

Background Information for Financial Advisers

ClearBridge RARE Infrastructure Value Fund - Hedged

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.

ClearBridge Investments Limited (ClearBridge) is a fund manager with a specialist investment team focused on global listed infrastructure securities. We are dedicated to identifying and investing in the best infrastructure assets in the listed infrastructure equity market with the goal of delivering strong absolute returns over an investment cycle. Our infrastructure investment team is one of the largest in the peer group and is focused on creating long-term value for investors through a deep understanding and pricing of infrastructure-related risks.

The **ClearBridge RARE Infrastructure Value Fund - Hedged** (Fund) aims to provide investors with long-term, inflation-protected stable growth, comprised of consistent income and capital growth. This is achieved by investing in a range of listed infrastructure securities spread across geographic regions in both the developed and emerging markets.

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 we believe 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.

ClearBridge 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:

Steve Williams

Director, Head of Australian Intermediary Sales

T 03 9595 3869 | M 0419 746 791

E SWilliams@clearbridge.com

Disclaimer: This document provides background fund information to assist financial advisers in preparing a Statement of Advice. This document does not take into account legal or regulatory obligations applying to financial advisers and does not constitute legal advice. This document is not a Statement of Advice and does not contain personal financial investment advice. It does not take into account the investment objectives, financial situation or needs of any investor or any type of investor. If a recommendation is made in relation to the ClearBridge RARE Infrastructure Value Fund - Hedged, please refer to the current Product Disclosure Statement (PDS) dated 1 February 2021, Additional Information Booklet and Application Form which can be obtained at www.clearbridgeinvestments.com.au. Potential investors should consider the PDS before deciding whether to invest or continue to invest in the ClearBridge RARE Infrastructure Value Fund - Hedged. Legg Mason Asset Management Australia Limited (Legg Mason Australia) is part of Franklin Resources, Inc. and the Responsible Entity for the ClearBridge RARE Infrastructure Value Fund - Hedged. Legg Mason Australia and ClearBridge Investments Limited (ClearBridge) do not guarantee any rate of return or the return of capital invested. Investments are subject to risks, including, but not limited to, possible delays in payments and loss of income or capital invested. Any opinions or outlook contained in this document are subject to change without notice and do not constitute investment advice or recommendations. ClearBridge is wholly, indirectly owned by Franklin Resources, Inc. , and part of ClearBridge Investments, LLC.