

# Infrastructure Securities Fund

June 2025

## Fund Description

The Fund is an actively managed fund investing in global listed infrastructure securities across a range of geographic regions and infrastructure sectors which may include utilities, transportation, energy infrastructure and communication infrastructure.

## Investment strategy

The Fund will invest in listed infrastructure securities issued by global infrastructure companies, which are entities located throughout the world that derive at least 50% of their revenues or profits from, or devote at least 50% of their assets to, the ownership, management, development, or operation of infrastructure assets.

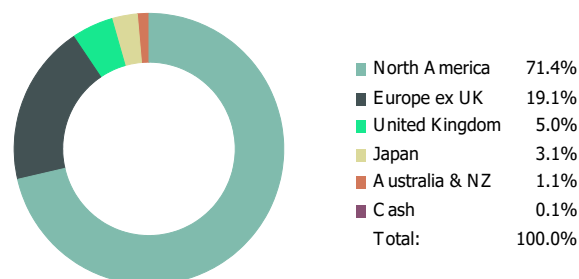
## Investment objective

The Fund aims to outperform the FTSE Global Core Infrastructure 50/50 Index (Net) AUD Hedged (after management fees and costs) over rolling three-year periods.

## Fund Information

Inception date	4/08/2016
Fund size	A\$97.4m
Management Fee	1.00% pa
Minimum initial investment	\$50,000
Distributions	Semi-annually
Buy/sell spread	+/- 0.20%
Currency management	Hedged
APIR code	UBS0064AU

## Investment portfolio (%)



## Top 10 positions by stock

Name	Country	Portfolio Weight (%)
Norfolk Southern Corp	United States	4.47
Vinci SA	France	4.46
WEC Energy Group Inc	United States	4.29
Atmos Energy Corp	United States	4.16
PPL Corp	United States	3.96
Ferrovial SA	Spain	3.82
Public Service Enterprise Group	United States	3.57
Aena SME SA	Spain	3.39
NextEra Energy Inc	United States	3.17
Williams Cos Inc/The	United States	3.13

## Top 5 overweight by stocks

Name	Country	Active Weight (%)
Vinci SA	France	4.40
Ferrovial SA	Spain	3.76
Atmos Energy Corp	United States	3.32
WEC Energy Group Inc	United States	3.16
PPL Corp	United States	3.10

## Top 5 underweight by stocks

Name	Country	Active Weight (%)
Union Pacific Corp	United States	(3.58)
Transurban Group	Australia	(3.30)
Duke Energy Corp	United States	(2.94)
Enbridge Inc	Canada	(2.81)
American Electric Power Co Inc	United States	(1.78)

## Fund net performance <sup>#</sup>

	1 Month	3 Months	1 Year	3 Years p.a.	5 Years p.a.	7 Years p.a.	10 Years p.a.	Since Inception p.a. 4/08/2016
Fund Net Return	-0.14%	1.20%	15.56%	5.56%	7.45%	6.93%	-	7.11%
Benchmark Return*	0.23%	2.07%	14.73%	5.11%	7.04%	5.89%	-	6.15%
Active Return (After fees)	-0.37%	-0.87%	0.83%	0.45%	0.41%	1.04%	-	0.96%

\*FTSE Global Core Infrastructure 50/50 Index (Net) (AUD Hedged).

#The performance data presented herein pertains specifically to the Class A Fund month-end unit prices expressed in Australian Dollars. Net return of the Fund has been calculated after the deduction of management fees and operating costs. Please note that these figures do not factor in the potential tax obligations at an individual investor level. This is historical performance data. The value of an investment can rise and fall and past performance is not indicative of future performance. All figures disclosed within this report are net of GST and RITC. Investors are reminded to seek independent financial advice before making investment decisions based on this performance data.

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## PERFORMANCE REVIEW

The CBRE Global Infrastructure Securities Fund (the Fund) declined 0.14% in June (AUD, hedged).

Listed infrastructure was up 2.2% (local currency) in the second quarter. The U.K. and emerging markets led the way, both up more than 11% (in local currency). Continental Europe and Asia Pacific each outperformed leaving Americas as the sole laggard and only negative region. The ex-Americas strength was evident across regions as each international sector outperformed global infrastructure. Q2 had several macro-moving events starting with Liberation Day in early April when President Trump announced higher than expected tariffs on every country. The volatility that ensued was short-lived as a 90-day pause was announced to facilitate negotiations. While actual tariff deals are still pending and despite a U.S. strike on Iranian nuclear facilities, equity markets rebounded to all-time highs. 10yr treasury yields were flat in the U.S. but generally declined globally for the quarter.

### North America

Americas was led by transportation, the only outperforming sector in the region, as freight railroads showed strength in the market rebound. Communications finished positive thanks to towers. Midstream ended negative but did have a few notable outperformers within the group. Utilities was one of the biggest laggards with most names losing ground in the quarter as the risk-off trade from Liberation Day quickly reverted to risk-on within weeks.

### Asia-Pacific

Asia Pacific had positive returns in most transportation stocks with some outperformers and underperformers. Japanese passenger railroads were strong while Australia and New Zealand were more mixed. Utilities had a wide range of returns but ultimately outperformed global infrastructure.

### Europe

The U.K. was boosted by strong gains in utilities. Continental Europe also had favourable returns from utilities. Transportation, however, was the strongest sector thanks to impressive performances from airports. Communications had outperforming results from towers.

## PORTFOLIO POSITIONING

The portfolio underperformed in 2Q as positive stock selection was more than offset by negative sector allocation. A structural underweight to emerging markets was an allocation drag in the quarter and an overweight to the Americas was a detractor as international markets outperformed.

Transportation had the largest positive impact on relative attribution in 2Q. Stock selection within the group was notably positive in Americas freight rail where portfolio holdings outperformed Union Pacific (not owned) which was weak in part due to tariff driven concerns for its large west coast port exposure as well as M&A speculation where it could be seen as a potential buyer in what would be a prolonged and contested process. Emerging market positioning with a preference for Mexican airports as well as a bias towards European concessionaires added. Utilities and communications infrastructure were generally neutral to relative performance as positive stock selection was offset by negative sector allocation. Within these groups, European positioning, which the portfolio is overweight, contributed most positively amidst a strong market environment. Constellation Energy was a stand-out holding in the U.S., returning a remarkable +60% (LCL) during the quarter as sentiment towards nuclear and AI-driven power demand reaccelerated on the back of a number of positive headlines and recovery in sentiment of post 1Q DeepSeek news.

Midstream was the largest negative contributor to relative performance. Broader energy market weakness contributed to negative returns in the group and led to notable weakness in midstream companies with pipeline operations closer to drilling basins in places like Texas. Portfolio holdings such as Targa and ONEOK were negatively impacted, declining more than 10% (local currency), and leading to a headwind in relative performance. Natural gas pipeline stocks owned in the portfolio were a partial offset.

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## MARKET OUTLOOK

Historically, periods of moderating or recessionary economic activity have resulted in significant outperformance by infrastructure stocks, because of their visible and reliable earnings.

Infrastructure assets also benefit from inflation capture, which protects revenue streams as prices rise. The predictable, recurring revenue models of infrastructure businesses provide stability when other sectors face heightened volatility.

Rising levels of demand across data centres, power generation and large-scale utility and midstream networks enhance opportunities for investment. Demand growth largely independent of economic and political outcomes. Listed infrastructure is well-positioned to benefit from manufacturing growth as well as the boom in generative AI that is driving outsized earnings growth across several sectors.

Listed infrastructure's aggregate earnings multiple, despite robust high single digit earnings growth, remains at a discount to broad equities. The asset class offers high income, discounted valuations to private markets, and is poised to benefit from the shift to a more dovish central bank environment. Broad equity valuations are declining from a high starting point, just as earnings downgrades are starting to emerge. A sharp contrast to infrastructure. With company-specific investment opportunities driving divergent returns, the opportunity for active management in infrastructure remains robust.

## Further Information

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