



UBS Clarion Global Infrastructure Securities Fund

December 2020

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.

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.

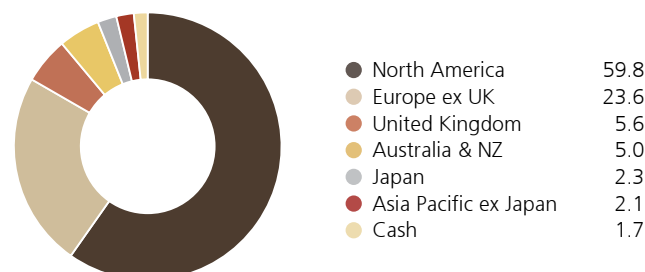
Top 10 positions by stock

Name	Country
Enel SpA	Italy
VINCI SA	France
American Electric Power	United States
NextEra Energy	United States
American Tower	United States
Crown Castle	United States
Union Pacific	United States
Atlas Arteria	Australia
Ameren	United States
National Grid	United Kingdom

Fund information

Inception date	4 August 2016
Fund size	\$57.3 m
Management fee	1.00% pa
Minimum initial investment	\$10,000 (via mFund and online application \$5,000)
Distributions	Quarterly
Buy/sell spread	+/- 0.20%
Currency management	Hedged
APIR code	UBS0064AU
mFund code	UAM12

Investment portfolio (%)



Note: Data is inclusive of pending transactions.

Investment performance

Fund	1 month %	3 months %	1 year %	2 years % pa	3 years % pa	Since inception* % pa
Total return	0.82	7.34	(3.43)	11.10	5.86	7.46
Benchmark**	0.27	5.78	(7.01)	7.16	4.19	5.96
Added Value	0.55	1.56	3.58	3.94	1.67	1.50

*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

After fees and expenses, the portfolio increased by 0.82% over the month, outperforming its benchmark by 55bps.

The Fund had positive stock selection in the Utilities sector in each region, including Emerging Markets. Stock selection in U.S. Utilities was the top contributor to relative performance for the month. Stock selection in Continental European Utilities also added value for the month. Meanwhile, an underweight allocation to the outperforming Emerging Markets region was a drag on relative performance for the month, but this underweight has added value for the year.

Market review

Listed infrastructure traded up modestly +0.3% in December. The Emerging Markets was the best-performing region, while the other regions were essentially flat for the month.

Performance in the Emerging Markets region was led by the outperformance of holdings in the Midstream and Utilities sectors. The U.S. was flat for the month as outperformance in the Utilities and Rail sectors was offset by underperformance in the Communication and Midstream sectors. In Europe, Continental Europe underperformed while the U.K. delivered positive performance, led by the strong performance of the Rail sector.

Outlook

We believe that infrastructure is poised to offer very attractive absolute returns in 2021 as the market re-connects with the positive fundamental outlook for infrastructure that supports visible growth outlook.

While the "New Economy" enjoyed investor attention in 2020, we believe there will be renewed focus on the "Essential Economy" in 2021 to the benefit of infrastructure companies. Infrastructure assets will continue to need investment to ensure that everyday demands for water, heating, cooling and power will be met.

In 2021, we forecast several dynamics that could re-energise interest into companies that own and operate essential assets, including listed infrastructure stocks.

1. Growing ESG fund flows seeking investments in decarbonisation and clean water which are attractive themes for these funds.
2. Governments globally continue to support decarbonisation through clean energy policies which benefits utilities.
3. A cyclical rebound in economic growth expected in 2021 should benefit certain traffic and volume-exposed sectors within listed infrastructure.
4. Data growth remains a secular theme that stands to benefit the Communications sector within listed infrastructure.
5. M&A potential driven by institutional investors looking to invest in long-lived asset bases with stable growth, given discounted valuations and scarce availability of similar assets in the private markets.

Decarbonisation: Utilities are playing a key role in the clean energy transition. Many utilities still own coal-fired power plants, and they are shutting them down and replacing with renewables that are increasingly cheaper. Utilities that are also developers of those renewables are even better positioned as the growing investment opportunity set provides a long runway of predictable growth.

Cyclical rebound: The rollout of an effective vaccine should support the outlook for the more traffic or volume-exposed infrastructure sectors like toll roads, passenger rail companies and midstream companies. Airport activity will certainly improve, although the recovery to pre-COVID levels may take 3-4 years. We believe risk levels remain elevated for traffic volumes that are sensitive to business/commuter traffic.

Data growth: We remain positive on the data growth theme which remains secular and structurally supported by the Internet of Things (IoT). The ability of the companies to generate consistent cash flow growth remains attractive, even if valuations are not as discounted as in other infrastructure sectors.

ESG-friendly: Infrastructure forms the backbone of every economy, enabling economic and social development. Infrastructure assets generate social, environmental and economic impacts. Infrastructure underpins many of the 17 U.N. Sustainable Development Goals (SDGs), and thus infrastructure investors are well positioned to make a positive impact on the societies and economies in which they invest.

Client Services

Telephone: (03) 9046 4041 Freecall: 1800 572 018 Email: ubs@unitregistry.com.au www.ubs.com/am-australia

Investors should consider the PDS and seek professional financial and taxation advice before deciding whether the product is appropriate for them and whether to acquire, or to continue to hold the investment. Your investment in the Fund does not represent deposits or other liabilities of UBS or any member company of the UBS Group including UBS Asset Management (Australia) Ltd (ABN 31 003 146 290) (AFS Licence No. 222605), the issuer of the Fund. Your investment is subject to investment risk, including possible delays in repayment and loss of income and capital invested. The repayment of capital or income is not guaranteed by any company in the UBS Group. Offers of interests in the Fund are contained in the Product Disclosure Statement dated 30 November 2020. The PDS is available from our website www.ubs.com/am-am-pds or by calling (03) 9046 4041.

The PDS for this fund is only available to persons receiving the PDS (electronically or otherwise) while physically in Australia, unless expressly authorised by us in writing. The offer does not constitute an offer or invitation in any place in which, or to any person to whom, it would be unlawful to make such an offer or invitation. This Fund (or the PDS) has not been registered under the laws of any jurisdiction outside Australia. The Fund may not be offered or sold in the United States of America or to 'U.S. Persons' (as defined in 'Regulation S' of the Securities Act of 1933, as amended).

This document may not be reproduced or copies circulated without prior authority from UBS Asset Management (Australia) Ltd.

The rating issued August 2020 is published by Lonsec Research Pty Ltd ABN 11 151 658 561 AFSL 421 445 (Lonsec). Ratings are general advice only, and have been prepared without taking account of your objectives, financial situation or needs. Consider your personal circumstances, read the product disclosure statement and seek independent financial advice before investing. The rating is not a recommendation to purchase, sell or hold any product. Past performance information is not indicative of future performance. Ratings are subject to change without notice and Lonsec assumes no obligation to update. Lonsec uses objective criteria and receives a fee from the Fund Manager. Visit lonsec.com.au for ratings information and to access the full report. © 2020 Lonsec. All rights reserved.

