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Ausbil Global Essential Infrastructure Fund – Unhedged

Monthly performance update

November 2024

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Performance
Returns as at 30 November 2024

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] (%)	5.06	11.32	17.58	19.61	7.98	8.46	9.26	5.80	9.53
OECD G7 CPI Index plus 5.5% pa[2] (%)	0.61	1.92	3.98	8.41	9.67	10.71	10.11	9.40	9.02
Out/under performance (%)	4.45	9.40	13.60	11.20	-1.70	-2.25	-0.85	-3.60	0.51
FTSE Developed Core Infrastructure 50/50 Net Tax Total Return Index (AUD)[3] (%)	4.04	8.06	14.34	22.72	9.38	9.52	10.15	6.03	8.95
Out/under performance (%)	1.02	3.25	3.24	-3.12	-1.40	-1.06	-0.89	-0.23	0.57

'Equity markets moved sharply higher led by the US, which surged following the US election and the strength of the Trump victory'

Performance Review

Fund performance for the month ending November 2024 was +5.06% (net of fees) versus the benchmark return of +0.61%, as measured by the OECD G7 CPI Index plus 5.5% pa, and the reference index return of +4.04% as measured by the FTSE Developed Core Infrastructure 50/50 Net Tax Total Return Index in AUD.

During the month, equity markets moved sharply higher led by the US, which surged following the US election and the strength of the Trump victory. November was all about 'US exceptionalism' with markets celebrating the decisive victory and the perceived pro markets stance of Trump and his potential appointments to the US Government. The yield on the US 10-year Treasuries initially surged to 4.45% but then drifted lower over the month to 4.25%.

Fund Strategy

Essential Infrastructure performed strongly and mostly due to the continued strength in the North American energy infrastructure sector rising 12.9% as a group during the month building on its strong performance over 2024. North American utilities and UK utilities also performed well, rising 5.8% and 7.1% respectively. Renewables performed poorly given the strength of the Trump victory and perceived threat to aspects of the Inflation Reduction Act – a signature Biden policy.

Targa Resources was the top performer rising 23.6% followed by ONEOK and Cheniere Energy at 21.7% and 19.7% respectively as energy stocks are seen as key beneficiary under a Trump-led US administration. Several of our US utility holdings also performed strongly including TXNM Energy +16.0% and Sempra +14.7% with both companies posting positive earnings updates and in the case of TXNM Energy positive regulatory developments in New Mexico. On the negative side, Vinci was the only notable negative performer (-3.2%) due to the renewed political uncertainty in France.

Top 10 Stock Holdings

Name	Fund %
Public Service Enterprise	5.34
Sempra Energy	4.98
TC Energy	4.47
Entergy	4.08
NiSource	4.08
Exelon	3.99
Atmos Energy	3.25
National Grid	3.23
TXNM Energy	3.14
Williams Cos	3.14

Sector Allocation

Sector	Fund %
Communications Infrastructure	5.87
Energy Infrastructure	20.68
Transportation	19.72
Utilities	53.13
Cash	0.60
Total	**100.00**

Region Allocation

Region	Fund %
Asia Pacific	4.30
Europe	15.95
North America	72.04
United Kingdom	7.11
Cash	0.60
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 reporting season played second fiddle to the US election, it too didn't disappoint with 61% of portfolio companies exceeding consensus by an average of 5%. And it is the US where the fundamentals are strongest – supporting our conviction that, despite the strong performance of US energy infrastructure and utilities year to date, it is supported by the better-than-expected company fundamentals. In contrast, Europe is more challenging with political uncertainty in Germany and France adding to a more difficult backdrop comparatively.

Despite strong performance YTD, overall valuations remain reasonable and as result we remain fully invested. During December, the UK water regulator OFWAT is due to hand down its final determination - an important decision that we will closely watch. As 2024 draws to a close, we look forward to 2025 with plenty to navigate but also many opportunities ahead for the asset class. Trump 2.0 and the European and Middle Eastern political and geo-political situation will be a focus. But we will also have plenty of opportunities with the continuation of industry themes around the significant levels of infrastructure investment, the energy transition, and the growth resulting from the AI/data centre boom.

Infra-know

US utilities and energy infrastructure companies – particularly those more exposed to the AI/data center thematic – have performed strongly YTD. And Entergy is the 'chosen one' with more details emerging that supported its decision in November to raise its earnings growth expectations substantially. Meta announced it was spending USD$10B to build a very large data centre in Louisiana taking up to 4m square feet of space. It will be powered by three new natural gas generation plants totally 2.2GW in capacity. Meta will separately invest in 1.5GW of new renewable energy to match the total electricity use of the data center. To put into perspective the scale of this electricity generation investment of 3.7GW, the total installed generation capacity of New Zealand is 9.9GW and this would be sufficient generation to power a city the size of Barcelona!

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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**/.