# SHINING A LIGHT ON THE……
# FTF ClearBridge Global Infrastructure Income Fund

## AT A GLANCE

| **Investment Objective** |
|---|
| The Fund aims to provide investors with an income comprised of dividends with a secondary investment objective of long-term (over five or more years) capital growth. The Fund seeks to outperform the OECD G7 Inflation Index by 5.5% over an investment time frame of five years (gross of fees). The Fund seeks to achieve its objective by investing at least 80% of the Fund's net asset value in a diverse range of global listed infrastructure securities across a number of infrastructure sub-sectors such as gas, electricity and water utilities, toll-roads, airports, rail and communication infrastructure and across different geographic regions, under normal market conditions. |

| **Inception Date** | 1 July 2016 |
|---|---|
| **Fund Factsheet Link** | https://www.morningstar.co.uk/uk/funds/snapshot/snapshot.aspx?id=F00000XGBM |

| **Management** | |
|---|---|
| **Manager Name** | **Start Date** |
| Charles Hamieh | 1 April 2020 |
| Daniel Chu | 1 October 2019 |

## FUND PERFORMANCE

Performance from 1st January 2017 – 30th April 2022:

| | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
|---|---|---|---|---|---|---|
| **FTF ClearBridge Global Infrastructure Income Fund** | 8.34% | -0.25% | 27.45% | 9.17% | 12.38% | 12.95% |
| **FTSE World ex UK** | 13.45% | -2.68% | 23.10% | 14.15% | 22.23% | -6.09% |

Performance over 12 months, 3 years, and since launch:

| | 1 year | 3 years | Since launch |
|---|---|---|---|
| **FTF ClearBridge Global Infrastructure Income Fund** | 26.94% | 53.18% | 92.70% |
| **FTSE World ex UK** | 5.82% | 42.20% | 106.66% |

*You should note that past performance is not a reliable indicator of future returns and the value of your investments can fall as well as rise. The total return reflects performance without sales charges or the effects of taxation but is adjusted to reflect all on-going fund expenses and assumes reinvestment of dividends and capital gains. If adjusted for sales charges and the effects of taxation, the performance quoted would be reduced.*

| Tracking Error | Active Share | Upside Capture Ratio | Downside Capture Ratio | Batting Average | Beta | Alpha | Equity Style |
|---|---|---|---|---|---|---|---|
| 7.50 | 71.18 | 103.40 | 62.84 | 55.56 | 0.76 | 7.82 | Blend/Large |

| Volatility Measurements | |
|---|---|
| **3-Yr Std Dev (volatility)** | 13.66% |
| **3-Yr Mean Return (average)** | 15.27% |

| Investment Style Details | |
|---|---|
| Giant | 6.19% |
| Large | 49.45% |
| Medium | 31.81% |
| Small | 10.29% |
| Micro | 0.00% |

| Top 5 Holdings – 36 Equity Holdings | | |
|---|---|---|
| National Grid PLC | Utilities | 4.86% |
| SSE PLC | Utilities | 4.57% |
| Public Services Enterprise Group Inc | Utilities | 4.37% |
| Iberdrola SA | Utilities | 4.28% |
| Snam SpA | Utilities | 3.99% |

| Top 5 Sectors | |
|---|---|
| Utilities | 60.08% |
| Industrials | 21.05% |
| Energy | 14.21% |
| Real Estate | 3.81% |
| Technology | 0.26% |

| Top 5 Regions | |
|---|---|
| United States | 30.75% |
| Canada | 14.49% |
| Spain | 12.45% |
| United Kingdom | 11.51% |
| Australia | 10.49% |

**UPDATE….**

We have reviewed this fund several times and it remains on our watchlist.

As a reminder, the three main pillars of this strategy are:

1. To provide a rising yield for investors, (the historic yield is 5.27% p.a.)
2. To provide compelling upside / downside capture. So when markets fall this aims to fall less, and yet capture some of the upside
3. To invest in listed regulated infrastructure such as gas/electric transmission and distribution, water and wastewater, and user payer assets such as airports, toll roads, railways, and ports

The two areas the strategy focuses on are regulated assets (water, electricity, gas, and renewables) and user pays assets (roads, rail, communication, ports and airports). Regulated assets are seen as defensive, and user pays growth assets.

They remain positive for the infrastructure sector where they feel the investment coming into the sector offers a multi decade investment opportunity.

The key themes and opportunities include:

Decarbonisation – clean energy, decarbonisation, and beginning and facilitating a transition

Global utilities – world leaders in clean energy and compelling valuations

Recovery – across roads, rail and airports

5G evolution – significant spending to improve and "densify" cellular networks

The drive to net zero is a tailwind for infrastructure investors and this can be seen globally:

China have set a new goal to achieve net zero carbon emissions by 2060

Fit for 55 package in the EU sets targets to reduce greenhouse gas emissions by 55% by 2030, and a e1.8 trillion package to help build a greener, more digital and more resilient Europe

In Australia nearly A$225 billion has been allocated for general government sector infrastructure spending over the next four years

Other commitments have been promised in the UK and US.

To achieve the targets, as an example, power sector spending needs to increase from $0.8 trillion to $2.5 trillion p.a. Investment must come across wind, solar, buildings and transport to achieve these targets.

The team believe the fund is perfectly placed to benefit from these tailwinds under their framework "Build":

B – breadth and depth of expertise in infrastructure
U – uses integrated sustainable framework
I – income focused with inflation immunity
L – listed infrastructure as compelling asset class
D – Demonstrated strategy track record since 2020

The strategy is more towards the defensive end, which delivers before attractive upside opportunities and downside protection. They believe they can offer low double digit returns for investors.

The volatility within the markets has meant there has been more turnover in the strategy than normal. This has seen the team adding to stocks like Iberdrola and reducing exposure to US and increase to Europe.

In summary, the focus of the fund has not changed over the time we have monitored it. In this more volatile environment this might be considered an interesting opportunity. It is also operating in one part of the market that has tailwinds over many years. The team are therefore positive and believe they can deliver low double digit returns over the coming years.

*The source of information in this note has been provided by FTF and is correct as of May 2022. These are notes from meeting the fund manager or representative and should not be seen as a recommendation to purchase any fund mentioned. Any reference to shares is not a recommendation to buy or sell. Should you wish to decide based on these notes we cannot take responsibility for this, and you should carry out your own research before making a decision. We would also recommend that you receive advice before following up on any decision.*