

# HSBC Global Infrastructure Equity Fund

Fund report | 30 September 2024



## About the Fund

The HSBC Global Infrastructure Equity Fund is an actively managed portfolio of 30-45 global infrastructure stocks that aims to provide long term total return while maintaining a focus on sustainability, environmental, social and governance (ESG) factors. The Fund is managed by a London and Sydney-based investment team that is part of the worldwide HSBC network.



## Fund Facts

### Fund Manager

HSBC Global Asset Management (UK) Limited.

### Responsible Entity/Distributor

Copia Investment Partners

### Inception Date (Strategy)

31 January 2024 (31 July 2010)

### Objective

To provide long-term capital growth and income, and outperform its benchmark by 2% p.a. (after fees) over 5 years.

### Benchmark

Dow Jones Brookfield Global Infrastructure Index (Hedged to AUD)

### Currency

AUD Hedged

### Investment Time Frame

At least 5 years

### Number of Stocks

30-45

### Distributions

Quarterly

### Minimum Investment Amount

Initial: \$20,000  
Additional: \$5,000

### Management Fee

0.90%p.a. of the NAV of the Fund

### Performance Fee

Nil

### Fund Rating

Zenith Recommended

Performance (%) at month end	1 mth	3 mth	6 mth	1 yr	SI (cum)*
<b>HSBC Global Infrastructure Equity Fund</b>	2.43	10.82	11.75	-	17.28
<b>Dow Jones Brookfield Global Infrastructure Index<sup>+</sup></b>	2.09	12.52	12.17	-	15.67
<b>Outperformance</b>	0.34	-1.70	-0.43	-	1.60

Past performance is not a reliable indicator of future performance. The total return performance figures quoted are historical, calculated using end-of month prices and do not allow for the effects of income tax or inflation. Total returns assume the reinvestment of all distributions. The performance is quoted net of all fees and expenses. The indices do not incur these costs.

\*Inception of the HSBC Global Infrastructure Equities Fund - Hedged for performance calculation purposes is 31st January 2024.  
+ (Hedged to AUD)

Top 10 Holdings	Sector	Absolute (%)	Active (%)
<b>Enbridge Inc</b>	Energy	7.6	0.5
<b>American Tower Corp</b>	Property Trusts	6.3	-0.6
<b>Cheniere Energy Inc</b>	Energy	5.8	3.2
<b>National Grid PLC</b>	Utilities	5.6	0.2
<b>Cellnex Telecom SA</b>	Communication Services	4.5	2.6
<b>Eversource Energy</b>	Utilities	4.4	2.9
<b>Crown Castle Inc</b>	Property Trusts	4.4	1.1
<b>Edison International</b>	Utilities	4.2	2.1
<b>Sempra Energy</b>	Utilities	3.8	0.4
<b>Koninklijke Vopak NV</b>	Energy	3.6	3.3

Top 5 Contributors
China Resources Gas Group Ltd
ENN Energy Holdings Ltd
Beijing Capital International Airport Co Ltd
ONEOK Inc
Italgas SpA

Top 5 Detractors
Eiffage SA
Cheniere Energy Inc
Plains GP Holdings LP
Exelon Corp
Aena SME SA

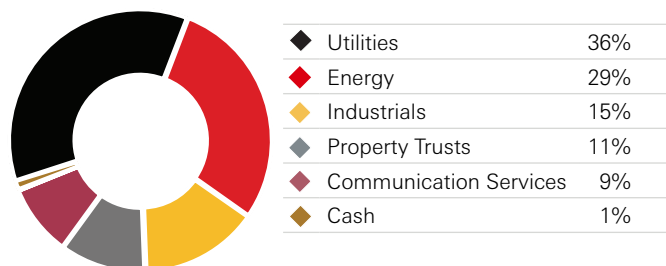
## Fund Commentary

Following a volatile month prior, September brought calmer seas as the US Federal Reserve beginning their long-awaited cutting cycle, with a 50bps cut, surprising markets to the upside. The broader equity market ended the month returning 1.8% (in USD). However, investors remain cautious with historically defensive sectors, like infrastructure, benefiting from investors looking to shelter from potential future market turbulence. As a result, listed infrastructure outperformed broader equities by 70bps, returning 2.5% (in USD).

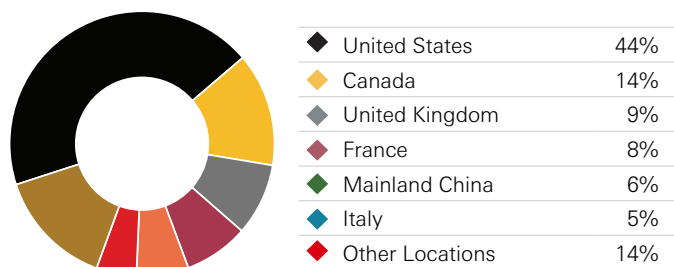
The Fund outperformed the Dow Jones Brookfield Global Infrastructure Index (in USD, gross of fees) during the month. The outperformance was mostly driven by stock selection within the utilities sector on a GICS sector basis. On a regional basis, stock selection within Asia Pacific was the largest contributor in September.

Commentary continued next page

## Sector Allocation



## Geographic Allocation



## Portfolio Strategy and Outlook

Infrastructure is at the beginning of a multi-decade investment cycle, due to secular trends such as energy transition and digitalisation. We believe that the growth of listed infrastructure will continue to be supported by these strong secular tailwinds and its underlying characteristics, such as resilient cash flows generating potentially high distribution levels that are very attractive in this market environment.

The Fund maintained an overweight position to the telecommunications sector. With 5G technology and mid-band spectrum made available to the market, 5G deployment and densification have been the key driver of organic growth in the communication infrastructure space. Although the premium of US towers over EU towers has been reduced, we continue to prefer European (and APAC) assets due to more supportive valuation.

We also have an overweight position to the industrials sector. We expect wealth effects, new transport technologies and continued urbanisation to support long term growth in demand for mobility. In the short run, the sharp 'recovery' in volume from COVID has transitioned into more normalised rates of growth aligned to employment, growth and industrial production trends. This has resulted in more idiosyncratic trends, depending on geography and type of asset. We remain focused on assets supported by strong local demographic factors.

We have maintained our underweight position to the utilities sector. Whilst macro-economic and commodity prices pressures have come off their peaks in recent years, which has also helped create a more supportive environment for utilities to invest, we are currently underweight the sector due to relative valuations.

### Features of global listed infrastructure

#### Essential assets

Assets that are the backbone of society, providing essential and valuable services for the stability and growth of the economy

#### Sustainable earnings

Assets that can generate inflation-linked, long-dated and sustainable earnings growth through economic cycles

#### Government backing

Infrastructure spending has been heavily featured in recovery programs as governments aim for GDP multiplier effects

#### Long cycle

A multi-decade investment cycle, supported by trends such as urbanisation, energy transition and digitalisation

### For more information, contact Copia.

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