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Speaker 1: [00:00:01] If we put 2015 annual as a bar in this chart, it'll be 10.9 local 10.4 US so you can just see what happens but yet push the 2015 ***[overlapping conversation] [00:00:12]*** 2015 calendar with the numbers of these guys. So the volatility, we've seen 16.

Speaker 2: [00:00:19] But I think the next point at clients and truths, you want the left bar, you want the right bar. Now with FX overlay, you can let the client, the site, and own the left bar or the right bar in the future.

Speaker 3: [00:00:32] In many back lines in Australia and Canada. Tell us don't hedge, cause I'm already doing a portfolio. Some of this is just the market, so put it in the client.

Speaker 2: [00:00:39] right? Especially I think for American clients, right, who may look at who may not be invested yet, I may look at this reform and say well why? Why do I want to buy something at 4% or 5% you can say, look, you can choose and buy the one that's at eight now if you want. And that way you are sort of not advising the client whether they want to do an effect bet or not, which to hold. And I, I've made as many times whether over a 10 or 15 year period. Is it a benefit or not a benefit or is it just ultimately an expense and a client or they have their own decisions there too. Yeah, yeah.

Speaker 1: [00:01:15] The short term numbers, this isn't really focused on, to be honest, contempt, the total return. It's always a bit yield in this space. Some of the pages on page nine, this is a really good chart for talking about diversification against other risky assets. So there's no eight-point bias here. This is the beginning of the fund through till the last quarter and you consider performance. so, you know, against equities, fixed income, US private real estate, the two, the two lines with boxes on them. So the top line is local currency returns and the bottom line is your sole return. So you can see the pronounced impact of your soul strengthening. But interestingly, you know, for us, this, this, against these other asset classes, you know, if you're looking at a relatively longterm **[0:02:00]** exposure, you know, beginning in 2006 and walking straight into the crisis, you know, I think it's a, it's an important shot for showing the core infrastructure. Did the job it was meant to do in terms of diversification. Continuing on page 10. So one of the things we told you about in the past is, you know, we often get the question, it seems like a pretty frothy market. There's a lot of allocations to infrastructure. We see trophy transactions take place, expensive prices. And we talked about, you know, our desire to avoid options. So this isn't, this is most recent data for, Time spent in 2013 and over half of what we've done has been probably negotiated and we've avoided auctions in the US market is a great market for being able to achieve that, very difficult to achieve in other smaller markets. And, and this is something that is a really attractive selling point to the new institutions. who, who spent some time thinking about this place and it concerned about the instant pricing. Second point is a second channel rod is platform. So again, the concept is in a fragmented market like a US in terms of water utilities, for example, 650 water utilities in California. There's 20, 25 in the United Kingdom in total. In California we think is a fantastic side from a regulatory perspective, even for water despite the, the drought situation, being able to put together a board of directors that's focused on a growth utility and management saying this incentive to deliver against growth and these returns. some of that takes quite a bit of time and I think we spent a lot of time on that in the US and very happy with what we'd gone through from a governance perspective and effectiveness, which is now born out by the fact that these platforms are up and running and And don't get me wrong. The first platform expansion, you know, has some nailbiting moments and plenty of, lessons learned, to kind of water out to the event. But the first time you've been through this with a management team and a board and they've made their acquisition and integration is going according to plan, you know, you get a lot of my maintenance for future **[0:04:00]** opportunities. The other thing is it's a big market, fragmented, but relatively small market in some ways. A lot of the, a lot of the opportunities we see away from auctions are driven by the reputation that we've achieved for being able to bring platforms into a, into a better story for, for their own future. sorry, small is on the platform. So this is really where you can expect us to spend that time. It is truly differentiated. You'll hear a lot of people talking about the mid-market. This is the person that pouring, we're in the mid-market and we're putting a lot of pressure businesses and we're hitting our targets. So that's good. In terms of some examples of the page on a level we've been very active in the US and renewables as you know, particularly wind in 2016. A recently sold we've taken a global solar partner out of the deal Friday, found a ship. We have solar. And you know, these are in the US in particularly when you're looking 24, 25-year contracts, is a very long term contracts and quite unique around the world. And work utility-scale now, it's a great opportunity for, partnership in terms of Congressman, which is increasingly on the menu for largest large institutions to do a fund investment alongside County investment. And if you think about some of the other geographies that we spend a lot of time in, Australia, Canada, the US we've got allocations that are growing and that's just under management that a growing a platform investment, a direct investment alongside a fund investment is a really interesting proposition in terms of avoiding dilution, of being able to put more capital directly into the direct investment as well as into the fund over time and that that discussion is getting a lot of traction. And conveying can create very tight partnerships, with LPs. so there's some examples here. I want to walk you through them, but they're all mid-market, and largely platform. We're excited about the platform that we've got and platform as well, which is really how we've been able to tell it. This is that the queue is really a three to six month discussion. Six months will be conservative, but it's been under three **[0:06:00]** historically. We'll be growing at about $2 billion a year. Right. Then invested and expected that half of that to be put through the platform, which is a really powerful statistic. Okay, maybe just walked through like the wind farm or something like how you say a 20-year contract. We owe the turbines, we have a, we're permitted to sell so much electricity or someone made it to buy can you talk a little bit about what that means? Sure. So typically, you've got to where we like to enter the market is when I develop a, has done a really risky work. So finding the land, leasing the land, or buying the land. I'm negotiating, I'll take your grandmother a long term agreement with a very credit worthy counter party, like a utility. and then procuring the turbines, organizing transmission, and owning contracts, and we're happy to take a little bit of construction risk in the, in the simpler, asset classes around construction, particularly solar and wind. And, and then we'll sit and operate the platform with a with a 24 year, 25 year off take agreement. We'll have debt in place at amitosis for a time. Think about you know, the one thing you know that owning a wind farm is, it's going to be worth nothing, at the end of 24 years. And so it's a, you know, it's very much about getting cash out of the asset. You don't have a lot of inflight as in revenues. So yield and total return. She brought on top of each other and you sores take advantage of dish. And the yield curve market, we bought a lot of assets of public yield because, I think we talked about this in the past that, you know, the basic proposition of the yield curve, was buying operating assets of developers. And so you've got asset to them and to us to zero, but the promise to the public markets was around yield and growth. And I think ultimately that story was going to begin to come on down and we were with it to take advantage of it. So that's when sold is very similar to what fake agreements you don't get a lot of inflation protection out of wind and solar so that 25% of the portfolio doesn't offer a lot of inflation, but transport and utilities. **[indiscernible] [0:07:54]**

Speaker 4: [0:07:57] To perspective, are you seeing anything come out of the question or like that? ***[phonetic] [00:08:02]*** **[0:08:00]**

Speaker 1: [0:08:03] It's a good question. And there is, there is a relatively steady flow, but always auctions very difficult to negotiate a you know, an off-market transaction when I finished my investors selling, So we, so, you know, we don't anticipate a lot of those to be, to be relevant to us. There's a couple of trophies coming out as well. in the US so you want, you want to say it's around a lot of things over the page is today. So, yeah, this is something that is, is very important to infrastructure investors. In Australia and Canada. I think increasingly important beer as a starting point is UN PRI obviously as we all know, the, you know, the firm is a signatory. we took the step of being extremely transparent around UN PRI in reporting on each one of the principles and kind of grading ourselves on each one of the principles. And if you can take the time to read the principles, and frankly that should be taken into account yet being a part of your community, thinking about communities and effectiveness of governance. absolutely should be taken into account in both sourcing transactions and managing assets. so we were bought very transparently on that infrastructure is an asset class. It lends itself a two-way street, particularly environmental. I think we also pushed very hard on governance as we talked about. And sustainability. At the end of the day, you're an asset that's serving families and you need to be a, you know, an active member of the community. We've got great examples with that. which caused, I mean every quarterly and, and in the annual, we got an I writing in 2016 UN PRI, initial assessment, which is a pretty hard writing. And, and again, we'll look to, to work very hard to maintain that and improve that a joint Brisby and on a governance perspective, now each of these companies has a board of directors, it's, it's members you've got to in the company by independent, non-executive directors. So they said there's a leading up. **[0:10:00]**