

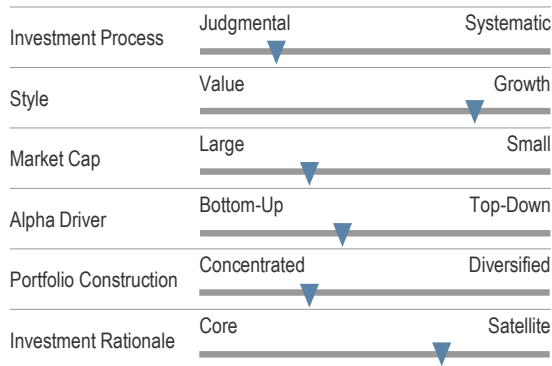
## Portfolio Strategy

The fund invests in listed infrastructure companies that own or control critical physical infrastructure, long-life concessions or perpetual royalties. They must exhibit a strong dividend track record and capital return culture with a focus on growing income stream. Infrastructure companies include businesses in utilities, energy, transport, health, education, security, communications and transactions.

## Key Features

Asset Manager	M&G Luxembourg S.A.
Net Assets Value	1 714 (Mn US Dollar)
Inception Date	05.10.2017
UCITS	Yes
Base Currency	US Dollar
Liquidity	Daily
Share Class*	US Dollar Acc
Management Fees* (%)	0,75%
Performance Fees	No
CH Registered	Yes

## Portfolio Style



## Investment Rationale

Global equity fund that provides access to the stable and growing cash flows, often inflation-protected, generated by the infrastructure assets. The fund is suitable for investors seeking exposure to global equities with a defensive profile: lower volatility, beta, drawdowns and rising dividend yield. The fund aims to deliver a higher total return than the MSCI ACWI Index over a 5-year investment horizon.

## Investment Philosophy

- **Customized investment universe:** the fund invests beyond the traditional realm of utilities, energy and transport. It diversifies into 2 other distinct categories: the social sphere (health, education and security) as well as evolving areas of infrastructure (communication, transactional and royalty).
- **Hard ESG exclusions:** firms that derive more than 30% of their revenues from coal-fired or nuclear power are automatically screened out. The fund has no material exposure to tobacco, alcohol, adult entertainment, gambling, or controversial weapons.
- **In-depth research:** fundamental bottom-up approach focused on in-house research. Extended due diligence is carried out through a combination of qualitative and quantitative analysis of financials, the change factors that could affect the company, supply chains, competitors in the marketplace, opportunities and threats, competitive advantages.
- **Long-term:** investment horizon is at least 5 years and turnover is under 30%.
- **Conviction:** concentrated portfolio of 40-50 stocks leading to a sizeable tracking error compared to more core portfolios.

## Fund Management Team

The fund is managed by Alex Araujo and John Weavers since inception. They are supported by the 4 Income team's analysts; one being solely dedicated to this strategy. The Income team is one of the most experienced and the largest at M&G and manages over EUR 10 bn. The investment team also leverages the internal research cross sharing information with PE, infrastructure debt and credit teams to capture the full breadth of the asset class.

## Strengths

- **Broad opportunity set:** listed infrastructure indices are heavily skewed towards utilities, providing limited diversification. A key differentiator is its ability to navigate the natural defensive bias of dividend strategies.
- **Diversification:** the fund invests in 3 distinct categories (economic, social and evolving), each of these areas has a different dividend profile. This approach aims to create a balanced portfolio of defensives, cyclical and high growth companies to cope with a variety of market conditions. The fund is also diversified across different industries, geographies, and infrastructure classes.
- **Performance:** since inception, the fund displays outstanding performance compared to its best peers. The fund exhibits top quartile risk adjusted metrics in its peer group, with solid defensive characteristics and risk-adjusted profile.

## Weaknesses

- **Track record:** the fund has been launched in November 2017, the track record is short to assess the strategy over a full market cycle. However, 2018 and Q1 2020 have been good stress tests to evaluate its robustness in adverse market environment.
- **Analysts:** the duo of PMs displays a solid experience in portfolio management, but we think the analysts are more junior profiles, 3 of them having less than 5 years of industry experience

	1M	YTD	2023	2022	2021	3Y (Ann.)	5Y (Ann.)	Sharpe Ratio 3Y	Volatility 3Y	Max Drawdown 3Y
Fund	-1,17	-1,17	-0,57	5,25	-8,28	-0,49	1,65	-0,20	16,97	-22,75
Index	3,36	3,36	22,20	-18,36	18,54	8,41	11,04	0,32	16,18	-22,09

\*ISIN Code: LU1665237373. ISIN used for performance: LU1665237373 Performance data source: Morningstar Direct. Key Points provided by Wealth Solutions Partners SA. - Past performance should not be seen as an indication of future performance. Index: MSCI ACWI NR USD. Data as of: 31.01.2025

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