

Rated entity:

Bearer notes with the ISIN XS1750987395 issued by Pension Alternative Markets S.C.S. SICAV-FIS (company), acting for and on behalf of its sub-fund PAM III (borrower)

Rating:

BBB-

Rating outlook / addition:

Outlook stable

Basic rating data:

Initial Issue Date	2/2/2018
Jurisdiction rated entity	German law
Exchange	---
Legal form	Société en commandite simple
Issue volumen	EUR 72,000,000
Seniority	Non-subordinated
Collateralisation	Unsecured
Credit Enhancement	Available
Legal Maturity	12/31/2040
Coupon	2.0% p.a.
Coupon period	Annually
Coupon type	Fix, non-deferrable
Lead analyst	Christian Schönherr c.schoenherr@creditreform-rating.de / +49 2131 109 1209
Co-analyst	Yannick Sagert y.sagert@creditreform-rating.de / +49 2131 109 2083

Rating rationale:

Object of this rating are the MIGS Notes (rating object) issued by Pension Alternative Markets S.C.S. SICAV-FIS, PAM III (borrower). The borrower invests the proceeds indirectly in the form of equity capital in infrastructure assets. The investments will be made through the MIRA Infrastructure Global Solution L.P. and MIRA Infrastructure Global Solution II L.P. (investment vehicles). The relevant manager is MIRA Americas, Inc.

Since our last rating review, there has been a material structural change to the transaction documents. The dividend-cap that was previously in place has been replaced by a "clawback" mechanism. Based on the new mechanism, the equity investors commit itself to increase their equity commitment to the borrower in the same amount as they previously received dividends from the same. The implementation of this "clawback" mechanism as well as the improvement of the credit enhancement had positive effects in our assessment. From an operational perspective, there has been an improvement in that macroeconomic uncertainties have been reduced compared with previous year. In addition, several infrastructure sectors have recently been able to demonstrate its strong operational resilience to macroeconomic shock events. A granular asset portfolio with good diversification further supports the borrower from potential idiosyncratic risks. However, the investment vehicles strategies tend to highly focus on growth opportunities and thus, offer only limited distributions up to now. Considering this, Creditreform Rating (CRA) updated its pay-out ratio within the quantitative analyses to account for this growth focussed strategy. The remaining input parameters for the quantitative analyses from previous year were largely confirmed by the investment vehicles performances, which is why no further significant changes were required. While the "clawback" mechanism and improved credit enhancement had positive effects on the quantitative results, the amendment of the pay-out ratio in the base case scenario counteract these effects, so that the overall result for our base case remains unchanged. Following these stable results, CRA confirms its current rating for the rating object with BBB-/stable.

Primary key rating driver:

- (+) Initial loss buffer of 20% due to available equity on the borrower level
- (+) Clawback provision and conditional equity commitment to prevent liquidity shortfalls on the borrower level
- (+) Good diversified asset portfolio
- (+) Asset manager's track record
- (-) Implicit subordination of the rating object
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- (-) Multilateral currency risks
- (-) Liquidity risks resulting from the combination of fixed coupon payments and discretionary distributions from the investment vehicles

Ratings sensitivities:

Best-case scenario: In this scenario, we stressed (ceteris paribus) the return on equity and probability of default of the portfolio assets by an amount of +1%-point and +one notch respectively, resulting in a rating of BBB+.

Worst-case scenario: In this scenario, we stressed (ceteris paribus) the pay-out ratio of the portfolio assets by an amount of -10%-points (period 1 to 4) and -30%-points (period 5 to end) respectively, resulting in a rating of CCC.

ESG-Criteria:

CRA generally considers ESG factors (environment, social and governance) within its rating decisions. In the present case, ESG criteria had no comprehensive impact to the rating.

ESG factors with material impact were not identified.

Latest rating date / Disclosure to rated entity / Maximum validity:

7/26/2021 / 7/26/2021 / 12/31/2040

Between the disclosure of the credit rating to the rated entity and the public disclosure, no amendments were made to the credit rating.

Initial rating date:

4/4/2018 / BBB-

Status of solicitation:

The rating is a solicited rating. The degree of participation was as follows:

With Rated Entity or Related Third Party Participation: Yes

With Access to Internal Documents: Yes

With Access to Management: Yes

Notes:

This document is a CRA Press Release. The CRA Press Release outlines significant rating-relevant changes compared to CRA's most recent rating action. It immediately follows that the assigned rating must not be limited to the motivators mentioned in the CRA Press Release. Instead, a comprehensive acknowledgement of all explanations provided in previous reports, other forms of documentation, rating updates and, in particular, the CRA initial rating report is indispensable. At this point, CRA refers the reader to these forms of documentation, rating updates and reports.

Regulatory Requirements and Legal Disclosures :

Creditreform Rating AG was mandated on 8/9/2017 by Pension Alternative Markets S.C.S. SICAV-FIS, PAM III to conduct a rating for the bearer notes under German law, issued by Pension Alternative Markets S.C.S. SICAV-FIS, PAM III. This is a public rating which is regulatory applicable according to EU Regulation 1060/2009 (CRA-Regulation).

The rating was conducted on the basis of Creditreform Rating's "Issue Ratings" and "Technical Documentation - Portfolio Loss Distribution" in conjunction with Creditreform's basic document "Rating Criteria and Definitions".

Important sources of information in the context of the rating were, in addition to the submitted documents, a due diligence meeting via a conference call on 6/30/2021. The submitted documents and information provided by Macquarie or rather the Issuer were sufficient to meet the requirements of Creditreform Rating AG's rating methodology.

A complete description of Creditreform Rating's rating methodologies and Creditreform's basic document "Rating Criteria and Definitions" is published on the following internet page:

<https://creditreform-rating.de/en/about-us/regulatory-requirements.html>

On the subject of ESG (environment, social and governance), Creditreform Rating AG has published the basic document "The Impact of ESG Factors on Credit Ratings", which is available on the homepage under the following link:

<https://creditreform-rating.de/en/about-us/regulatory-requirements.html>

This rating was carried out by analysts Christian Schönherr (Lead) and Yannick Sagert, all located in Neuss/Germany. The function of Person Approving Credit Ratings (PAC) was performed by Stephan Giebler.

Closing of the transaction occurred on 1/25/2018. The rating is based on the portfolio information and transaction documentation as of 7/25/2021, as provided by Macquarie or the Issuer.

The issuer or all relevant parties have examined the rating report prior to publication and were provided with at least one full working day to appeal the rating committee decision and provide additional information. The rating decision was not amended following this examination.

In addition to the provision of rating activity, no further ancillary services were provided.

In 2011 Creditreform Rating AG was registered within the European Union according to EU Regulation 1060/2009 (CRA-Regulation). Based on the registration Creditreform Rating AG (CRA) is allowed to issue credit ratings within the EU and is bound to comply with the provisions of the CRA-Regulation.

Conflicts of Interest

No conflicts of interest were identified during the rating process that might influence the analyses and judgements of the rating analysts involved or any other natural person whose services are placed at the disposal or under the control of Creditreform Rating AG and who are directly involved in credit rating activities or approving credit ratings and rating outlooks.

In case of providing ancillary services to the rated entity, CRA will disclose all ancillary services in the credit rating report.

Rules on the Presentation of Credit Ratings and Rating Outlooks

The approval of credit ratings and rating outlooks follows our internal policies and procedures. In line with our "Rating Committee" policy, all credit ratings and rating outlooks are approved by a rating committee based on the principle of unanimity.

To prepare this credit rating, CRA has used following substantially material sources:

1. Transaction structure and participants
2. Transaction documents
3. Issuance documents

There are no other attributes and limitations of the credit rating or rating outlook other than those displayed on the CRA website. Furthermore CRA considers satisfactory the quality and extent of information available on the rated entity. In regard to the rated entity Creditreform Rating AG regarded available historical data as sufficient.

Between the time of disclosure of the credit rating to the rated entity and the public disclosure, no amendments were made to the credit rating.

This rating was not endorsed by Creditreform Rating AG from a third country as defined in Article 4 (3) of the CRA-Regulation.

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In cases where the credit rating is based on more than one methodology or where reference only to the principal methodology might cause investors to overlook other important aspects of the credit rating, including any significant adjustments and deviations, Creditreform Rating AG explains this fact in the credit rating report and indicates how the different methodologies or other aspects are taken into account in the credit rating. This information is integrated in the credit rating report.

The meaning of each rating category, the definition of default or recovery and any appropriate risk warning, including a sensitivity analysis of the relevant key rating assumptions, such as mathematical or correlation assumptions, accompanied by worst-case scenario credit ratings and best-case scenario credit ratings are explained.

The date at which the credit rating was initially released for distribution and the date when it was last updated including any rating outlooks is indicated clearly and prominently in the "Basic Data" card or in the press release published on Creditreform Rating's website as a "rating action"; first release is indicated as "initial rating", other updates are indicated as an "update", "upgrade or downgrade", "not rated", "confirmed", "selective default" or "default".

In the case of a rating outlook, the time horizon is provided during which a change in the credit rating is expected. This information is available within „Basic data“ information card Creditreform`s basic document "Rating Criteria and Definitions".

In accordance to Article 11 (2) EU-Regulation (EC) No 1060/2009 registered or certified credit rating agency shall make available in a central repository established by ESMA information on its historical performance data, including the ratings transition frequency, and information about credit ratings issued in the past and on their changes. Requested data are available at the ESMA website:

<https://cerep.esma.europa.eu/cerep-web/statistics/defaults.xhtml>.

An explanatory statement of the meaning of Creditreform`s default rates are available in the credit rating methodologies disclosed on the website. Further information can also be found on the CRA website in the document "Rating Criteria and Definitions".

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