



MACQUARIE

Macquarie Korea Infrastructure Fund

2020 2nd Quarter Asset Management Report



Name

Macquarie Korea Infrastructure Fund (MKIF)

Period: Quarter 2 (1 April 2020 - 30 June 2020)

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

Fund code: 35301

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 at MKIF website, 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.

Disclaimer

MKIF and Macquarie Korea Asset Management Co., Ltd. (“MKAM”), are not an authorised deposit-taking institution for the purposes of the Banking Act 1959 (Commonwealth of Australia) and its obligations do not represent deposits or other liabilities of Macquarie Bank Limited ABN 46 008 583 542 (MBL). MBL does not guarantee or otherwise provide assurance in respect of the obligations of MKIF/ MKAM. Neither MKIF, nor any member of the Macquarie Group companies, including MKAM, guarantees the performance of MKIF, the repayment of capital or the payment of a particular rate of return on MKIF securities.

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 the MKIF have been listed on Korea Exchange stock market. An investor may trade the shares through the account opened at a registered securities firm. |
| Custodian | Korea Securities Finance Corporation (KSFC) |
| Fund administrator | Hana Investors Service Co., Ltd. |
| Board of directors ^ | Corporate Director: MKAM Supervisory Directors: Woo Young Jung, Hwa Jin Kim and Daeki Kim |
| Key staff of MKAM ^ | Boum Sik Suh (CEO) Jinwook Park (Fund Management) Do Kyung Kim (Legal) Ju Dong Kim (Finance) Ronnie Kim (Risk Management) Dae Sung Lee (Compliance) |
| 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 and tunnels 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 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

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

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 30 June 2020, MKIF has committed to invest in 11 toll roads, 1 light rail transit and one port with a total investment commitment of KRW 1,704.4 billion.

2.2 Management plan

MKIF is focusing on investments in loans to, and unlisted equity of, concession companies that operate infrastructure assets under concessions from Korean central, provincial or city governments throughout the country.

Target assets for infrastructure investment in Korea have historically been concessionaires operating toll roads, bridges, and tunnels, etc. Target portfolio company is an entity conducting facilities projects defined under Article 2 Sub-paragraph 1 of the PPI Act.

MKIF is to invest in entities that develop and/or operate Infrastructure Assets and to target to generate stable returns to our shareholders through capital growth and cash distribution.

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.

A. Short-term performance

(Unit: %)

| Type | 3 Months | 6 Months | 9 Months | 12 Months |
|----------------------------|----------|----------|----------|-----------|
| MKIF | 2.14 | 9.35 | 11.70 | 13.70 |
| Comparative Index + | N/A | | | |

+ There is no comparable index available because MKIF is the only listed infrastructure fund in Korea with publicly available NAV data.

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

B. Long-term performance

(Unit: %)

| Type | 1 Year | 2 Years | 3 Years | 5 Years |
|----------------------------|--------|---------|---------|---------|
| MKIF | 13.70 | 11.84 | 12.70 | 11.63 |
| Comparative Index ^ | N/A | | | |

^ There is no comparison index available because MKIF is the only listed infrastructure fund in Korea with publicly available NAV data.

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

※ NAV increase by the follow-on public offering in 3Q 2017 is not reflected in Long-term performance calculation.

2.4 Profit and Loss summary

The table below sets out the profit and loss incurred by MKIF in its P&L during the Quarter, in comparison with any profit and loss from the previous quarter.

(Unit: KRW million, %)

| Type | Equity(unlisted) | Loans | Dividend Income | Short-term Facilities & Deposit | Other Assets | Total Profit (Loss) |
|---------|------------------|--------|-----------------|---------------------------------|--------------|---------------------|
| Q2 2020 | | 50,227 | - | 10 | 60 | 50,297 |
| Q1 2020 | | 49,573 | 91,184 | 34 | 75 | 140,866 |

3. Details of Assets

3.1 Asset portfolio

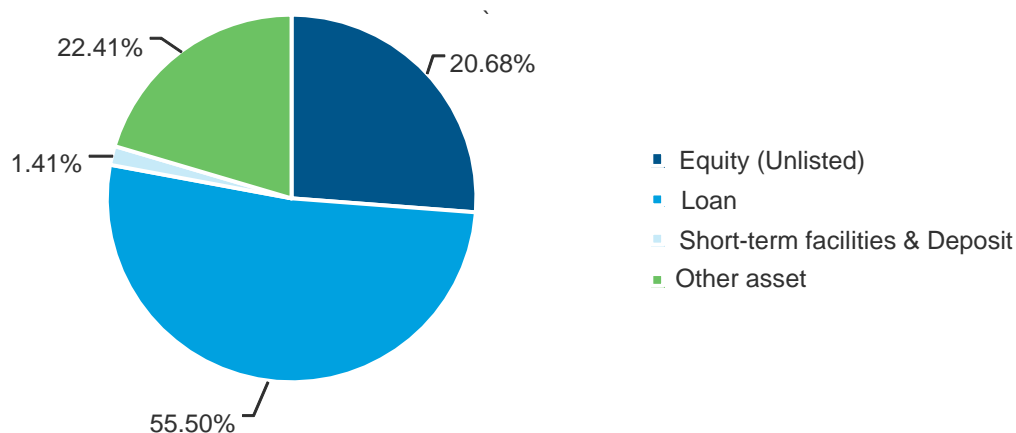
MKIF's investment portfolio consists of equity(unlisted), loans, cash and deposits and other assets.

(Unit: KRW million, %)

| Type | Equity (unlisted) | Loans + | Short-term facilities & Deposit | Other assets ^ | Total assets |
|--------------------------|-------------------|-----------|---------------------------------|----------------|--------------|
| KRW | 442,617 | 1,188,008 | 30,109 | 479,658 | 2,140,392 |
| Composition Ratio | 20.68 | 55.50 | 1.41 | 22.41 | 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 | Incheon Bridge Co., Ltd. | 241,000 | 11.26 |
| 2 | Subordinated loan | BNCT Co., Ltd. | 193,000 | 9.02 |
| 3 | Subordinated loan | Cheonan-Nonsan Expressway Co., Ltd. | 182,250 | 8.51 |
| 4 | Subordinated loan | Gyungso Highway Co., Ltd. | 99,633 | 4.65 |
| 5 | Equity (unlisted) | Cheonan-Nonsan Expressway Co., Ltd. | 93,815 | 4.38 |
| 6 | Subordinated loan | Seoul-Chuncheon Highway Co.,Ltd. | 87,450 | 4.09 |
| 7 | Subordinated loan | MCB Co., Ltd. | 79,000 | 3.69 |
| 8 | Senior loan | Kwangju Beltway Investment Co., Ltd. | 78,325 | 3.66 |
| 9 | Subordinated loan | Seoul-Chuncheon Highway B Co.,Ltd. | 74,327 | 3.47 |
| 10 | Equity (unlisted) | BNCT Co., Ltd. | 67,048 | 3.13 |

+ 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 MKIF's asset portfolio details

A. Equity securities (unlisted) (top five assets)

(Unit: Share, KRW million, %)

| Name | No. of Shares | Percentage Interest | Acquisition Value (A) | Appraisal Value (B) + | Gain/ Loss (B)-(A) | Composition Ratio ^ |
|-------------------------------------|---------------|---------------------|-----------------------|-----------------------|--------------------|---------------------|
| Cheonan-Nonsan Expressway Co., Ltd. | 17,550,000 | 60% | 93,815 | 93,815 | - | 4.38 |
| BNCT Co., Ltd. | 13,284,000 | 30% | 67,048 | 67,048 | - | 3.13 |
| Incheon Bridge Co., Ltd. | 7,826,100 | 64.05% | 58,053 | 58,053 | - | 2.71 |
| Gyungso Highway Co., Ltd. | 10,319,853 | 43.75% | 52,095 | 52,095 | - | 2.43 |
| Soojungsan Investment Co., Ltd. | 1,114,880 | 100% | 47,248 | 47,248 | - | 2.21 |

+ 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

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

(Unit: Share, KRW million, %)

| Name | No. of Shares | Percentage Interest | Acquisition Value (A) | Appraisal Value (B) + | Gain/ Loss (B)-(A) | Composition Ratio ^ |
|--------------------------------------|---------------|---------------------|-----------------------|-----------------------|--------------------|---------------------|
| Cheonan-Nonsan Expressway Co., Ltd. | 17,550,000 | 60% | 93,815 | 93,815 | - | 4.38 |
| BNCT Co., Ltd. | 13,284,000 | 30% | 67,048 | 67,048 | - | 3.13 |
| Incheon Bridge Co., Ltd. | 7,826,100 | 64.05% | 58,053 | 58,053 | - | 2.71 |
| Gyungso Highway Co., Ltd. | 10,319,853 | 43.75% | 52,095 | 52,095 | - | 2.43 |
| Soojungsan Investment Co., Ltd. | 1,114,880 | 100% | 47,248 | 47,248 | - | 2.21 |
| MCB Co., Ltd. | 7,955,780 | 70% | 33,925 | 33,925 | - | 1.58 |
| Kwangju Beltway Investment Co., Ltd. | 6,610,000 | 100% | 33,050 | 33,050 | - | 1.54 |
| Kwangju Ring Road Co., Ltd. | 5,775,000 | 75% | 29,495 | 29,495 | - | 1.38 |
| New Airport Hiway Co., Ltd. | 3,665,273 | 24.10% | 25,235 | 25,235 | - | 1.18 |
| Seoul-Chuncheon Highway Co., Ltd. | 3,128,435 | 15.83% | 1,423 | 1,423 | - | 0.07 |
| Baekyang Tunnel Ltd. | 100,000 | 100% | 1,231 | 1,231 | - | 0.06 |
| Woomyunsan Infraway Co., Ltd. * | 835,200 | 36% | - | - | - | - |

+ 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

* 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.

C. Loans to concession companies (top five assets)

(Unit: KRW million, %)

| Name | Acquisition Value | Interest Receivable * | Issued Date | Maturity Date | Guarantee | Credit Rating |
|--|-------------------|-----------------------|-------------|---------------|-----------|---------------|
| Incheon Bridge Co., Ltd. (Subordinated loan) | 241,000 | 20,156 | 18/08/2017 | 18/11/2037 | N/A | N/A |
| BNCT Co., Ltd. (Subordinated loan) | 193,000 | 344,071 | 25/02/2008 | 25/11/2032 | N/A | N/A |
| Cheonan-Nonsan Expressway Co., Ltd. (Subordinated loan) | 182,250 | 37,798 | 20/05/2005 | 20/05/2029 | N/A | N/A |
| Gyongsu Highway Co., Ltd. (Subordinated loan) | 99,633 | 38,491 | 29/10/2015 | 29/07/2039 | N/A | N/A |
| Seoul-Chuncheon Highway Co.,Ltd. (Subordinated loan) | 87,450 | 502 | 02/11/2006 | 28/05/2031 | N/A | N/A |

+These values are accumulated interest receivables

D. 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

E. 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* | 479,658 | 22.41 |

* 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 | Associate Director | 1 | KRW 339.3 billion | 1 | KRW 339.3 billion |

* 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 |
|--------------------------------|---|
| October 2019 ~ Present | Jaw Woo Jung, Jinwook Park |
| February 2019 ~ September 2019 | Jae Woo Jung, Boum Sik Suh, Yoonsik Pak (~ March 2019) |
| March 2016 ~ February 2019 | Yoonsik Pak, Jae Woo Jung |

^ 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 | | Q1 2020 | | Q2 2020 | | Remarks |
|------|------------------------|---------|--------|---------|--------|------------|
| | | Amount | Ratio+ | Amount | Ratio+ | |
| MKIF | Management fee | 8,192 | 0.448 | 8,675 | 0.459 | Management |
| | Sales agent fee | - | - | - | - | |
| | Custodian fee | 91 | 0.005 | 94 | 0.005 | |
| | Administrator fee | 57 | 0.003 | 59 | 0.003 | |
| | Total | 8,340 | 0.456 | 8,828 | 0.467 | |
| | Other expenses^ | 429 | 0.023 | 624 | 0.033 | |
| | Transaction fee | - | - | - | - | |
| | Securities transaction | - | - | - | - | |

+ 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, %)

| Collective Investment Vehicle | | |
|-------------------------------|----------------------|------------------|
| Type | Total Expense Ratio* | Commission Ratio |
| MKIF | Q1 2020 | 1.9239 |
| | Q2 2020 | 2.0044 |

* Total Expense ratio refers to a ratio calculated by dividing the total management fee and other expenses borne by the collective investment vehicle 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: annualised, %)

| Shares | Buy | | Sell | | Turnover Ratio+ | |
|--------|--------|--------|--------|--------|-----------------|-----------------|
| | Shares | Amount | Shares | Amount | Q4 2019 | Annualised rate |
| - | - | - | - | - | - | - |

+ 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.

6.2 Equity turnover ratio during the past three quarters

(Unit: %)

| Q4 2019 | Q1 2020 | Q2 2020 |
|---------|---------|---------|
| - | - | - |

6.3 Loan sales

(Unit: KRW million)

| Name | Type | Date | Amount |
|------|------|------|--------|
| | N/A | | |

6.4 Loan injections

(Unit: KRW million)

| Name | Type | Date | Amount |
|------|------|------|--------|
| | N/A | | |

6.5 Debt facility status

(Unit: KRW million)

| Name | Debt facility amounts | | | |
|---|------------------------|-----------------------|----------------------|-----------------------|
| | Limit of the Facility+ | Cumulative to Q1 2020 | Movements in Q2 2020 | Cumulative to Q2 2020 |
| Shinhan Bank | 60,000 | 13,233 | -9,600 | 3,633 |
| Samsung Fire & Marine Insurance | 50,000 | 11,028 | -8,001 | 3,027 |
| Industrial and Commercial Bank of China | 50,000 | 11,028 | -8,001 | 3,027 |
| National Agricultural Cooperative Federation | 30,000 | 6,616 | -4,800 | 1,816 |
| Mirae Asset Life Insurance | 60,000 | 13,232 | -9,598 | 36,34 |
| Total | 250,000 | 55,137 | -40,000 | 15,137 |

+ MKIF refinanced its corporate debt facility ("New Facility") on 28 January 2019 and repaid the previous corporate debt facility ("Precious Facility"). The New Facility limit of KRW 250 billion will remain the same with the Previous Facility. For details, refer to MKIF disclosure on 28 January 2019

6.6 Corporate bond status

(Unit: KRW million)

| Name | Par Value | Interest rate | Issue Date | Maturity Date | Credit Rating |
|---|-----------|---------------|------------|---------------|---------------|
| Unsecured Bond Tranche 2-1 (5year) | 100,000 | 2.980 | 11/06/2018 | 11/06/2023 | AA0 |
| Unsecured Bond Tranche 2-2 (7year) | 100,000 | 3.205 | 11/06/2018 | 11/06/2025 | AA0 |

+ MKIF issued KRW 200 billion of unsecured, fixed-rate bonds to repay the KRW 190 billion of short-term loan executed on 31 May 2018. For more information, please refer to the disclosure on 11 June 2018.

7. 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 |
|-----------------------|---|
| Woo Young Jung | <ul style="list-style-type: none"> • Attorney, Lee & Ko • Adjunct Professor, Graduate School of Law, Korea University • Outside Director, Hanjin Shipping • Arbitrator, Korean Commercial Arbitration Board • Committee Member, Policy Advisory Committee, Ministry of Oceans and Fisheries • Legal Advisor, Industrial Bank of Korea • Legal Advisor, Bank of Korea |
| Hwa Jin Kim | <ul style="list-style-type: none"> • Chairman of Proxy Voting Advisory Committee, Korea Corporate Governance Service • President of Seoul Corporate Governance Forum • Hyundai Heavy Industries Group independent director • Law School professor at Seoul National University • A foreign chair-professor of Law school, University of Michigan |
| Daeki Kim | <ul style="list-style-type: none"> • Outside Director of Doosan Heavy Industries & Construction Co., Ltd. • Advisor to Hanwha Life Insurance Co., Ltd. • Chief of Policy Staffs, Office of the President • Senior Secretary to the President for Economic Affairs, Office of the President • Vice Minister of Culture, Sports and Tourism • Commissioner of the Korea National Statistical Office • Head of National Budget Office, Ministry of Planning and Budget • Secretary to the President for Economic Affairs, Office of the President • Economist, World Bank • Deputy Director, Economic Planning Board |

Corporate director – MKAM

| Name | Career |
|----------------------|--|
| Boum Sik Suh | <ul style="list-style-type: none"> • Representative Director, Macquarie Korea Asset Management Co., Ltd. ("MKAM") • 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) |
| Do Kyung Kim | <ul style="list-style-type: none"> • Head of Legal, Macquarie Korea Asset Management Co., Ltd. • Former lawyer at Kim Chang & Lee and Yulchon • Attorney at law and a member of the Korea Bar |

Appendix II. Summary of Financial Statements

Statements of Financial Position

As of 30 June 2020, As of 31 March 2020 and 30 June 2019

(Unit: KRW million)

| | 30 June 2020 | 31 March 2020 | 30 June 2019 |
|---|------------------|------------------|------------------|
| Assets | | | |
| Invested assets | 1,660,734 | 1,686,484 | 1,705,936 |
| Cash & deposits | 30,109 | 51,847 | 50,284 |
| Loans receivable | 1,188,008 | 1,192,020 | 1,213,035 |
| Equity securities | 442,617 | 442,617 | 442,617 |
| Others | 479,658 | 454,669 | 410,933 |
| Interest receivables | 471,367 | 446,242 | 402,091 |
| Other receivables | 2,675 | 2,674 | 2,675 |
| Prepaid expense | 3,675 | 3,879 | 4,362 |
| Prepayment | 1,941 | 1,874 | 1,805 |
| Total assets | 2,140,392 | 2,141,153 | 2,116,869 |
| Liabilities | | | |
| Operational liabilities | 214,738 | 254,700 | 199,481 |
| Bond | 199,590 | 199,563 | 199,481 |
| Long-term debt | 15,148 | 55,137 | - |
| Others | 15,067 | 14,775 | 15,208 |
| Payables | 1 | - | 2 |
| Management fee payable | 8,675 | 8,192 | 8,534 |
| Other liabilities | 6,391 | 6,583 | 6,672 |
| Total liabilities | 229,805 | 269,475 | 214,689 |
| Shareholders' equity | | | |
| Share capital | 1,815,615 | 1,815,615 | 1,815,615 |
| Retained earnings (accumulated deficit) | 94,972 | 56,063 | 86,565 |
| Total shareholders' equity | 1,910,587 | 1,871,678 | 1,902,180 |
| Total liabilities and shareholders' equity | 2,140,392 | 2,141,153 | 2,116,869 |

Statements of Income

For the Quarters Ended 30 Jun 2020, 31 Mar 2020 and 30 Jun 2019

(Unit: KRW million)

| | Quarter Ended 30 Jun. 2020 | Quarter Ended 31 Mar. 2020 | Quarter Ended 30 Jun. 2019 |
|----------------------|-------------------------------|-------------------------------|-------------------------------|
| Revenue | 50,297 | 140,866 | 51,531 |
| 1. Interest income | 50,237 | 49,607 | 49,295 |
| 2. Dividend Income | - | 91,184 | - |
| 3. Other income | 60 | 75 | 2,236 |
| Expenses | 11,387 | 10,770 | 11,204 |
| 1. Management fee | 8,675 | 8,192 | 8,534 |
| 2. Custodian fee | 94 | 91 | 94 |
| 3. Administrator fee | 59 | 57 | 59 |
| 4. Interest expense | 1,769 | 1,840 | 1,825 |
| 5. Other expense | 790 | 590 | 692 |
| Net income | 38,910 | 130,096 | 40,327 |

Corporate Directory

Manager of MKIF

Macquarie Korea Asset Management Co., Ltd.

18th Floor, Tower A, Centropolis Building,
26, Ujeongguk-ro, Jongno-gu, Seoul, 03161, KOREA
Telephone +82 2 3705 8565
Facsimile + 82 2 3705 8596

MKIF Custodian

Korea Securities Finance Corp.

10, Gookjegeumyoongro-8-gil,
Yeongdeungpo-gu,
Seoul, 07330, KOREA
Telephone + 82 2 3770 8800
Facsimile + 82 2 3770 8244

MKIF Administrator

Hana Investors Service Co., Ltd.

10th Floor, 66 Eulji-ro, Jung-gu,
Seoul, 04538, KOREA
Telephone + 82 2 6714-4600
Facsimile + 82 2 6714-4800