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Statement Of Advice For Financial Advisers

Infrastructure is becoming a mainstream asset class. The development of a significant listed market, some US\$3 trillion globally or more than three times the size of the Australian stockmarket, means the ability to invest in these attractive assets is within the reach of all investors.

Infrastructure assets are long-term, capital intensive investments that serve the community through the provision of essential community services. Good infrastructure provides key economic services efficiently and improves the competitiveness and productivity of an economy.

RARE Infrastructure is a boutique investment manager, specializing in global infrastructure. The RARE investment team has in aggregate over 90 years infrastructure experience and 70 years funds management experience. Integrating expertise from both the investment and infrastructure fields provides unusual insights into the market and gives it expertise in a variety of sectors globally.

The **RARE Infrastructure Value Fund – Hedged/RARE Infrastructure Value Fund - Unhedged** invests in a portfolio of global listed infrastructure securities which typically exhibit the following characteristics:

- **Long life assets.** Like property, infrastructure assets are tangible assets that generally have very long operational lives
- **Monopoly or duopoly assets.** Many infrastructure companies benefit from monopoly market positions which RARE believes reduces the potentially negative impact of competitive market forces on returns
- **Resilient and stable cashflows.** When economies experience periods of weakness, the revenues of listed infrastructure companies tend to be resilient because consumers continue to use electricity and gas for heating, cooling and lighting, and water, drive their cars on tollroads and use other essential infrastructure
- **Attractive income distributions.** Particularly for mature stage assets, RARE believes that a key attraction is the relatively high dividend yield compared with other equity investments
- **Inflation hedge.** A natural hedge against inflation exists for many infrastructure assets since revenue is usually linked to movements in inflation.

RARE believes that exposure to infrastructure assets can assist in providing diversification and the reduction of volatility, whilst providing some regular income and capital growth over the medium term.

If you have any further queries, please contact:

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