

Resolution Capital Global Listed Infrastructure Fund – Class B (Hedged)



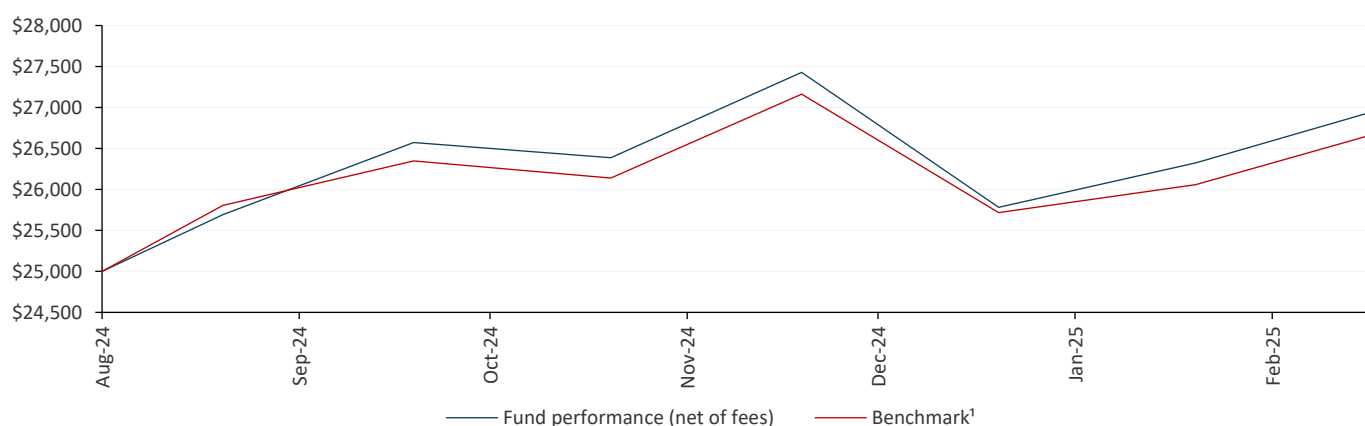
28 February 2025

Performance Summary

	1 Month %	3 Months %	Since Inception* %
Fund Return (Net Performance)	2.38	-1.73	7.81
Benchmark ¹ return	2.36	-1.80	6.69
Value Added (Net Performance)	0.02	0.07	1.12

Performance numbers less than one year are cumulative while numbers greater than one year are annualised. Past performance is no guarantee of future results.

Growth of \$25,000 invested Since Inception*



¹Benchmark is FTSE Developed Core Infrastructure 50/50 Index (AUD Hedged) Net TRI.
Source: Resolution Capital

Top 5 Weights

Security Name	%
TXNM Energy	6.80
Duke Energy	6.68
Energy Corp	5.86
Kinder Morgan	5.28
National Grid	4.89

Top 5 Contributors

Security Name	%
TXNM Energy	0.54
Energy Corp	0.47
Duke Energy	0.41
Southern Company	0.41
Italgas SpA	0.31

Bottom 5 Contributors

Security Name	%
Constellation Energy	-0.46
SSE	-0.19
Aeroports de Paris	-0.17
Public Service Enterprise	-0.14
CSX Corp	-0.09

These are illustrative only and not a recommendation to buy, sell or hold any security.

Fund Details

APIR code	WHT5725AU	Benchmark	FTSE Developed Core Infrastructure 50/50 Index (AUD Hedged) Net TRI
ARSN Code	653 043 442	Management Fee	0.70% p.a. plus 20% of outperformance above the benchmark
*Inception Date	12 August 2024	Buy/Sell Spread	+0.20%/-0.20%
Fund Size	\$118.0 Million	Distribution Frequency	Quarterly
NAV per Unit	\$1.08	No. of Stocks	Generally 20 to 45
Investment Manager	Resolution Capital	Risk/Return Profile	The Fund's risk band is 6-7 (High - Very high)
Minimum Investment	\$25,000	Investment Timeframe	Medium to long term, being 5 or more years

Market Commentary

The FTSE Developed Core Infrastructure 50/50 Index (AUD Hedged) Net TRI produced a total return of 2.4% for the month ending 28 February 2025. The U.S. was the best-performing region, returning 3.9% in local currency terms, while Australia and New Zealand were the weakest, with a return of -2.4% in local currency terms.

Transportation infrastructure—including rail, airports, and toll roads—underperformed during the month, while towers and utilities outperformed. Towers benefited from rising investor expectations for interest rate cuts in the U.S.

For the month, stock selection in the toll road and gas utility sectors contributed positively to overall performance, while renewables and electric utilities detracted from performance.

Reporting season kicked off in February. In the U.S. electric utility sector, companies continued to highlight growing investment needs and pointed to upside risks to earnings expectations. However, there were clear winners and losers.

The notable winners were Portfolio holdings Entergy (ETR) and TXNM Energy (TXNM). ETR upgraded its EPS growth outlook after signing a new electric service agreement in Mississippi and Meta further expanding its data centre in Louisiana. ETR is now expected to grow EPS at 10% per annum through 2028, up from the previous forecast of 8-9% per annum.

TXNM revised its investment plan and now expects to invest \$7.8bn through 2029, driving a regulated asset base growth of 12% per annum and EPS growth of 7-9% per annum, up from the previous forecast of 6-7%.

In contrast, several companies reported disappointing results and were subsequently sold off sharply. Notably, Sempra (SRE) and FirstEnergy (FE) were among the hardest hit - neither was held in the Portfolio over the period.

SRE declined by approximately 17% following its earnings report, which included an 11% downgrade to its FY2025 earnings guidance. This downgrade was particularly significant, as market expectations had been for an earnings upgrade due to substantial investment growth in its service territories. However, the challenge lay in the return on these investments — ‘regulatory lag’ and unfavorable regulatory decisions meant that returns would be lower in FY2025.

FE faced similar regulatory challenges and also saw its earnings pressured by rising operating costs and interest rate headwinds, leading to a weaker-than-expected outlook. As a result, FE shares dropped by approximately 10% following its earnings report.

In Europe, we saw similar volatility. French airport owner and operator Aéroports de Paris (ADP) reported earnings and an outlook in line with expectations, yet its stock fell by 8% due to uncertainty over future investments, which are expected to accelerate between 2027 and 2031, and concerns about securing an adequate return. Conversely, French toll road owner and operator Eiffage (FGR) surged 6% after reporting better-than-expected earnings and outlook commentary, driven by its Energy Services business and improving traffic on its French toll roads. Additionally, management enhanced its dividend policy, increasing the payout ratio from 40% to 45% of EPS.

In transaction news, Innergex Renewable Energy (INE), a Canadian renewable energy owner and developer, will be acquired by institutional investor Caisse de dépôt et placement du Québec (CDPQ). CDPQ has offered C\$13.75 per share in cash—a 58% premium to INE’s share price. The transaction values the company at C\$10bn and implies an EV/EBITDA multiple of 12x, a premium compared to listed renewable developers.

Contact Us

Investor Contact Details

Pinnacle Investment Management

Email: service@pinnacleinvestment.com

Phone: 1300 010 311

Adviser Contact Details

Pinnacle Investment Management

Email: distribution@pinnacleinvestment.com

Phone: 1300 010 311

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