

# Ausbil Global Essential Infrastructure Fund – Unhedged

Quarterly performance update

March 2025

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## Performance

### Returns as at 31 March 2025

Period	1 month	3 months	6 months	1 year	2 years pa	3 years pa	4 years pa	5 years pa	Since Inception pa <sup>4</sup>
Fund return <sup>1</sup> (%)	2.31	4.04	12.38	20.76	9.20	7.71	10.51	8.05	9.45
OECD G7 CPI Index plus 5.5% pa <sup>2</sup> (%)	0.68	2.02	4.01	8.37	8.97	10.36	10.28	9.46	8.99
Out/under performance (%)	1.63	2.02	8.37	12.39	0.22	-2.65	0.23	-1.41	0.47
FTSE Developed Core Infrastructure 50/50 Net Tax Total Return Index (AUD) <sup>3</sup> (%)	1.63	5.10	11.70	20.21	11.98	8.98	10.90	9.09	9.10
Out/under performance (%)	0.68	-1.07	0.67	0.55	-2.79	-1.27	-0.39	-1.05	0.36

‘We remain fully invested, with a strong focus on downside protection in these uncertain markets’

## Performance Review

Fund performance for the quarter ending March 2025 was +4.04% (net of fees) versus the benchmark return of +2.02%, as measured by the OECD G7 CPI Index plus 5.5% pa, and the reference index return of +5.10% as measured by the FTSE Developed Core Infrastructure 50/50 Net Tax Total Return Index in AUD.

The first quarter of 2025 was marked by significant turbulence as early optimism over pro-growth policies from the Trump administration quickly gave way to market volatility driven by geopolitical tensions, trade policy shifts, and signs of slowing economic demand. In March, financial markets faced heightened uncertainty after the US imposed a 25% tariff on imports from Canada and Mexico, and raised tariffs on Chinese goods from 10% to 20%, prompting swift retaliatory measures. These actions triggered sharp declines in major indices as investors grew increasingly concerned about stagflation – rising inflation coupled with slowing economic growth. The resulting uncertainty surrounding international trade policies led to a cautious investment climate and weaker global economic projections.

Pleasingly, Essential Infrastructure performed well amidst this backdrop. North American mobile phone towers (+15%), as well as European and North American utilities (+9% and +8%, respectively) performed strongly as investors sought safer havens given the trade tensions and mixed economic data. Utilities Exelon and Italgas were the top performers, up over 20% for the quarter with American Tower also adding close to +19%. North American energy infrastructure also maintained its strong momentum, rising +6% as a group, as the market adopted a more pragmatic approach, recognising natural gas as a key component of the energy transition and mix.

On the negative side, Californian utilities Edison International and Sempra were the worst performers, falling -25% and -18% respectively. Edison International fell hard on the possibility that its equipment may have ignited the Eaton Fire in Los Angeles in January, but since recovered some lost territory as the market acknowledged its exposure should be limited under Californian legislation. Sempra fell after an unexpected outlook disappointed the market. Due to concerns about management's credibility, we have since exited our position.

## Top 10 Stock Holdings

Name	Fund %
TXNM Energy	5.43
Italgas	4.88
Exelon	4.85
NiSource	4.14
Pennon Group	4.00
Public Service Enterprise	4.00
Entergy	3.95
Atlas Arteria	3.71
Cheniere Energy	3.55
NextEra Energy	3.25

## Sector Allocation

Sector	Fund %
Communications Infrastructure	5.97
Energy Infrastructure	18.43
Transportation	23.22
Utilities	52.33
Cash	0.05
<b>Total</b>	<b>100.00</b>

## Region Allocation

Region	Fund %
Asia Pacific	7.08
Europe	20.47
North America	65.24
United Kingdom	7.17
Cash	0.05
<b>Total</b>	<b>100.00</b>

1. Fund returns are net of fees, before taxes and assume reinvestment of distributions.
2. The benchmark is the OECD G7 CPI Index plus 5.5% per annum, which is an accumulation index maintained by Ausbil.
3. The Fund's reference index is the FTSE Developed Core Infrastructure 50/50 Net Tax Total Return Index (AUD). Although the Fund is not managed to this reference index, Ausbil believe the reference index a more widely recognised global listed infrastructure index for investors and so is more useful for comparison and reference purposes.
4. Since Inception December 2018.

## Fund Outlook

In early April, US President Trump announced stricter-than-expected 'reciprocal' tariffs on trading partners, sparking a global equity sell-off and a decline in bond yields, particularly in the US. This development has added uncertainty to the global macroeconomic outlook, is likely to be inflationary—at least initially—and is expected to dampen growth expectations.

Against this backdrop, Essential Infrastructure is well-positioned to continue outperforming global equities due to its resilience, inflation protection attributes, and attractive dividend yields. Within the infrastructure sector, we anticipate ongoing volatility and a preference for companies less sensitive to GDP fluctuations. Overall, infrastructure assets remain attractively valued, and we remain fully invested, with a strong focus on downside protection in these uncertain markets.



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## Infra-know

"Renewable energy is the bridge fuel to gas"—a phrase gaining traction as the US seeks to meet surging power demand driven by AI hyperscalers, onshoring, and a manufacturing resurgence. This marks a reversal of the previous narrative, where gas was seen as the bridge fuel, enabling the gradual retirement of coal while lowering emissions as renewable investment accelerated.

Now, with uncertainty around the Trump administration's tax policies on renewables and supply chain constraints challenging the speed of installing new gas-fired generation, renewables are viewed as the faster solution to meet near-term demand growth. However, over the medium term, significant new gas-fired capacity will be required to sustain the expected surge in electricity demand. There are also signs that coal plant retirements may be delayed at the margins, while discussions around new nuclear generation as a mid-to-late 2030s solution are gaining momentum.

While renewables will play a crucial role, it is the resurgence of gas that is reshaping the infrastructure investment landscape, challenging conventional assumptions about the direction of power generation investment and the energy transition's trajectory.

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### More information on the OECD G7 CPI Index plus 5.5% pa benchmark

The OECD G7 CPI Index is published on a monthly basis (five weeks after the end of the period) and represents the weighted average changes in the prices of consumer goods and services purchased by households for the Group of 7 countries in the Organisation for Economic Co-operation and Development (OECD). The Group of 7 countries are Canada, France, Germany, Italy, Japan, United Kingdom and United States. Ausbil maintains an accumulation index calculated by converting the movement in OECD G7 CPI Index reported, plus 5.5 per annum into a daily return. As the OECD usually publishes the OECD G7 CPI Index around five weeks after the end of the period, eg the 31 December data will generally not be released by the OECD until the first week of February, the performance return for the benchmark in the table provided is estimated using the previous months OECD G7 CPI Index. As the OECD G7 CPI Index calculation methodology allows for historical revision of the index (such as when an included country revises their national accounts), at a minimum we will update any material revisions to reported OECD data first published during the previous six months when presenting performance data in Fund reports. However, we do not republish previously released reports due to OECD data revisions. The OECD G7 CPI Index is published on the OECD website at: [www.oecd.org/std/prices-ppp/](http://www.oecd.org/std/prices-ppp/).