

UBS CBRE Global Infrastructure Securities Fund

March 2023

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 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.

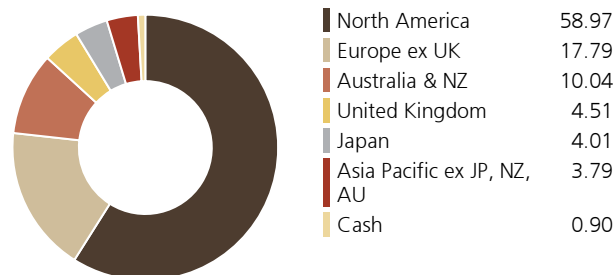
Top 10 positions by stock

Name	Country	Portfolio Weight (%)
NextEra Energy, Inc.	United States	5.22
Transurban Group Ltd.	Australia	5.07
American Tower Corporation	United States	5.02
Cellnex Telecom S.A.	Spain	4.11
WEC Energy Group Inc	United States	3.92
VINCI SA	France	3.66
Aena SME SA	Spain	3.17
National Grid plc	United Kingdom	3.16
Enbridge Inc.	Canada	3.15
Ameren Corporation	United States	3.13
Top 10 Total		39.61

Fund information

Inception date	4 August 2016
Fund size	\$ 150.4m
Management fee	1.00% pa
Minimum initial investment	\$ 50,000
Distributions	Quarterly
Buy/sell spread	+/- 0.20%
Currency management	Hedged
APIR code	UBS0064AU

Investment portfolio (%)



Top 5 overweight by stocks

Name	Country	Active Weight (%)
VINCI SA	France	3.66
Cellnex Telecom S.A.	Spain	3.35
WEC Energy Group Inc	United States	2.74
Eiffage SA	France	2.34
Ameren Corporation	United States	2.26

Top 5 underweight by stocks

Name	Country	Active Weight (%)
Duke Energy Corporation	United States	(2.93)
Dominion Energy Inc	United States	(1.84)
Exelon Corporation	United States	(1.64)
Airports of Thailand Public Co. Ltd.	Thailand	(1.47)
TC Energy Corporation	Canada	(1.37)

Investment performance

Fund	1 month %	3 months %	1 year %	3 years % pa	5 years % pa	Since inception* % pa
Total return	2.30	2.04	(5.95)	10.06	7.76	7.10
Benchmark**	2.30	(0.36)	(7.42)	8.62	5.75	5.58
Added Value	0.00	2.40	1.47	1.44	2.01	1.52

* 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.

MARKET PERFORMANCE REVIEW

Listed infrastructure traded up for the month.

Performance for the month was positive as the Americas and Europe were the best-performing regions, while Asia was down modestly in local terms.

In the Americas region, performance was led by the utilities and communication sectors. In Asia, rail stocks were the notable outperformers for the month. Continental Europe was led by the outperformance of companies in the communication and utilities sectors, while in the U.K. utilities stocks were the clear leaders. Emerging markets had a strong month as all sectors delivered positive returns.

PORTFOLIO PERFORMANCE

The Fund performed in-line with the benchmark for the month, up 2.30%.

The Fund's performance was in-line with the benchmark as modest outperformance from stock selection was essentially offset by sector allocation decisions. Stock selection in the Americas was positive as portfolio holdings across all sectors added value for the month. In Asia, an overweight to the outperforming rails sector helped the region outperform for the month. In Europe, positioning on the Continent and in the U.K. benefited performance as stock selection and sector allocation were positive. Meanwhile, an underweight to the outperforming emerging markets detracted from relative performance during the month.

MARKET OUTLOOK

The outlook for infrastructure remains positive, especially when considering underperformance compared with broad equities to start the year. Heightened volatility, above average inflation and an increasingly uncertain macroeconomic environment are periods when listed infrastructure should benefit. In the near-term, stability of fundamentals and earnings for infrastructure companies stands in stark contrast to ongoing uncertainty for earnings of broad equities.

From a fundamental perspective, in the current crisis, access to capital remains unimpeded and infrastructure balance sheets are healthy. Over 90% of infrastructure corporates are investment grade. In our underwriting, our forecasts have already absorbed the impact of higher rates, while inflation pass-through remains an attractive feature for the asset class. We expect mid to high single digit growth potential from listed infrastructure in 2023 and 2024, with growing dividends for investors.

We see listed infrastructure as defensive during tough times, with the potential to capture upside when conditions improve. Historically, the asset class outperforms during periods of market distress, economic contraction, and above average inflation. Importantly, listed infrastructure has a history of multiple expansion during contractionary periods compared to global equities.

The long-term consistent growth driven by the super cycle of infrastructure investment underpins our positive outlook. Infrastructure offers enduring risk-adjusted return characteristics that warrants a permanent spot in investor portfolios.

Infrastructure remains an area of consistent opportunity for active management. Our reliable process for evaluating risk, identifying investment themes, and picking stocks has led to consistent relative performance.

Client Services

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