

# UBS CBRE Global Infrastructure Securities Fund

November 2022

## 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.

## Target market

The Target Market Determination (TMD) for the Fund sets out the class of consumers for whom the product, including its key attributes, would likely be consistent with their likely objectives, financial situation and needs. To access to the TMD and other Fund documentation visit our [website](#).

## 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 return objective

The Fund aims to provide a total return consisting of capital growth and income that outperforms (after management costs) the FTSE Global Core Infrastructure 50/50 Index (Net AUD Hedged over rolling three year periods).

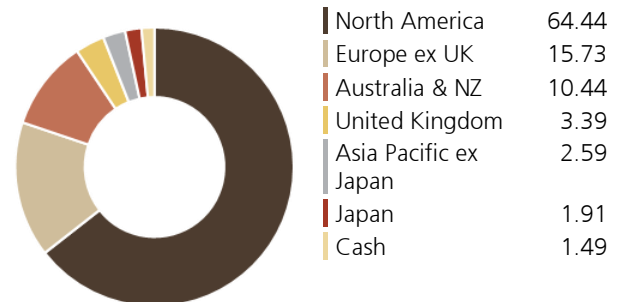
## Top 10 positions by stock

Name	Country	Profile Weight (%)
NextEra Energy	United States	5.45
American Tower Corporation	United States	5.16
Transurban Group	Australia	4.80
American Electric Power Company	United States	4.59
WEC Energy Group	United States	4.11
Cellnex Telecom S.A.	Spain	3.49
Ameren Corporation	United States	3.24
Atlas Arteria	Australia	3.23
Sempra Energy	United States	3.20
VINCI SA	France	3.20
<b>Top 10 Total</b>		<b>40.47</b>

## Fund information

Inception date	4 August 2016
Fund size	\$ 158.4m
Management fee	1.00% pa
Minimum initial investment	\$ 50,000
Distributions	Quarterly
Buy/sell spread	+/- 0.20%
Currency management	Hedged
APIR code	UBS0064AU
Inception date	4 August 2016

## Investment portfolio (%)



## Top 5 overweight by stocks

Name	Country	Active Weight (%)
VINCI	France	3.23
WEC Energy Group	United States	3.01
Cellnex Telecom	Spain	2.87
American Electric Power Company	United States	2.73
Ameren Corporation	United States	2.69

## Top 5 underweight by stocks

Name	Country	Active Weight (%)
Duke Energy Corporation	United States	(3.03)
Southern Company	United States	(2.83)
Airports of Thailand Public Co.	Thailand	(1.60)
Adani Ports & Special Economic Zone Limited	India	(1.50)
TC Energy Corporation	Canada	(1.48)

## Investment portfolio (%)

Fund	1 month %	3 months %	1 year %	3 years % pa	5 years % pa	Since inception* % pa
Total return	6.97	(2.02)	4.53	4.94	6.51	7.74
Benchmark**	6.06	(2.45)	4.91	3.21	5.00	6.41
<b>Added Value</b>	<b>0.91</b>	<b>0.43</b>	<b>(0.38)</b>	<b>1.73</b>	<b>1.51</b>	<b>1.33</b>

\* Inception date: 4 August 2016.

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

Performance figures are net of ongoing fees and expenses. The performance figures quoted are historical, calculated using end of month redemption prices, and do not allow for the effects of income tax or inflation. Total returns assume the reinvestment of all distributions. Performance can be volatile and future returns can vary from past returns.

### Portfolio review

The Fund increased 6.97% in November, ahead of the index return.

The Fund's outperformance this month was due to strong stock selection partially offset by weaker sector allocation. Stock selection was positive in nearly every region, but it was most positive in Americas and in Emerging Markets, especially in utilities in both regions. Sector allocation was positive in Emerging Markets, but negative in other regions and most negative in Continental Europe, where overweight to communications was a drag.

Stock selection in utilities globally was a highlight again this month. Utilities in the Fund with exposure to recent energy security and decarbonization legislation continued to benefit, including American Electric Power and AES Corp. In Emerging Markets, China utilities were sharply higher (35%+ each) in a bounce back from a weaker October. In Europe, integrated utility and renewable development leader Enel contributed with double-digit returns.

In midstream, most of the Fund's holdings were positive, but the group underperformed broader infrastructure. Positive return for midstream despite weaker oil prices and strong year-to-date performance reflects stability of cash flows and improved balance sheets in recent years.

Global transports had a small negative impact on relative performance this month, with underweight exposure to outperforming Americas rails a drag, along with overweight exposure to Europe transportation stocks that underperformed. Developed Asia was a bright spot in transportation where Australia-listed toll road operators outperformed, helping to offset negative impact of Japan passenger rails.

Communications stocks were positive contributors driven by strong stock selection, mostly from data center operators, including Equinix in the U.S. and NextDC in Australia, benefiting from less interest rate pressure and confirmation of secular demand drivers. Positive stock selection was partially offset by sector allocation, mostly from Europe.

### Market review

Listed infrastructure traded up 6.06% (AUD, hedged) in November.

Listed infrastructure continued its momentum from October with a 6.1% performance in November. The U.K. was the top region with Americas following behind. Emerging Markets, Europe and Developed Asia were positive, but lagged overall index return. There was strong breadth in returns both regionally and across sectors resulting in hardly any weak spots within infrastructure during the month. Treasury yields fell as

markets continue to balance inflation datapoints and actions from central banks. The yield changes, despite curves remaining heavily inverted, gave some reprieve to equity markets. Crude oil stayed range bound but fell for the month, while natural gas prices increased with the onset of winter.

The U.K. led the way thanks to strong utility returns. Utility peers in Continental Europe kept pace with the index return, but other sectors in the region, including transportation and communications, lagged infrastructure.

Asia Pacific was led by Australian toll road operators that outperformed, while Japanese passenger rail stocks underperformed on ongoing uncertainty for tourist travelers with lockdowns ongoing in China. Utilities lagged overall with mixed returns.

Americas outperformed due to strong returns across rails, utilities and communications. Midstream was the worst sector in the Americas, lagging benchmark returns, but still positive for the month, with few catalysts and weaker oil prices.

### Outlook

The outlook for infrastructure remains positive as we approach 2023. The combination of a compelling near-term opportunity and long-term tailwinds makes the sector attractive in the current environment. In the near-term, the stability of fundamentals and earnings for infrastructure companies stands in stark contrast to broad equities, where we expect ongoing earnings downgrades to continue as higher inflation and interest rates curb economic growth.

The majority of infrastructure stocks are seeing counter-cyclical investment opportunities given the need for energy security, clean energy generation, broad decarbonization and digitalization on a global scale. The long-term consistent growth driven by the supercycle of infrastructure investment underpins our positive outlook into the future and our belief that infrastructure offers enduring risk-adjusted return characteristics that warrants a permanent spot in investor portfolios.

In an asset class that rewards active management, we continue to employ our consistent process for evaluating risk, identifying investment themes, and picking stocks best positioned to benefit from those themes. That process has led to consistent relative performance, and we expect that to continue.

## Client Services

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