

Ausbil Global Essential Infrastructure Fund – Unhedged

Quarterly performance update

June 2025

Ausbil Investment Management Limited
ABN 26 076 316 473
AFSL 229722
Level 27
225 George Street
Sydney NSW 2000
GPO Box 2525
Sydney NSW 2001
Phone 61 2 9259 0200

Performance

Returns as at 30 June 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 (%)	-0.72	1.10	5.18	27.19	9.79	8.22	9.07	8.54	9.26
OECD G7 CPI Index plus 5.5% pa ² (%)	0.66	1.95	4.00	8.21	8.62	9.94	10.26	9.56	8.95
Out/under performance (%)	-1.38	-0.85	1.17	18.98	1.18	-1.73	-1.19	-1.02	0.31
FTSE Developed Core Infrastructure 50/50 Net Tax Total Return Index (AUD) ³ (%)	-1.04	-1.28	3.76	20.87	11.25	8.07	9.44	9.24	8.52
Out/under performance (%)	0.32	2.38	1.42	6.32	-1.45	0.15	-0.37	-0.70	0.74

'The June quarter was marked by continued volatility in global equity markets, driven by shifting central bank rhetoric, evolving trade tensions, and persistent macroeconomic uncertainty'

Performance Review

Fund performance for the quarter ending June 2025 was +1.10% (net of fees) versus the benchmark return of +1.95%, as measured by the OECD G7 CPI Index plus 5.5% pa, and the reference index return of -1.28% as measured by the FTSE Developed Core Infrastructure 50/50 Net Tax Total Return Index in AUD.

The June quarter was marked by continued volatility in global equity markets, driven by shifting central bank rhetoric, evolving trade tensions, and persistent macroeconomic uncertainty. April began with a sharp sell-off following broad-based US tariff increases, before sentiment improved on the back of a temporary pause in further tariff hikes, better-than-expected earnings, and strong US labour data. May saw a risk-on rebound, supported by easing US-EU trade tensions and improving consumer sentiment. In June, sentiment moderated again as central banks signalled a more cautious approach to monetary easing, with geopolitical risks and a soft US dollar also weighing on markets.

Against this backdrop, Essential Infrastructure demonstrated its defensive qualities and delivered solid returns. By region, Europe (+10%) significantly outperformed North America (+0%). European utilities (+10%) were consistent outperformers, supported by falling bond yields and increased investor focus on grid investment and energy transition exposure. Additionally, UK water utilities (+13%) rebounded early in the quarter on improving regulatory clarity.

By contrast, US mobile phone tower companies (-1%) underperformed across the quarter, reflecting weaker sentiment around lease growth. North American utilities (-1%) also lagged in the quarter as investors rotated back toward growth and cyclical exposures.

At the stock level, standout performers included Italian gas distribution company Italgas (+22%) following its successful equity raise to fund the acquisition of its biggest competitor, **2i Rete Gas**. European grid company **Elia** also rose 22% in the quarter, following its own successful equity raise that funded capex plans for the next five years.

On the downside, California utilities **PG&E** (-19%) and **Edison International** (-11%, since exited) fell over concerns about how the Californian wildfire fund would be replenished if it was drawn down. US Energy infrastructure **Targa Resources** (-14%, since exited) declined in April driven by concerns over the economy.

Top 10 Stock Holdings

Name	Fund %
Italgas	6.75
Norfolk Southern	4.57
Cheniere Energy	4.04
CSX Corp	3.84
Exelon Corp	3.68
AENA SME	3.58
Severn Trent	3.45
Elia Group	3.27
Ferrovial	3.25
Eversource Energy	3.20

Sector Allocation

Sector	Fund %
Communications Infrastructure	5.68
Energy Infrastructure	13.66
Transportation	27.38
Utilities	51.56
Cash	1.73
Total	100.00

Region Allocation

Region	Fund %
Asia Pacific	2.95
Europe	24.02
North America	65.60
United Kingdom	5.69
Cash	1.73
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

While tariffs and mixed signals from the US economy have introduced near-term uncertainty, we remain constructive on the outlook for both the US and Europe. The structural themes underpinning portfolio performance not only remain intact—they are accelerating. Notably, the increasing AI-driven buildout of data centres is driving a step-change in electricity demand, reversing decades of flat load growth. With no new coal generation coming online in North America, the resulting capacity gap will require a combination of renewables, flexible gas infrastructure, and significant investment in grid transmission—creating multiple investable opportunities across the Essential Infrastructure universe.

Against this backdrop, Essential Infrastructure remains well positioned. Its core characteristics—contracted or regulated cash flows, inflation linkage, and low earnings volatility—continue to offer defensiveness and income stability. Valuations remain attractive, particularly in areas aligned with long-term secular trends such as decarbonisation, digitalisation, and energy transition. We remain fully invested, with a continued emphasis on downside protection, capital discipline, and asset quality in an uncertain macro environment.



Subscribe to our monthly updates here

Infra-know

Essential Infrastructure: A rapidly expanding and differentiated asset class

Essential Infrastructure is one of the fastest-growing segments within the listed infrastructure universe. Today, the Ausbil Essential Infrastructure Universe includes approximately 120 companies—up from around 100 just a few years ago.

This expansion has been driven by a range of factors: IPO activity, spin-offs of pure-play infrastructure assets, companies divesting non-core operations to focus on infrastructure, and others realigning their business models and contracts to meet the definition of Essential Infrastructure.

In contrast to private markets—where the definition of “infrastructure” has become so broad that it increasingly resembles private equity—it is encouraging to see listed companies moving in the opposite direction and sharpening their focus on infrastructure. Many are concentrating their efforts on essential, regulated or contracted infrastructure operations that exhibit the core characteristics necessary for inclusion in the Ausbil Essential Infrastructure Universe: stable cash flows, inflation linkage, and long asset lives.

The combined market capitalisation of the Ausbil Essential Infrastructure Universe now exceeds US\$3.1 trillion—around 50% larger than the entire ASX 200. Essential Infrastructure is not only large and liquid, but also increasingly distinct from the private infrastructure market both in terms of assets, and also underlying business characteristics.

Ausbil Investment
Management Limited
Level 27
225 George Street
Sydney NSW 2000
Australia
Toll Free 1800 287 245

This material is issued by Ausbil Investment Management Limited (Ausbil) ABN 26 076 316 473, AFSL 229722 as at June 2025 and is subject to change. The material is not intended to provide you with financial product advice. It does not take into consideration the investment objectives, financial situation or needs of any person. For this reason, you should, before acting on this material, obtain professional advice from a licensed financial adviser and read the relevant Product Disclosure Statement which is available at www.ausbil.com.au and the target market determination which is available at www.ausbil.com.au/invest-with-us/design-and-distribution-obligations.

Past performance is not a reliable indicator of future performance. Any reference to past performance is for illustrative purposes only and should not be relied upon on. Ausbil, its officers, directors and affiliates do not guarantee the performance of, a particular rate of return for, the repayment of capital of, the payment of distribution or income of, or any particular taxation consequences for investing with or in any Ausbil product or strategy. The performance of any strategy or product depends on the performance of the underlying investment which may rise or fall and can result in both capital gains and loss.

Any references to particular securities or sectors are for illustrative purposes only. It is not a recommendation in relation to any named securities or sectors.

The material may contain forward looking statements which are not based solely on historical facts but are based on our view or expectations about future events and results. Where we use words such as but are not limited to ‘anticipate’, ‘expect’, ‘project’, ‘estimate’, ‘likely’, ‘intend’, ‘could’, ‘target’, ‘plan’, we are making a forecast or denote a forward-looking statement. These statements are held at the date of the material and are subject to change. Forecast results may differ materially from results or returns ultimately achieved.

The views expressed are the personal opinion of the author, subject to change (without notice) and do not necessarily reflect the views of Ausbil. This information should not be relied upon as a recommendation or investment advice and is not intended to predict the performance of any investment or market. The actual results may differ materially from those expressed or implied in the material. Ausbil gives no representation or warranty (express or implied) as to the completeness or reliability of any forwardlooking statements. Such forward looking statements should not be considered as advice or a recommendation and has such should not be relied upon.

To the extent permitted by law, no liability is accepted by Ausbil, its officers or directors or any affiliates of Ausbil for any loss or damage as a result of any reliance on this information. While efforts have been made to ensure the information is correct, no warranty of accuracy or reliability is given, and no responsibility is accepted for errors or omissions. Any opinions expressed are those of Ausbil as of the date noted on the material and are subject to change without notice.

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/.