

MEDIA RELEASE

Melbourne, Monday 28 October 2019 – **Infrastructure Partners Investment Fund – Core** rated **VERY STRONG**

Australia Ratings Analytics (Australia Ratings) has assigned an investment rating of **'VERY STRONG'** to the Infrastructure Partners Investment Fund – Core (the Fund). A Product Complexity Indicator of **'YELLOW'** has also been assigned to designate the view that the Fund is a **COMPLEX** financial product indicating that the Fund has an absolute return objective and that the underlying assets/funds are unlisted and illiquid.

A rating of **VERY STRONG** is the second highest rating on the investment rating scale used by Australia Rating. A **VERY STRONG** investment rating indicates a very strong conviction that the Fund can deliver a risk-adjusted return in line with the Fund's investment objective.

The Infrastructure Partners Investment Fund – Core is managed by IPIF Management Pty Limited, founded by Nicole Connolly in 2014. The Fund is a unique offering providing investors exposure - through a Fund of Fund (FoF) structure - to a well-diversified portfolio of unlisted infrastructure assets featuring Australia's major airports (including Perth, Melbourne, Adelaide, Brisbane, etc.), TransGrid, South East Water and the Sydney Desalination Plant among other investments. Due to their size, such assets are typically only accessible to large institutional investors such as pooled superannuation funds.

Since its inception, the Fund has focused on investing in well-established unlisted infrastructure funds and building an exposure to mature, cash-generating assets with a balanced mix of regulated and inflation linked investments.

Australia Ratings' analyst, Dragana Timotijevic, said "The rating reflects the quality of the underlying assets and IPIF Management Limited's expertise in managing unlisted infrastructure investments." She added "the rating also indicates the high level of confidence Australia Ratings has that the Fund will continue to deliver a stable and uncorrelated return relative to equity markets".

The Fund makes semi-annual distributions, targeting net of fees returns of 3.5% over the 10 Year Government Bond Rate. As at August 31 2019, the Fund had around \$133mn funds under management.

An abridged version of the research report is available from www.australiaratings.com. For a copy of the full report please contact Daniel Antman at daniel.antman@australiaratings.com or Jonathan van Rooyen at jonathan@ipif.com.au

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Rating	Definition
Superior	Indicates the highest level of confidence that the fund can deliver a risk adjusted return in line with the investment objectives of the fund.
Very Strong	Indicates a very strong conviction that the fund can deliver a risk adjusted return in line with the investment objective of the fund.
Strong	Indicates a strong conviction that the fund can deliver a risk adjusted return in line with the investment objective of the fund.
Competent	Indicates that the fund may deliver a return in line with the fund's relevant benchmark.
Weak	Indicates a view that the fund is unlikely to deliver a return in line with the investment objective of the fund and/or meet the returns of its benchmark.

About the Product Complexity Indicator

Our proprietary colour-coded product complexity indicator (PCI) highlights the complexity level of an investment by its terms and conditions' structure and transparency that may affect an investor's return.

Product Complexity Indicator (PCI)	Definition
GREEN Simple Financial Product	The investment performance of funds categorised as Simple Financial Products is expected to move very closely in line with the corresponding market sector. These funds are suitable for use as core portfolio investments.
BLUE Relatively Simple Financial Product	The investment managers of funds categorised as Relatively Simple Products will seek to outperform their chosen mainstream market sector. The strategies used to outperform may include use of very liquid derivatives such as index futures contracts and/or thematic/sector overweight positions. While these funds are still expected to move fairly closely in line with mainstream markets there may be periods where they outperform or underperform the benchmark index.
YELLOW Complex Financial Product	Complex Financial Products may use a variety of strategies or financial instruments to meet their performance objectives and/or reduce risk. Strategies may include taking short positions, investing in emerging markets or investing in less liquid markets such as micro-cap stocks and sub-investment grade debt. Instruments may include options contracts and swaps. The performance of these funds can differ markedly from mainstream market sectors, leading to strong outperformance or underperformance. These types of funds are typically used to diversify portfolio risk or to provide superior returns to the underlying market.
ORANGE More Complex Financial Product	More Complex Products generate returns through a wide variety of non-standard investment strategies. Products of this type are often known as Hedge Funds. Strategies used may include model-driven investment selection, exposure to underlying markets through both mainstream and complex derivatives and use of leverage. These types of funds are typically used to diversify portfolio risk or to provide superior returns to the underlying market.
RED Very Complex Financial Product	Very Complex Products are often designed to cater to particular investment group needs and are typically issued by banks. Products of this type are sometimes referred to as Structured Products. In tailoring the performance outcomes, the product issuers may use complex derivatives and gearing. The returns may be dependent on factors such as capital guarantee triggers, performance triggers and reference market movements, adding to the complexity.

