



# LEGG MASON IF RARE GLOBAL INFRASTRUCTURE INCOME FUND

## What is global listed infrastructure?

Infrastructure assets are essential services that serve communities around the world. These are the assets — airports, rail, roads, electrical, gas lines and water networks — that local and national economies require to function and prosper.



### Why RARE?

**Access to dedicated Infrastructure specialists managing funds...not fund managers managing infrastructure.**

RARE have one of the largest specialised listed infrastructure investment teams globally and focus on identifying and investing in the best infrastructure assets available in the listed equity market.

The RARE investment team are first and foremost infrastructure specialists with unique experience across the infrastructure asset lifecycle, and with this breadth of experience, the team have a deep understanding of managing risk and making considered and informed portfolio decisions.

With Funds under management of over USD 6.3 billion (as at 31 May 2016), RARE has developed a solid track record as one of the largest listed infrastructure managers globally.

“We invest in dividend paying infrastructure companies that capture the intrinsic growth of the infrastructure asset class whilst providing a steady and growing income over time, within a well-diversified portfolio offering an attractive risk/return profile.”

Nick Langley, Portfolio Manager

## Key features



### HIGH SUSTAINABLE YIELD

The universe of stocks from which we select the portfolio has a proven ability to generate a consistent yield. The fund is expected to deliver c. 5% p.a.\*\*

### REASONABLE INFLATION PROTECTION

The regulatory and contractual frameworks of infrastructure industries helps lead to inflation-linked revenue streams, enabling the portfolio to provide a hedge against inflation.

### SIGNIFICANT GROWTH POTENTIAL OF THE ASSET CLASS

Infrastructure is a secular growth story, with global assets expected to grow by 124% to over USD110tr by 2030.††

### SPECIALIST MANAGERS

RARE are infrastructure specialists managing funds, not fund managers managing infrastructure, with unique experience across the infrastructure asset life cycle.

#### Richard Elmslie – Portfolio Manager



- Co-Chief Executive Officer and Co-Chief Investment Officer
- Founder and Director of RARE Infrastructure since 2006
- 34 years of industry experience

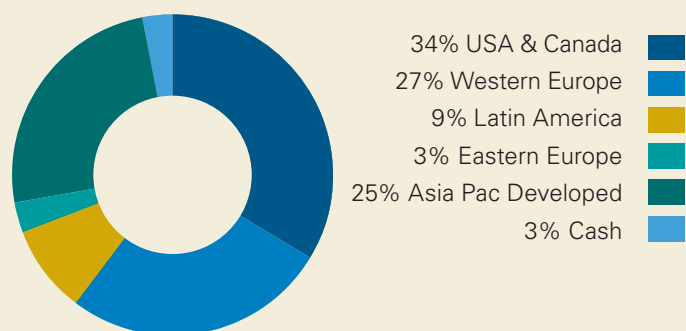
#### Nick Langley – Portfolio Manager



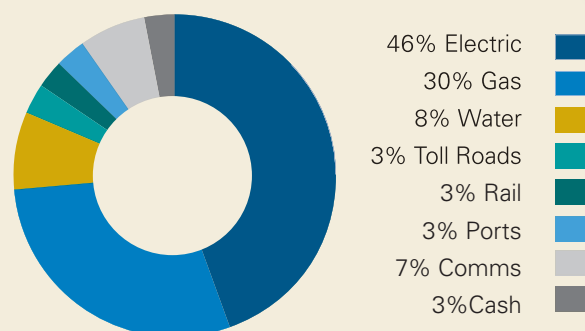
- Co-Chief Executive Officer and Co-Chief Investment Officer
- Founder and Director of RARE Infrastructure since 2006
- 21 years of industry experience

## What are you investing in?

### Regional exposure



### Sector exposure



### Base characteristics

- ✓ Long term stable returns
- ✓ Lower correlation and beta to global equities
- ✓ Reasonable inflation protection
- ✓ Significant global growth in infrastructure sector

### Typical investor requirement

- ✓ Maximise income with stable returns
- ✓ Global investment universe

### Expected investor outcomes

- ✓ High sustainable yield\*\*
- ✓ Stable returns, low risk of loss
- ✓ Inflation linked returns

## About RARE

- **Founding in 2006, joined Legg Mason 2015**
- **US\$6.3 billion in AUM, (As at 31 May 2016)**
- **51 Employees including 13 investment professionals**
- **Global offices in Chicago, London, Melbourne and HQ in Sydney**

## Glossary of terms

- Listed** - Securities that have been admitted for trading on a recognized securities exchange.
- Equity** - ownership interest in a corporation in the form of common stock or preferred stock.
- Portfolio** - A collection of securities held by an individual or institution.
- Dividend** - a sum of money paid regularly (typically annually) by a company to its shareholders out of its profits (or reserves).
- Diversified** - Investing in different asset classes and in securities of many issuers in an attempt to reduce overall investment risk
- Yield** - The annual rate of return on an investment, expressed as a percentage of the investment.
- Secular growth** - long-term time frame, usually at least 10 years
- Correlation** - statistical measure of how two financial securities move in relation to each other.
- Inflation** - a general increase in prices and fall in the purchasing value of money.
- Sustainable yield** - continuing amount of the annual rate of return on an investment

**For further information, please visit [chelseafs.co.uk](http://chelseafs.co.uk) or call Chelsea on 020 7384 7300**

\* For limited capacity and a limited time period. \*\*Under current market conditions net of withholding tax, over a market cycle. This is an internal guideline only. These are targets and there is no guarantee that they will be met. †Source: David Hale Global Economics (2014) and RARE. Opinions expressed are subject to change without notice and do not take into account the particular investment objectives, financial situations or needs of investors. Past performance is not a reliable indicator of future results.

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**Investment in company shares:** The fund invests in shares of companies, and the value of these shares can be negatively affected by changes in the company, its industry or the economy in which it operates. **Emerging markets investment:** The fund may invest in the markets of countries which are smaller, less developed and regulated, and more volatile than the markets of more developed countries. **Concentrated fund:** The fund invests in fewer companies than other funds which invest in shares usually do. This means that the fund does not spread its risk as widely as other funds and will therefore be affected more if an individual company has significant losses. **Fund currency:** Changes in exchange rates between the currencies of investments held by the fund and the fund's base currency may negatively affect the value of an investment and any income received from it. **Derivatives:** The use of derivatives can result in greater fluctuations of the fund's value and may cause the fund to lose as much as or more than the amount invested.

**Annual management charge from capital:** The fund's annual management charge is taken from its capital (rather than income). This may adversely affect the fund's overall growth. Before investing investors should read in their entirety the Company's application form and a sub-fund's share class KIID (and accompanying Supplementary Information Document) and the Prospectus (which describe the investment objective and risk factors in full). These and other relevant documents may be obtained free of charge in English from Legg Mason Investment Funds Limited, 201 Bishopsgate, London EC2M 3AB or from [www.leggmason.co.uk](http://www.leggmason.co.uk). This material is not intended for any person or use that would be contrary to local law or regulation. Legg Mason is not responsible and takes no liability for the onward transmission of this material. This material does not constitute an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not lawful or in which the person making such offer or solicitation is not qualified to do so or to anyone to whom it is unlawful to make such offer or solicitation. Issued and approved by Legg Mason Investments (Europe) Limited, registered office 201 Bishopsgate, London, EC2M 3AB. Registered in England and Wales, Company No. 1732037. Authorised and regulated by the UK Financial Conduct Authority.

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