



# The Attraction of Infrastructure

## Characteristics of Infrastructure

Essential services supporting the community

Capital intensive/  
high barriers to entry

Underlying cashflows linked to inflation

Low demand elasticity

Long operational life

Stable, predictable, cashflows

Low correlation with other asset classes

## Active Management

Improved operational performance

Operating cost control

Cost effective capital expenditure

Optimal capital structure

Revenue growth

## Benefit to Investors

Stable returns and low volatility

Portfolio diversification

Inflation hedge

Long duration and asset/liability matching



# Infrastructure Sub-Sectors

## ASSETS ACROSS THE CORE INFRASTRUCTURE INVESTMENT SPECTRUM

Core infrastructure assets share the following qualities:

- Essential service to the community
- Strategic competitive advantage
- Hard, physical, long lived assets

Throughput	Regulated	Contracted	Social
<ul style="list-style-type: none"><li>▪ Roads</li><li>▪ Tunnels</li><li>▪ Bridges</li><li>▪ Airports</li><li>▪ Rail Links</li><li>▪ Ports</li></ul>	<ul style="list-style-type: none"><li>▪ Electricity Distribution</li><li>▪ Electricity Transmission</li><li>▪ Gas Distribution</li><li>▪ Water Distribution</li></ul>	<ul style="list-style-type: none"><li>▪ District Energy</li><li>▪ Power Generation</li><li>▪ Communications Towers</li></ul>	<ul style="list-style-type: none"><li>▪ Hospitals</li><li>▪ Aged Care</li><li>▪ Schools</li><li>▪ Courthouses</li><li>▪ Prisons</li></ul>