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Ausbil Global Essential Infrastructure Fund – Unhedged

Monthly performance update

May 2025

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Performance
Returns as at 31 May 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[4]
Fund return[1] (%)	1.10	4.19	4.53	22.90	9.80	7.61	9.94	7.63	9.51
OECD G7 CPI Index plus 5.5% pa[2] (%)	0.64	1.98	4.04	8.18	8.70	10.08	10.28	9.52	8.96
Out/under performance (%)	0.46	2.21	0.49	14.72	1.10	-2.47	-0.33	-1.89	0.55
FTSE Developed Core Infrastructure 50/50 Net Tax Total Return Index (AUD)[3] (%)	0.81	1.39	3.49	18.33	11.67	7.62	10.15	8.11	8.81
Out/under performance (%)	0.29	2.80	1.04	4.57	-1.87	-0.01	-0.21	-0.47	0.69

‘Essential Infrastructure is, in our view, well positioned from both a long-term strategic and near-term defensive perspective’

Performance Review

Fund performance for the month ending May 2025 was +1.10% (net of fees) versus the benchmark return of +0.64%, as measured by the OECD G7 CPI Index plus 5.5% pa, and the reference index return of +0.81% as measured by the FTSE Developed Core Infrastructure 50/50 Net Tax Total Return Index in AUD.

Global equities extended their recovery in May, rebounding from April's lows, as easing trade tensions and improving consumer sentiment supported risk appetite. Progress in US/EU trade negotiations and a temporary pause in planned tariff increases helped alleviate recession concerns, driving broad-based gains across risk assets.

In this environment, Essential Infrastructure delivered solid performance. US Class I railroads led the way with a 10% gain, followed by strong contributions from Europe—transport infrastructure rose 6%, while both utilities and energy infrastructure advanced 4%. In contrast, more defensive segments within Essential Infrastructure underperformed as investor appetite shifted toward risk. US mobile phone towers and water utilities each declined by 5%.

At the stock level, US mobile tower companies **Crown Castle** and **American Tower** both declined by 5%. Among US utilities, **Exelon** and **PPL Corporation** fell 6% and 5%, respectively, despite both companies reporting solid earnings.

Positively, US Class I rail companies **CSX** and **Norfolk Southern** were among the top contributors, gaining 13% and 11% respectively. These stocks had been under pressure due to trade tensions and economic uncertainty but rebounded as sentiment improved and trade concerns eased. During the month, we also initiated a position in **Constellation Energy**, a US contracted generation company, which has risen 25% since we entered the name. We view **Constellation** as well positioned to benefit from rising US power demand, particularly from hyper-scalers, having recently secured long-term contracts tied to its existing nuclear fleet—with more expected to follow.

Top 10 Stock Holdings

Name	Fund %
Italgas	5.32
Norfolk Southern	4.34
Atlas Arteria	4.00
Cheniere Energy	3.99
CSX Corp	3.77
Exelon Corp	3.76
AENA SME	3.67
Severn Trent	3.41
Eversource Energy	3.31
NextEra Energy	3.08

Sector Allocation

Sector	Fund %
Communications Infrastructure	7.08
Energy Infrastructure	13.78
Transportation	27.14
Utilities	51.36
Cash	0.65
Total	**100.00**

Region Allocation

Region	Fund %
Asia Pacific	7.36
Europe	21.33
North America	64.98
United Kingdom	5.67
Cash	0.65
Total	**100.00**

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

Global equity and bond markets have had a volatile start to 2025, initially driven by fears that tariff-related trade tensions could amplify inflationary pressures and increase recession risks. While many of those concerns have eased, following a broad pause on new tariffs, we continue to adopt a cautious stance. In this environment, infrastructure assets remain compelling, offering stability supported by strong fundamentals and attractive valuations. Valuations remain reasonable—both in absolute terms and relative to broader markets—while long-term secular trends such as decarbonisation, digitalisation and electrification continue to underpin earnings growth.

Essential Infrastructure is, in our view, well positioned from both a long-term strategic and near-term defensive perspective. The sector's combination of predictable cash flows, inflation-linked revenues, and reliable dividend yields provides resilience in an uncertain macro backdrop. As investors look for more stable, inflation-protected sources of return, we remain confident in the Fund's ability to perform across market cycles.

Infra-know

Did you know that US Class I railroads move about 40% of the US's long-distance freight? These giants of the rails—including names CSX and Norfolk Southern—operate thousands of miles of track across North America, transporting everything from cars and containers to grain and lumber. If stacked end to end, the freight trains they run in a single day could stretch for hundreds of miles—talk about a moving supply chain!

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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/**.