



MAGELLAN **EXPLAINS:** Investing in Infrastructure

Investing in infrastructure is about investing in the companies that provide essential services to society and that generate predictable long-term earnings.

WHAT IS GLOBAL INFRASTRUCTURE?

Global infrastructure are assets that provide essential services for the efficient function of a community. This includes assets such as transportation, energy & utilities, communications and social infrastructure businesses.

MAGELLAN'S DEFINITION OF INFRASTRUCTURE

Magellan's infrastructure universe is more strictly defined than standard benchmark indices, which we believe provides investors with a more defensive exposure to the infrastructure asset class.

We seek to limit our investment universe to stocks that we believe provide investors with predictable, through-the-economic-cycle, inflation-linked returns. Excluding stocks whose earnings are sensitive to competition, movements in commodity prices, and sovereign risk. This includes assets such as transportation, energy and utilities, communications, and social infrastructure businesses.

Essential for the efficient
function of a community

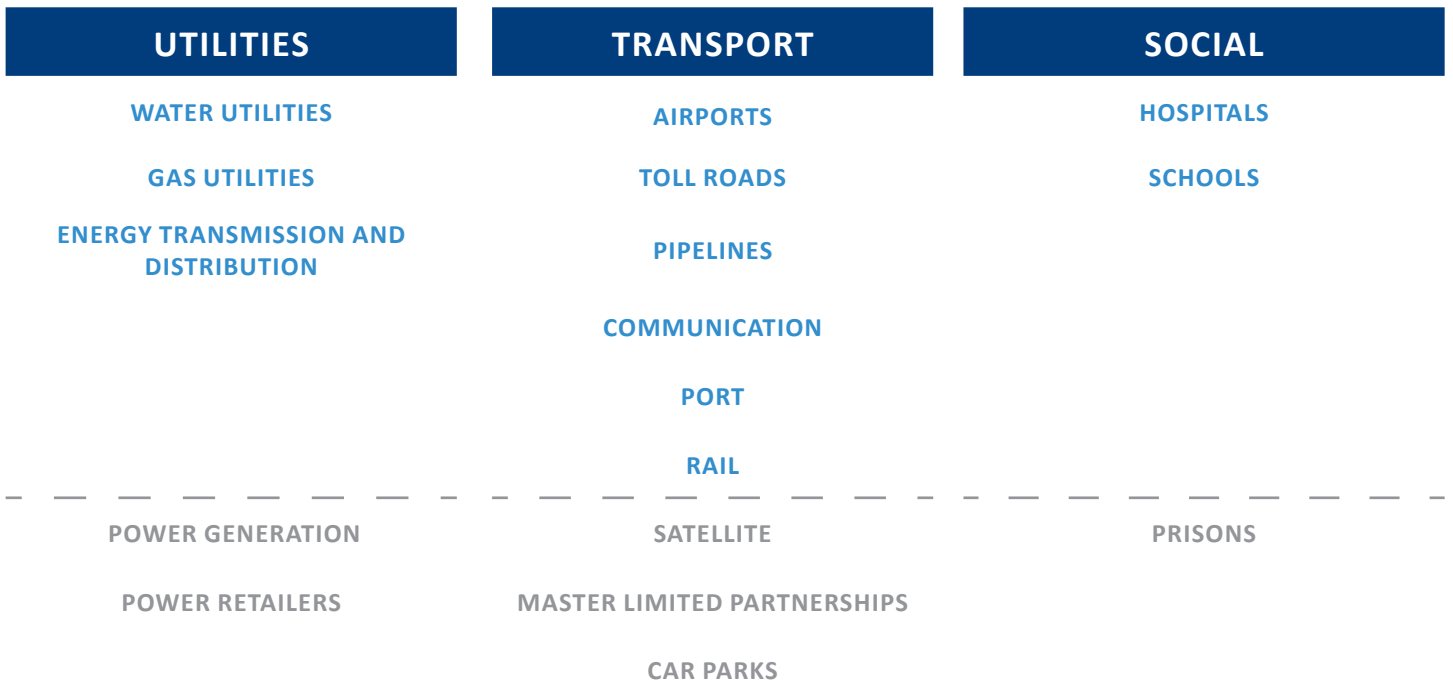


Seeks to avoid:

- competition risk
- commodity price risk
- sovereign risk




This means we remove power generation and power retailers, master limited partnerships, car parks and prisons.



WHY INVEST IN GLOBAL INFRASTRUCTURE

Infrastructure assets exhibit unique characteristics, such as the ability to generate reliable cash flow and provide inflation protection, lower risk of capital loss and low correlations with other asset classes. Infrastructure in a diversified portfolio can enhance returns and reduce portfolio risk.

Reliable Income	Inflation protection	Lower risk	Low Correlation
			
Infrastructure assets typically face constant demand, limited competition and a stable regulatory environment.	Natural or built-in protection against inflation - regulators typically allow these companies to raise prices to protect earnings when costs rise.	Assets that have reliable earnings growth and stable income streams are typically sources of stability in times of market declines.	Low correlations with other asset classes creating a compelling case to include the sector in a diversified portfolio.

As investments, infrastructure stocks exhibit unique characteristics, including reliable cash generation, inflation protection, defensiveness in declining markets, and low correlations with other asset classes creating a compelling case to include the sector in a diversified portfolio.

Magellan believes that the infrastructure asset class is an essential inclusion in a diversified investment portfolio.



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 **Speak with your Financial Adviser**

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