Client: John Laing Coverage
Source: Investors Chronicle (Main)
Date: 08 April 2011
Page: 61
Reach: 28516
Size: 129cm2
Value: 1188.09

INVESTMENT TRUSTS

JOHN LAING INFRASTRUCTURE FUND (JLIF)

John Laing pays out

John Laing Infrastructure's promise of a stable and growing income stream, which would rise with inflation, proved enticing enough to help it raise £270m last November – making it 2010's second-largest fund launch. Three months on and it's returned to shareholders for an additional £26m, which has been ploughed into four more income-producing infrastructure assets.

The group came by these investments thanks to its preferential relationship with John Laing Group, which also provided the original portfolio. The fund has first call on certain Laing-owned infrastructure assets when they come up for sale. These are sold as mature income-producing assets with most of the income linked to inflation. So, for every 1 per cent rise in the retail price index, the fund sees a 0.6 per cent rise in income.

Higher inflation rates also have the potential to boost net asset value (NAV), but that's only significant if the fund increases its long-term inflation assumption from 2.75 per cent, which is already above the Bank of England's 2.5 per cent forecast. But rising government bond yields have a negative impact on valuations and this could prove a noteworthy headwind if interest rates start rising this year.

The initial dividend is in line with management's 6p target and the fund is delivering on its promises. However, rising interest rates could prove a challenge to the current popularity of such funds so, trading at a 4 per cent premium to NAV – and despite being a good source of income – the shares are high enough.

High enough

Ord Price: 105p **Market Value:** £312m
Touch: 104-105p **12-Month High:** 109p **Low:** 100p
Dividend Yield: 0.5% **Net Debt:** 54%
Premium To NAV: 4%

Year to 31 Dec	Net asset value (p)	Pre-tax profit (£m)	Earnings per share (p)	Dividend per share (p)
2010*	101	4.17	1.42	0.5
% change	–	–	–	–

*For the period since flotation on 29 Nov 2010

Last IC view: None Ex-div 2 Mar Payment: 7 Apr

Client: John Laing Coverage
Source: The Daily Telegraph (Business)
Date: 08 April 2011
Page: 2
Reach: 628338
Size: 50cm2
Value: 1607

Damian Reece
Comment

£3.6 trillion debt has noughts to worry us

IF proof were needed that the UK must remain on course with its own fiscal consolidation it came yesterday from Brooks Newmark, a government whip.

He's updated the country's true debt position, which includes our off balance sheet liabilities, such as those that came via ownership of the Royal Bank of Scotland, the blank cheque of public pensions and our PFI bills. It's £3.6 trillion.

Sell the bank stakes well and that falls by £1.3 trillion.

Let's hope the Independent Commission on Banking doesn't do too much damage to their valuations.

Comment on Damian Reece's view at
>> telegraph.co.uk/personalview

Client: John Laing Coverage
Source: The Daily Telegraph (Business)
Date: 08 April 2011
Page: 3
Reach: 628338
Size: 61cm2
Value: 1960.54

Debt hits £138,359 per family

By Richard Blackden

BRITAIN'S debt has reached the equivalent of £138,359 for each household in the country after unfunded public sector pension liabilities are taken into account, a new study claims.

Adding those future costs, along with government liabilties related to Public Finance Initiatives (PFIs), to the country's existing public debt gives a total of £3.6 trillion, the Conservative think tank the Centre for Policy Studies argues in a new paper today.

George Osborne, the chancellor of the exchequer, insisted yesterday that Portgual's need for a bail-out underlines the need for Britain to tackle a deficit that was already growing before the financial crisis.

However, the cuts have caused internal strains in the Tory/Lib Dem Coalition Government and left it trailing the Labour Party in the opinion polls.

The report's authors argued that the scale of the debt means the government "must be relentless in its efforts to cut the deficit as quickly as possible."