

With interest rates at 2%, where are you going to allocate funds?

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**Adviser Big Day Out “Capital Cities”
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Agenda

- Why infrastructure is such a big theme
- Why many Australian investors feel let down by infrastructure
- The difference between Australian and global listed infrastructure
- The outlook for global listed infrastructure
- About RARE

Why is Infrastructure such a big theme?

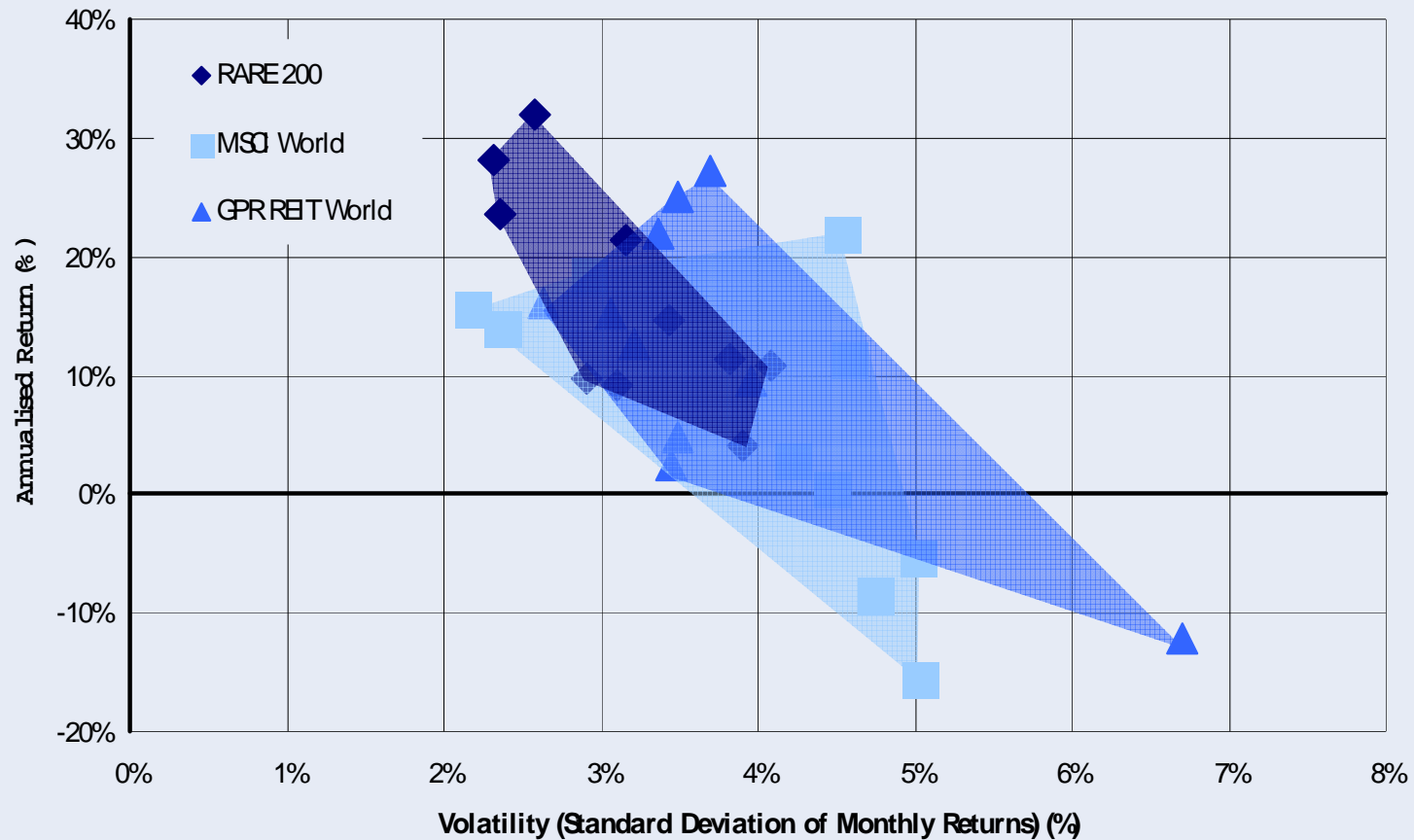
- Predictable cashflows
 - Better insulated from economic slowdown
 - Revenues often set in advance by regulators based on contracted equity return
- Access to debt markets
 - Due to highly predictable cashflows
 - for some regulated companies, explicit regulatory support for an investment grade rating
- Governments have an incentive to support returns to regulated companies
 - They want regulated companies to maintain capital spending to support broader economy
 - They want to continue to attract private sector funding to take the pressure off public finances
- Infrastructure investment is a core part of economic stimulus packages in the US, UK, France, Australia, China and others

Why is listed infrastructure such a big theme?

Lower risk of loss

Monthly Volatility vs Average Return

(rolling three year observations Dec-96 to Dec-08, local currency total return)



What is infrastructure?

- Long dated assets
- Resilient and predictable cash flows
- Ownership of monopoly assets
- Attractive yield
- Inflation hedge
- Low volatility of earnings

What is Infrastructure?

RARE's Universe – focus is defensive

