



ASX

AUSTRALIAN SECURITIES EXCHANGE

# Infrastructure Funds

## Fact Sheet

Governments around the world are decreasing their investment in public infrastructure assets, creating a new asset class for investors. Over time, this has led to the emergence of specialist Infrastructure Funds, providing investors with a range of opportunities to invest in public assets.

### What are Infrastructure Funds?

Infrastructure Funds allow investors to own part of a professionally managed portfolio of infrastructure assets, such as:

- Toll roads
- Airports
- Communications assets such as broadcasting towers
- Materials handling facilities such as ports
- Rail facilities and other transport assets
- Utilities such as electricity power lines and gas pipelines

Infrastructure Funds are managed by specialist Fund Managers, who make all the investment decisions on your behalf. Returns from Infrastructure Funds have a

combination of capital growth and income. The incomes generated by infrastructure assets can be predictable, as they usually operate in environments with low levels of competition and high barriers to entry.

For growth-orientated funds, the absence of stable income in the near-term may be compensated with capital growth in the medium term, as it uses excess funds to expand its portfolio. On the other hand, some Infrastructure Funds have more mature assets that are generating steady income streams.

There is a wide selection of Infrastructure Funds to choose from that can be bought anytime during ASX trading hours through any licensed adviser or internet trading account.

### Infrastructure Funds market capitalisation growth



Updated statistics can be viewed at [www.asx.com.au/LMI](http://www.asx.com.au/LMI) under 'Monthly Sector Update'

# Infrastructure Funds LMI Fact Sheet

## What are the benefits of Infrastructure Funds?

### Diversification

Infrastructure Funds offer investors a range of infrastructure assets managed by investment professionals. A low correlation with more traditional asset classes means investors also have the opportunity to decrease portfolio risk.

### Earnings stability

Essential infrastructures such as airports, roads and docks are crucial to a modern society and have very high replacement costs. This may decrease the volatility of funds investing in these assets, as earnings are relatively predictable.

### Access to unique assets

Infrastructure Funds allow investors to access investments that would normally be unavailable to retail

investors. The underlying assets also tend to have limited competition, providing investors access to assets with a sustainable competitive advantage.

### Returns from capital appreciation and income

The share price of an Infrastructure Fund may increase as the underlying portfolio of assets rise in value and provides income for investors through dividends or distributions.

### Taxation effective income stream

The dividends/distributions from some Infrastructure Funds have tax advantaged income streams meaning investors do not pay tax on a portion of the dividend until they sell their units.

Like any investment, Infrastructure Funds have risks you need to understand before investing. You should obtain independent advice from a professional adviser prior to making any financial decision.

## Buying and selling Infrastructure Funds

- Easy and immediate access to the Infrastructure Fund of your choice as purchases and sales are conducted during normal ASX trading hours
- Flexibility to use 'limit orders' to buy and sell at prices you specify
- Information on your investment is available through daily newspapers and websites
- Transactions are settled in three days
- Should your transaction or holding be subject to fraud or insolvency the National Guarantee Fund may cover losses of up to \$100 million
- Infrastructure Funds are subject to supervision through initial and ongoing ASX requirements
- Derivative products over Infrastructure Funds offer the flexibility to gear or hedge your investments

## Additional information

- Consult your adviser or visit the Infrastructure Funds section of the ASX website: [www.asx.com.au/Infrastructure](http://www.asx.com.au/Infrastructure) for investor education, product details, research, performance figures, news and prices.
- Contact ASX customer service on 131 279 or email [info@asx.com.au](mailto:info@asx.com.au)

**Disclaimer:** Information provided is for educational purposes and does not constitute financial product advice. You should obtain independent advice from an Australian financial services licensee before making any financial decisions. Although ASX Limited ABN 98 008 624 691 and its related bodies corporate ("ASX") has made every effort to ensure the accuracy of the information as at the date of publication, ASX does not give any warranty or representation as to the accuracy, reliability or completeness of the information. To the extent permitted by law, ASX and its employees, officers and contractors shall not be liable for any loss or damage arising in any way (including by way of negligence) from or in connection with any information provided or omitted or from any one acting or refraining to act in reliance on this information. This document is not a substitute for the Operating Rules of the relevant ASX entity and in the case of any inconsistency, the Operating Rules prevail.

© Copyright 2010 ASX Limited ABN 98 008 624 691. All rights reserved 2010.

[www.asx.com.au](http://www.asx.com.au)

