

## press release

28 April 2009

### Funds set to benefit from Barack Obama's presidency

- Long term effectiveness of Obama's plans remains to be seen
- Three US funds poised to exploit opportunities in the American economy

**As Barack Obama approaches his first 100 days in office, The Share Centre identifies three funds that could benefit in the long term from his presidency and in particular, from his fiscal stimulus package.**

Commenting on Obama's presidency, Sheridan Admans, investment adviser at The Share Centre said: "While the long term effectiveness of Obama's \$787bn fiscal package remains to be seen, there are some areas of the American economy that are in a relatively healthy position to benefit from his plans, and a number of investments poised to exploit the opportunities they represent.

"One way the US Government is seeking to encourage economic growth is by filtering capital into the economy via infrastructure-based projects. Obama has already set aside \$27.5bn for highway construction, and \$20bn for air, rail and public transportation.

"As such infrastructure funds, considered defensive as they invest in companies that own, control develop or construct infrastructure like airports, tolls and utilities, may prove to be attractive option for investors.

"Other areas of the US economy reformed by Obama's plans include the healthcare and energy sectors. As such funds that favour these sectors could offer another potentially lucrative opportunity for investors in the long term.

"It is clear that, for investors willing to accept moderate risk over the long term, America could still be the land of opportunity."

## FUNDS THAT COULD BENEFIT

### **First State Global Listed Infrastructure A Inc Fund**

The fund invests in a diversified portfolio of listed infrastructure and infrastructure-related securities from around the world, with 31.50% of its asset weightings in North American equities. Rated 'A' by Standard & Poor's, it aims to achieve a total investment return consistent with income and long-term capital growth.

The fund is designed to provide the potential for capital growth and inflation protected income over the long-term. The fund currently yields 4.55%, however inflation protected income is not guaranteed. This yield is indicative of the very nature of infrastructure projects, in that the underlying investments are within sectors that have predictable cash flows.

### **Schroder US Small and Mid Cap Fund**

Launched in 2005, this fund aims to provide capital growth and income primarily through investment in equity securities of small and medium-size US companies from a diverse range of sectors, including utilities healthcare and energy.

Perhaps the fund's greatest strength, however, is manager Jenny Jones. Jones' extensive research process and depth of experience is acknowledged as the driving force behind the fund's solid performance record, and has earned it the only OBSR 'AAA' rating out of 91 funds in the IMA North American sector.

Investors should note, on 1 June 2009, Schroder's is changing the name of the fund to Schroder US Mid Cap Fund to better reflect the way the fund is managed.

### **Neptune US Opportunities Fund**

The fund significantly outperformed the IMA North American sector and the S&P 500 index in the final quarter of 2008.

Felix Wintle, manager of the Neptune US Opportunities Fund still views the US as the most attractive developed market in the world and believes Obama's victory is extremely important both domestically and internationally. He sees America's reputation improving dramatically with Obama in the White House.

The fund's investment objective is to generate capital growth by investing mainly in a concentrated portfolio of Northern American securities, which may include Canada as well as the US, with a view to achieving top quartile performance within the appropriate peer group.

# thesharecentre:

Unlike Schroder's fund, the Neptune US Opportunities Fund mainly invests in larger Cap companies. As at the end of February 2009 the fund favoured healthcare and energy sectors.

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## **Risk Warnings:**

Investing in general, and the products and services mentioned above may not be suitable for all: if in doubt, individuals should seek independent financial advice. The value of investments and the income from them can go down as well as up and investors may not get back their original investment.

The bases and levels of taxation relating to ISAs, CTFs and SIPP are subject to change and the value of these tax allowances may depend upon the circumstances of the individual.

## **About The Share Centre:**

The Share Centre was established in 1990 to provide value-for-money share services for private investors. Its range of services includes buying and selling shares (by Internet, telephone and post) and a comprehensive share administration and safe custody service. Tax-efficient investment 'wrappers' including ISAs, CTFs and SIPPs are also available.

The Share Centre's Advice Team provides comment on market sectors and individual shares, including all of the post-privatisation /demutualization companies, on [www.share.com](http://www.share.com). Access is available to customers and registered users of the site. Registration is free. To understand how our Advice team arrive at their views please read our [Investment Research Policy](#).

In addition, account customers can receive individual telephone advice on UK-listed shares and on funds traded via the CoFunds trading platform.

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