

Diversify your portfolio with global infrastructure



Infrastructure is an asset class that can be a powerful addition to many investment portfolios due to its potential diversification benefits. A well-managed infrastructure product can deliver exposure to assets that, in most cases, have low to moderate correlation to stocks and bonds.

Infrastructure refers to tangible assets that provide public goods or services that are critical to the function and growth of the global economy. They have a long operational life and can be resistant to economic downturns due to their essential nature and high barriers to entry. These assets are typically involved in the movement of goods, people, water and energy.

The Global Infrastructure Outlook by Oxford Economics estimates that the world will face a US\$15 trillion infrastructure investment gap by 2040. According to their forecast, global infrastructure spending needs will be about US\$94 trillion while the current spending levels will only account for US\$79 trillion.



Transportation

- Airports
- Toll roads
- Ports
- Railroads



Communications

- Transmission networks
- Cellular towers
- Cable networks
- Satellites



Water & energy services

- Electricity networks
- Power generation
- Renewable energy
- Water and sewage

Why own Infrastructure assets?

Income generation potential: Infrastructure investing can potentially generate attractive yields. This asset class has consistently generated competitive income relative to bonds, and above-average income relative to equities. This makes infrastructure a valuable complement to a broader bond or equity portfolio.

Defensive alternative to equities: Infrastructure's low correlation to other major asset classes is due to the low volatility of demand for these services, and their inherent inflation protection characteristics. These assets provide investors with an attractive diversification opportunity and the possibility to materially improve a portfolio's risk-adjusted return. Infrastructure has low correlations with bonds and modestly positive correlations with equities.

Stability and long-term returns: Investing in infrastructure may be an attractive option for long-horizon investors and should be considered as a strategic portfolio allocation throughout the market cycle. Given the historical outperformance versus equities and bonds, the favourable risk/reward profile of the business models, resilience following interest-rate increases, inflation-hedging and income-generation potential, infrastructure assets may give investors greater peace of mind.

Reasons to invest in QINF

- May enhance portfolio yields, improve longer-term returns and improve diversification due to lower correlation with other asset classes
- Many countries are planning to significantly boost infrastructure spending to stimulate post-pandemic economic recovery
- Benefit from a low management fee priced at 0.40%
- May achieve a better tax outcome on distributions versus investing in US-listed ETFs

Infrastructure assets provide investors with an attractive diversification opportunity and the possibility to materially improve a portfolio's risk-adjusted return. Demand for infrastructure assets has increased, particularly with institutional investors, because they are a good match for defined-benefit pension liabilities, endowment and foundation obligations, and annuity and life insurance liabilities.

Retail investors do not have the opportunity to invest directly in infrastructure projects and owning an infrastructure ETF for the long-term may be the next best option to gain access to this asset class.

Why Mackenzie ETFs

ETFs made for Canadians by Canadians.

Mackenzie Investments is one of Canada's leading independent asset management companies. We distribute investment products and services to individual Canadians through their advisors, and to institutions globally. As a Canadian-owned, global asset management firm we've been helping Canadians by offering investment solutions for over 50 years. In a competitive ETF environment, dominated by large U.S. based firms, our ETF commitment has always been in Canada and to Canadians.

We offer a comprehensive suite of ETFs leveraging a comprehensive approach, strong Canadian ETF expertise and support, and engineered ETFs designed for the Canadian investor.

When it comes to ETFs, our beliefs have always remained at the core at what we do, supporting the Canadian financial industry, the advisors in it and investors who benefit from it. Proudly Canadian, Mackenzie is part of IGM Financial – the world's ninth largest publicly-traded asset manager – and owned by Power Financial Corporation.

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