

SHINING A LIGHT ON THE.....
Legg Mason IF RARE Global Infrastructure Income Fund

AT A GLANCE

Investment Objective	
To provide investors with an income comprised of dividends with a secondary investment objective of long-term capital growth. The Fund seeks to achieve its objective by investing primarily in a diverse range of global listed infrastructure securities across a number of infrastructure sub-sectors, such as gas, electricity and water utilities, toll-roads, airports, rail and communication infrastructure and across different geographic regions, under normal market conditions.	

Inception Date	1 July 2016
Fund Factsheet Link	http://www.morningstar.co.uk/uk/funds/snaps/hot/snapshot.aspx?id=F00000XGBH

Management	
Manager Name	Start Date
Daniel Chu	1 October 2019

Investment Style Details	
Equity Style	
Market Capitalisation	% of Equity
Giant	4.34%
Large	37.93%
Medium	49.93%
Small	7.80%
Micro	0.00%

Top 10 Holdings		
Total number of holdings	38	
Assets in Top 10 Holdings	37.82%	
Name	Sector	% of Assets
Red Electrica Corporacion SA	Utilities	5.01%
Dominion Energy Inc	Utilities	4.08%
Enbridge Inc	Energy	4.02%
Snam SpA	Utilities	3.95%
United Utilities Group PLC	Utilities	3.89%
Emera Inc	Utilities	3.69%
EDP - Energias de Portugal SA	Utilities	3.40%
Atlantica Yield PLC	Utilities	3.29%
Terna SpA	Utilities	3.26%
National Grid PLC	Utilities	3.23%

Volatility Measurements	
3-Yr Std Dev (volatility)	10.99%
3-Yr Mean Return (average)	9.67%

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FUND PERFORMANCE

Performance from 1st July 2016 to 29th February 2020:

	2016	2017	2018	2019	2020
Legg Mason IF RARE Global Infrastructure Income Fund	2.80%	8.17%	-0.27%	27.41%	3.61%
MSCI World	8.86%	16.27%	-9.13%	24.86%	-0.32

Performance over 12 months, 3 years and since launch:

	1 year	3 years	Since launch
Legg Mason IF RARE Global Infrastructure Income Fund	22.51%	41.04%	46.40%
MSCI World	16.17%	29.90%	43.15%

You should note that past performance is not a reliable indicator of future returns and the value of your investments can fall as well as rise. The total return reflects performance without sales charges or the effects of taxation, but is adjusted to reflect all on-going fund expenses and assumes reinvestment of dividends and capital gains. If adjusted for sales charges and the effects of taxation, the performance quoted would be reduced.

UPDATE....

These updates have been written at the time of Coronavirus Pandemic in 2020 which has impacted the global financial markets in a way that has never been seen before.

The update has come on the back of one of the biggest falls in stock markets in recent time. The fund itself is down -12.53% against the MSCI World Index which is down -21.68%. What has surprised many is that many infrastructure stocks have fallen as much as the wider equity market. During these periods they see an opportunity to buy high quality utility businesses with good cash flow. These tend to recover quickly, and this worked well for the fund in 20128.

Areas which have suffered in the environment have been ports and airports. The fund currently has about 4.5% in airports and 2.68% in ports and this has been reduced recently. Utilities and essential services have performed better. Currently the fund has about 87% towards utilities.

The fund aims to provide downside protection and coming into this they were already defensively positioned. In everything they are always thinking about the potential negative outcome, especially in areas like renewable energy.

They have increased exposure to renewable energy and European utilities. They have reduced exposure to emerging markets because they see more value in developed markets. They have exited exposure to ports in China.

Based on their experience of the Global Financial Crash, it was high quality which rebounded quickest and this happened again in 2018. They favour a U shape recovery and although they do not know the timing, they know at some point it will come.

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In summary, this is always going to be an alternative asset class, providing downside protection as well as steady long-term returns. Although down in this market it is about half the global world index and they believe it is well positioned to pick up the bounce when it comes.

The source of information in this note has been provided by Legg Mason and is correct as at March 2020. These are notes from meeting the fund manager or representative and should not be seen as a recommendation to purchase any fund mentioned. Any reference to shares is not a recommendation to buy or sell. Should you wish to make a decision based on these notes we cannot take responsibility for this and you should carry out your own research before making a decision. We would also recommend that you receive advice before following up on any decision.