

Background Information for Financial Advisers

RARE Infrastructure Income Fund - Class A Units

Infrastructure consists of the physical assets that provide an essential service to society. These include assets such as airports, rail, roads, electricity and gas pipelines that local and national economies require to function and prosper. Importantly for investors, infrastructure assets are mostly long-dated, monopolistic assets that have historically provided relatively stable and predictable inflation-protected returns.

Listed infrastructure is comprised of publicly traded securities of infrastructure assets that combine historically dependable cash flows offered by infrastructure investments with the liquidity of a traded security. Investing in listed markets provides the flexibility to take advantage of market movements whilst enjoying the benefits of lower fees.

RARE is a specialist global listed infrastructure investment manager. Our focus is dedicated to identifying and investing in the best infrastructure assets in the listed equity market with the goal of delivering strong absolute returns over an investment cycle. RARE's Investment team is one of the largest in the peer group. Our singular focus creates long-term value for investors through deep understanding and pricing of infrastructure-related risks.

The **RARE Infrastructure Income Fund** aims to provide investors with regular and stable income of 5% pa through an investment cycle, comprised of dividends, distributions and interest, plus capital growth from a portfolio of global infrastructure securities.

The fund invests in a portfolio of global listed infrastructure securities which typically exhibit the following characteristics:

- ❖ **Long life assets.** 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 cash flows.** Infrastructure companies provide predictable income distributions due to stable earnings derived from the underlying asset. Regulation and/or long-term contracts provide stable cash flow and greater capital stability. For investors, this provides excellent visibility for revenues and dividends
- ❖ **Attractive income distributions.** Dividend payments form a significant component of returns which are typically higher than broader share markets
- ❖ **Inflation Protection.** Most infrastructure assets have an explicit link to inflation through regulation, concession agreements or contracts which provide inflation protection to investors.

RARE believes that exposure to infrastructure assets can assist in providing diversification and lower volatility, whilst rewarding investors with regular income and capital growth over the medium term.

Should you have any further queries, please contact:

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