



MAPLE-BROWN ABBOTT

INVESTMENT MANAGERS SINCE 1984

# Maple-Brown Abbott Global Listed Infrastructure Fund

Monthly Commentary – 31 October 2021

## Fund performance (%)<sup>1</sup>

|  | 1 month     | 3 months    | 1 year     | 3 years p.a. | 5 years p.a. | Since inception p.a.<br>18 Dec 2012 |
|--|-------------|-------------|------------|--------------|--------------|-------------------------------------|
| Fund <sup>2</sup>                                | -0.3        | -0.8        | 13.5       | 6.2          | 5.7          | 12.0                                |
| Benchmark <sup>3</sup>                           | 0.9         | 3.0         | 10.0       | 8.2          | 8.1          | 7.6                                 |
| <b>Relative performance to Benchmark</b>         | <b>-1.2</b> | <b>-3.8</b> | <b>3.5</b> | <b>-2.0</b>  | <b>-2.4</b>  | <b>4.4</b>                          |
| FTSE Global Core Infra. 50/50 Index <sup>4</sup> | -0.3        | -0.1        | 13.1       | 7.6          | 8.5          | 12.3                                |
| S&P Global Infra. Net AUD Index                  | -0.4        | 1.7         | 19.6       | 6.4          | 6.6          | 10.5                                |

## Market commentary

The global listed infrastructure sector was down slightly in AUD terms for October, with the reference index (FTSE Global Core Infrastructure 50/50 Index Net Tax AUD) returning -0.3%. Global equities were stronger for the month, returning 1.6% in AUD terms.

Long bond yields were stable over the month, closing at 1.56%, despite ongoing concerns over higher inflation.

The AUD was stronger in October, erasing otherwise positive underlying Fund performance.

## Fund commentary

The Fund currently holds 33 global infrastructure stocks and returned -0.3% in October, performing in line with the reference index.

Ferrovial SA was a stand-out performer within the transportation infrastructure subsector, rising 8% in local currency terms during the month. We believe that Ferrovial has over half of its equity value in North American toll roads and they are seeing a recovery in traffic as society normalises.

Renewable energy company EDP Renovaveis SA had a strong October, up over 12%. The company designs, develops and operates

renewable energy assets which benefitted from the spotlight on such energy generation against the backdrop of the leadup to the 2021 United Nations Climate Change Conference, known as COP26.

UK regulated utility holdings, Severn Trent, United Utilities Group, SSE and National Grid saw positive performance in October, rising 5-7%. These companies have been good performers for the Fund in 2021 as investors are attracted to the green investment theme, inflation protection and stability of earnings.

Getlink, one of the Fund's top holdings, fell slightly in October down 2%. Its financial results for the third quarter were released and were generally in line with analyst consensus expectations. Extended border closures have understandably hurt passenger volumes up until this point, however there is substantial indication that there is pent up demand for Channel crossings once travel restrictions are further eased.

North American railroad companies had a very strong month in October, many up over 20% on the back of the "economic recovery trade". We consider such railroad companies to be overly economically sensitive, competitive and lacking long-term contracts. We exclude them from our tight infrastructure definition.

## Please see next page for Outlook

### Notes:

1 Past performance is not a reliable indicator of future performance. Source: Maple-Brown Abbott Ltd, OECD website, FTSE as at 31 October 2021.

2 The Fund's performance is based on the movement in net asset value per unit plus distributions and is before tax and after all fees and charges. Imputation and foreign income tax offsets are not included in the performance figures.

3 Benchmark: OECD Total Inflation Index + 5.5% p.a.

4 The Reference Index is the FTSE Global Core Infrastructure 50/50 Net of Tax Index in AUD.

## Want to find out more?

Contact our Client Service team by:

Email: [mba@unitregistry.com.au](mailto:mba@unitregistry.com.au)

Telephone: 1300 097 995

Website: [maple-brownabbott.com.au](http://maple-brownabbott.com.au)

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## Outlook

We continue to see strong prices being paid for assets in the direct infrastructure market. These high prices may underpin the value in similar assets held by listed companies.

Global equities once again outperformed listed infrastructure in October. This outperformance has been a dominant relative theme

for the sector since the onset of COVID-19. We continue to focus on investments in quality, well-managed infrastructure companies which we think have predictable earnings and inflation pass-throughs. Additionally, many are well-positioned to capitalise on the renewable energy roll-out.

For latest Fund factsheet [click here.](#)

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