



Maple-Brown Abbott Global Listed Infrastructure Fund

Monthly Commentary – 30 June 2024

Fund performance (%)¹

	1 month	3 months	1 year	3 years p.a.	5 years p.a.	10 years p.a.	Since inception p.a. 18 Dec 2012
Fund ²	-3.2	-2.6	0.7	8.0	5.0	8.5	11.0
Benchmark (OECD Total Inflation Index + 5.5% p.a.)	1.1	3.3	11.8	13.4	11.1	9.2	8.9
Relative performance to Benchmark	-4.3	-5.9	-11.1	-5.4	-6.1	-0.7	2.1
FTSE Global Core Infra. 50/50 Index ³	-3.1	-1.6	4.0	6.2	4.1	8.5	10.8
S&P Global Infra. Net AUD Index	-3.4	0.0	5.6	8.8	4.5	7.3	9.9

Market commentary

The global listed infrastructure sector was weaker over June in AUD terms. The reference index (FTSE Global Core Infrastructure 50/50 Index Net Tax AUD) returned -3.1%.

US 10 year bond yields reduced modestly over the month to 4.40%. Global equities returned 1.6% for the month as measured by the MSCI World in AUD.

Calendar year to date the infrastructure reference index is up 4.5%, compared to global equities returning 14.2% as measured by the MSCI World in AUD.

Fund commentary

The Fund currently holds 30 global infrastructure stocks and returned -3.2% for June which was slightly behind the reference index.

Airport investments continued to perform well for the Fund during the month, as traffic growth and capacity in Europe has continued to be a tailwind for returns. The Fund's largest investment in the sector is in Spanish-listed operator AENA, which upgraded its 2024 forecasts during the month on resilient traffic trends.

French infrastructure stocks were generally weak during June. Following the EU Parliamentary elections which saw a

significant shift to the political right, French President Macron called a surprise general election in France. While not a clear policy today, the market priced in potential motorway nationalisation risk and financial implications for concession assets generally. Given historical *Rassemblement National* (RN) party policy from its 2022 manifesto to bring assets back into governments hands to reduce tariffs for consumers, it is no surprise the market has been skittish on relevant names, as RN is the now-leading political party in France. However, it has no longer been a visible party policy in 2024 to date and the Fund's exposure to French motorways is limited to infrastructure operator Vinci, one of the Fund's smallest holdings at the time of the snap election decision.

The Fund's US LNG export terminal investment, Cheniere Energy, was up 11% during the month after announcing an additional \$4bn share repurchase program (more than 10% of its market capitalisation) through 2027 and a 15% increase in its dividend. With the US emerging as a top global LNG exporter over the last two years following sanctions disrupting supply of gas from Russia, Cheniere Energy capitalised on its growing liquefaction capacity on the US gulf coast by signing long-term contracts as many countries, including much of Europe, grapple with maintaining security of supply.

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, S&P as at 30 June 2024.

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

Want to find out more?

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Maple-Brown Abbott Global Listed Infrastructure Fund

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Outlook

Our focus remains on infrastructure assets with high barriers to entry and strong strategic positions that generate inflation-linked cashflows through the economic cycle.

Currently, we find numerous attractive stock valuations on an absolute basis and still consider the listed infrastructure sector materially cheaper than the prices paid for comparable assets in private markets. This trend has continued through 2024.

There is a growing need for infrastructure investment, the burden of which governments are increasingly shifting to the private sector. Globally, the majority of capex forecast upgrades stem from electric networks investment, driven by ongoing growth in the rate of electrification. Most notably in the portfolio, during the quarter, UK regulated utility holding National Grid announced a large rights issue (£7bn) to help fund a five-year £60bn capex plan centred around UK electricity transmission capex. We continue to favour regulatory environments and commercial frameworks where there is an attractive rate of return on the significant amount of capital that needs to be invested in new and modernised infrastructure assets.

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

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