're going to see this disparity from the data center developers who are focused on the hyperscalers, like Vantage[1], and the ones that are focused on secondary markets or secondary customers or third tier folks.

I think those second and third tier operators are going to be left behind. I think there will be, over time, a flight to quality in the data center space, and Vantage[1] is one of the handful of high-quality developers in the world.

MICHAEL SLOCUM

How are you thinking about the outlook for the remainder of 2026?

MATTHEW RINKLIN

I think overall, if we think about since inception returns, we're extremely happy. I think it's hard to look at one quarter when we think about infrastructure returns because the assets are so long dated. If we think about 2025 as being a good case study, we were happy with the performance.

I think this year we will continue to see exits. We're already working on one right now that should be announced soon and I think we'll see two more in the second half of the year. We'll continue to see our pipeline grow. We'll deploy capital into new investments across industries.

Some key factors that we will focus on to meet our target this year are distributable cash flow, operational enhancements and refinancings across the portfolio.

MICHAEL SLOCUM

We had some interesting news recently regarding Atlantic Aviation[1] and Apollo. Would you walk us through the investment in Atlantic Aviation[1]? What they're all about, what's their business model, and then maybe walk us through the deal with Apollo.

MATTHEW RINKLIN

This is a seasoned portfolio with roughly 50 positions today. Many of those positions were put in the ground in 2021, 2022, and 2023. We typically underwrite for four-to six-year holds, so we're naturally going to see this portfolio generate two or three exits per year.

Atlantic Aviation[1] is a business that owns FBOs across the United States. These are fixed-based operators, which are typically at general aviation airports. They provide terminaling, fuel services, and baggage handling for private aviation. Atlantic[1] has close to a hundred locations across the United States. We underwrote this investment with KKR in 2021, working alongside them and attending the management presentation. What we saw was a business that had been underinvested for a long time. It had 68 locations at that time, and the management team saw there was a ton of opportunity, but not capital to go after those opportunities. KKR and GCM bought the business with the idea that we were going to do a creative M&A to build this platform in North America and we have executed on that. We first bought a business called Ross Aviation that had an additional 16 FBOs, then bought another business called Links that had another 10 FBOs and we have executed on a couple of other bolt-ons that have got us close to that 100 number. During COVID there was a transition in the private aviation industry from briefcases to suitcases. Historically, private aviation was dominated by corporations and businesses sending their executives across the country for various meetings. When COVID broke out and people saw dramatic increases in wealth, things like Bitcoin taking off and the S&P taking off and a lot of liquidity events happening, we saw more people accessing private aviation for the first time.

People didn't want to take as many commercial planes, and that built a strong base of leisure travelers that has continued to today. As business has come back, we've seen further demand in the private aviation space. Atlantic Aviation[1] grew by acquisition and higher demand and utilization of its various facilities across the United States. When we put those two things together, the business became more valuable than when we bought it back in 2021. Apollo has recently signed an agreement to purchase Atlantic Aviation[1], which will be a positive exit for the portfolio.

MICHAEL SLOCUM

Maybe talk very high level about pipeline, without getting too specific, where you're seeing the most compelling opportunities and how would you characterize the overall new deal environment?

MATTHEW RINKLIN

We like the environment that's happening today. Higher interest rates mean a little bit higher cost of capital, which means that we're able to still find attractive opportunities, and put capital to work. Our landscape of GP relationships helps to facilitate deal flow. Right now, we've got about 10 active opportunities that we're underwriting. We look to execute about 10% of the deals we see.

We're currently working with an energy relationship of ours that is purchasing a large pipeline, which has taken a long time to construct, and is bringing gas from the Ohio, Pennsylvania, and West Virginia area down to the demand centers and growing markets in the Carolinas. Historically, these markets were served from Gulf Coast pipelines, bringing gas from the Gulf all the way up the Eastern seaboard. This pipeline is designed to bring that cheap gas down to the growing regions, North Carolina and South Carolina. This pipeline is highly utilized for power generation, heating people's homes, industrial purposes, and so the demand for the gas is very strong, and there's an abundancy of the gas.

We are going to very soon execute a transaction to buy a piece of the pipeline along with some other co-investors. We think it is a good example of a well-priced project. We think it'll generate strong yield and then strong overall returns over time, and it's a pipe that's just going into operation over the last 12 to 24 months. We're also seeing another opportunity in the power generation space, with a manager that we've worked with for a long time. That firm is run by a guy who was my first boss when I started energy investment banking at JP Morgan. We've got a lot of great relationships around the infrastructure space, and it's a tight-knit world. This is an opportunity to develop an existing, gas-fired power plant and expand that power plant, so that it can produce more megawatts and dispatch into the Ohio market which is more broadly called PJM. It's a repowering opportunity, which means that we're going to take an existing power plant and repower it to provide more megawatts, and to be more efficient.

We're also seeing opportunities in Europe. There's an asset which is a large waste-to-energy company. They have long-term contracts to convert residual, municipal and commercial waste into power. The UK a long time ago put high taxes on landfills, because it wanted to convert the disposal of municipal solid waste and commercial waste from landfills to burning it and creating electric power. There have been several waste-to-energy facilities built in the UK, and this is one of the preeminent operators and owners of those assets.

We're going to be expanding our position and expanding our overall focus in that social infrastructure sector in the UK. We're also looking at another transportation business. This is an operator of US fixed-wing aerial firefighting. This business provides contracted firefighting services to many of the municipalities, counties, and state governments on the West Coast and in Canada that have been ravaged by wildfires over the last few years. This business, under long-term contracts, provides firefighting equipment through air. They provide the services to extinguish fires and are on call when these fires break out. This is an infrastructure business because we could enter into very long-term contracts with municipalities to provide that service.

That's a few of the things that we're looking at, to highlight that at any given time, we have midstream energy opportunities, power opportunities, social infrastructure opportunities, and broad transport opportunities.

MICHAEL SLOCUM

What do you give up, what do you gain versus a direct investment or going co-invest? What about single-asset secondaries versus a portfolio of LP interests? How do you think about that as you're looking at these assets in the space?

MATTHEW RINKLIN

We look at direct investments, we look at co-investments, and we look at single-asset secondaries. We don't typically look at multi-asset secondaries, because the discounts associated with those are often lower than what we see on the single-asset secondary side. We have a team that can underwrite individual assets, and so we can get very deep on any individual asset, and therefore almost underwrite it like a direct deal, do our own diligence, et cetera, and then oftentimes we can price those at greater discounts than what's available in the multi-asset market.

What are you giving up between different types of transactions structures? Certainly, there's times where we co-invest, and we're getting board seats, minority governance rights, and we have an outsized say of what's going on related to exit and those things.

And there are other situations that we think we have an attractive deal, an attractive entry point with a manager that we know, and we're a bit more passive. I think it's a deal-by-deal situation, based on various factors that are present at the deal. Something like the power deal that I talked about, that's another single-asset secondary. We're going to have very strong governance on that. We led that deal, we priced that deal, and so we're going to have a say around governance matters. Atlantic Aviation[1], for example, we underwrote the deal with KKR, and we had some ability on governance, but we didn't have a board seat. It's really on a situation-by-situation basis, and I think we are striving in most of our investments for significant influence and governance across what we do.

We want to have a say at the table. We certainly want to have board seats, we certainly want to control exits, but it's a situation-by-situation basis across the portfolio.

MICHAEL SLOCUM

Is the influx of private capital into the infrastructure space putting any pressure on underwriting projects?

MATTHEW RINKLIN

There seems to be a large demand for data centers, because of the huge demand for power and other inputs that are going into data centers. I can remember going back to the days when I was at JP Morgan and we were lucky enough to sit down with Jamie Dimon and talk about the power and utility space, and the utility space, specifically. And Jamie Dimon said, "I love this space because there's so much capital that's required to build out utilities across this country. We're going to be doing business with these utilities, whether it be bond offerings, equity raises, M&A deals for a long time to come." And he said that to me in 2008, and that continues to be true.

We have got an aged power system and an aged grid. We've got a significant amount of new generation that's been developed for solar and wind that needs new transmission to get to load pockets. I think we are continuing to see those themes play out. Infrastructure is built in decades, not years. We see the capital refurbishments and upgrade needs for infrastructure to be tremendous. When we look at the American Civil Engineers report card, we see that they have a $4 trillion capital need for infrastructure for the foreseeable future. When we think about some of the interval funds that have been raised and then layer on the closed-end funds that have been raised, it is not even scratching the surface of what's needed across the North American and Western European markets in terms of infrastructure investment.

There's a lot of room to run there and we haven't seen it impact our underwriting standards. Number one, because the opportunity is so big and because so many of the areas within infrastructure are growing, and there's a continued need for private capital to enter the space.

MICHAEL SLOCUM

What's the downside?

MATTHEW RINKLIN

I think the bear case for private infrastructure is ongoing GDP declines. I think that no matter the asset, when there is declining GDP for several years, the asset is probably going to take a hit in terms of its value. If we're in a very prolonged recessionary environment, where there is demand destruction, consumers not spending money, the movement of goods slows down, et cetera. As an example, infrastructure assets performed relatively well through a GFC cycle, but if the asset had to be sold at the time of the GFC, sellers probably did not get the returns they underwrote.

Maybe what happens is the hold period gets extended a few years, but ultimately, the assets are essential and if we can weather the period of that declining GDP, I think that many of the infrastructure assets could still have a great return potential unless there is a situation where there is an over-leveraged capital structure or an industry really changes meaningfully. Our focus is more in brownfield, middle of the fairway infrastructure, things that we understand and oftentimes have invested in before. I think we've learned some of the lessons of right-sized capital structures, ability to seek out durable businesses, and those who can be resilient through cycles. I think that in the bear case, valuations can come down because of declining GDP but that the asset performance can be strong if there is an ability to hold through that cycle.

Disclosures

1. CGIF's top 10 holdings as of 4/30/2026 include (holdings percentage): Constellation Corporation (formerly Calpine Corporation) (10.6%), M25 (8.9%), University College London Hospital (8.6%), Vantage Data Centers (N.A.) (6.9%), Viridor Limited (4.5%), IMTT (4.2%), London Heathrow Airport (3.1%), LaGuardia Terminal B (2.9%), Atlantic Aviation (2.9%), SH 130 (2.8%). Data shown is for informational purposes only and not a recommendation to buy or sell any security.

Risks and limitations include, but are not limited to, the following: investment instruments may be susceptible to economic downturns; most of the underlying credit instruments are rated below investment grade and considered speculative; there is no guarantee all shares can be repurchased; the Fund's business and operations may be impacted by fluctuations in the capital markets; the Fund is a diversified, closed-end investment company with limited operating history; diversification does not eliminate the risk of investment losses.

Indices are provided for illustrative purposes only and not indicative of any investment. The indices do not reflect the deduction of fees or expenses. You cannot invest directly in an index. Past performance is not a guarantee of future results.

This is neither an offer to sell nor a solicitation to purchase the securities described herein. An offering is made only by the prospectus which must precede or accompany this piece. Please read the prospectus prior to making any investment decision and consider the risks, charges, expenses and other important information described therein. Additional copies of the prospectus may be obtained by contacting CION Securities at 800.435.5697 or by visiting cioninvestments.com.

Please be aware that the Fund, Advisers, Sub-Advisers, Distributor or the Dealer Manager and their respective officers, directors, employees and affiliates do not undertake to provide impartial investment advice or to give advice in a Fiduciary capacity in connection with the Fund's public offering of shares to retail investors.

CION Securities, LLC (CSL) is the dealer manager for CION Grosvenor Infrastructure Fund, advised by CION Grosvenor Management, LLC (CGM) and sub-advised by GCM Grosvenor, L.P. (GCMLP) with marketing services provided by ALPS Distributors, Inc (ADI). CSL, member FINRA, and CGM and GCMLP are not affiliated with ADI, member FINRA.

CGF000167-1226

© 2026 CION Investments | 100 Park Avenue, 25th Floor, New York, NY 10017