

# HSBC Global Infrastructure Equity Fund

Fund report | 30 November 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>	4.15	5.50	12.56	-	20.79
<b>Dow Jones Brookfield Global Infrastructure Index*</b>	5.41	7.43	16.46	-	21.73
<b>Outperformance</b>	-1.26	-1.93	-3.89	-	-0.93

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	7.95%	0.56%
<b>Cheniere Energy Inc</b>	Energy	7.17%	4.04%
<b>American Tower Corp</b>	Property Trusts	5.57%	-0.45%
<b>National Grid PLC</b>	Utilities	4.86%	0.02%
<b>Eversource Energy</b>	Utilities	4.76%	3.34%
<b>Cellnex Telecom SA</b>	Communication Services	4.29%	2.64%
<b>Edison International</b>	Utilities	4.21%	2.12%
<b>Crown Castle Inc</b>	Property Trusts	3.90%	1.06%
<b>Sempra Energy</b>	Utilities	3.64%	-0.01%
<b>PG&amp;E Corp</b>	Utilities	3.34%	0.49%

### Top 5 Contributors

Cheniere Energy Inc  
Eversource Energy  
Koninklijke Vopak NV  
Eiffage SA  
Gibson Energy Inc

### Top 5 Detractors

ONEOK Inc  
TC Energy Corp  
Kinder Morgan Inc  
Consolidated Edison Inc  
Transurban Group

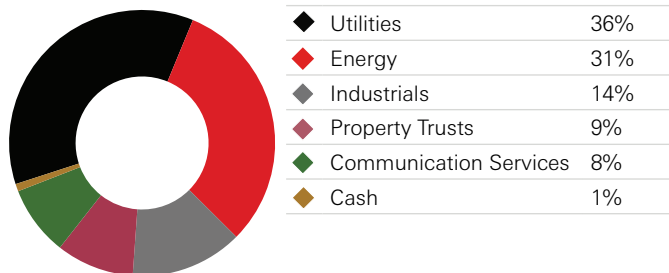
## Fund Commentary

Global equity markets bounced back in November, returning 4.6%. The month kicked off with trepidation around the outcome of the US presidential election. However, this uncertainty soon made way for a Republican clean sweep of the Senate and Congress, giving Trump's second term in office. Moreover, infrastructure outperformed global equities due to its energy infrastructure exposure as investors view tailwinds for the sector being deregulated under Trump's presidency due to his pro-fossil fuel / energy security election campaign rhetoric.

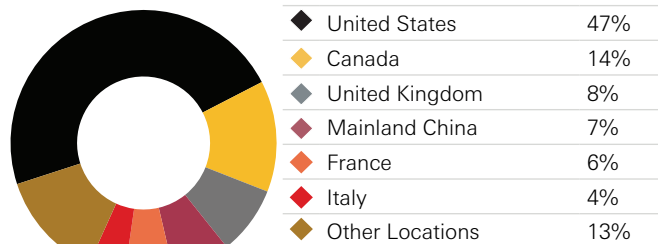
The Fund underperformed the Dow Jones Brookfield Global Infrastructure Index (in USD, gross of fees) during the month. The underperformance was mostly driven by the Industrials sector on a GICS sector basis. On a regional basis, Asia Pacific and Latin America were the largest detractors during the month. On a stock specific basis, Cheniere Energy was the top contributor in November. Cheniere Energy, a North American energy infrastructure company, continued to perform well on the back of raising its FY earning guidance. Additionally, the investors are now hopeful that Trump's re-election would lead to the Dept. of Energy (DoE) permitting the company's expansion projects in Louisiana.

*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 slightly reduced 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.

Our underweight position to Energy has slightly increased due to the sector's recent strong performance fuelled by the market's anticipation of a second Trump term. Energy infrastructure companies continue to be well positioned to capitalise on growth opportunities arising from global demand needs and emerging energy transition technologies (e.g. carbon capture and hydrogen), in our view.

### 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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