## Market and Fund Performance commentary

The Trust returned 2.8% for the quarter, outperforming its benchmark, Morningstar Australia Fund Multisector Growth category average, which returned -1.1%.

The Australian equity market had a weak quarter, with the S&P/ASX 300 Total Return Index excluding property falling 2.6%. Australia underperformed global markets, which fell modestly on concerns around the US economy. Bond yields fell globally, with the US Government 10-year yield down 0.36% to close at 4.21%. In contrast, Australian yields only rose 0.02% to close at 4.39%, reflecting a more stable economic backdrop. The February company reporting season was a key focus during the quarter, producing some outsized share price moves despite earnings broadly in line with expectations on average. Looking at performance by sector, defensives tended to outperform. Industrials (+2%) was best, followed by Utilities (+2%) and Communication Services (+2%). Information Technology (-18%) was weakest, then Health Care (-9%) and Energy (-5%).

The Trust's Australian equity holdings returned 0.3%, outperforming the market index. Our overweight holding in Nine Entertainment Co. (+25%) performed very strongly. The key driver was a takeover offer for Domain Group, in which Nine holds a 60% stake, from US property firm CoStar. The initial offer price of $4.20 per share was later raised to $4.43, a 42% premium to the prior closing price, valuing Nine's stake at $1.7bn. The Domain board has indicated its support for the offer and CoStar has been granted exclusive due diligence. Nine also delivered a better-than-expected half-year result in February, with a trading update that showed signs of cyclical improvement in the advertising market. Our overweight holding in QBE Insurance Group (+18%) also contributed positively. The company delivered its full-year result in February, with earnings ahead of market expectations and a relatively upbeat outlook for premium growth. Falling US bond yields provided a further tailwind. Our overweight position in Ampol (-17%) detracted from performance. The company delivered a weak full-year result, impacted by weak regional refining margins, outages at the refinery, depressed international trading profits and higher interest costs. While this is disappointing, the more stable parts of the business are performing as expected and a recovery in refining should further support profit growth.

International equities had a soft quarter, with the MSCI AC World Index falling 1.3% in US dollar terms. There was significant divergence between the regions. Europe (+11%) was the standout, then Asia ex-Japan (+2%) and Japan (0%). USA (-5%) materially underperformed. The AUD appreciated against the USD during the quarter, reducing the return of the AUD-denominated MSCI AC World Index to -2.0%. The Trust's international equities holdings, through its exposure in the Antipodes Global Value and Global Opportunities funds returned +5.6%, materially outperforming the AUD market index. Portfolio performance was driven by exposures in Western Europe, particularly France and Germany, in addition to positive contributions from China and Hong Kong and stock selection in the United States.

A-REITs had a weak quarter, with the S&P/ASX300 A-REIT Total Return Index falling 6.6%. The sector was very mixed, however, with index performance driven by a 20% decline in industry behemoth Goodman Group. The Trust's A-REIT holdings returned +3.5%, reflecting good performance from many of our diversified and retail REIT holdings and our decision not to hold Goodman.

Fixed interest performed well, with the Bloomberg Australian Composite Bond Index rising 1.3%. The Trust's fixed interest holdings rose 1.5%, outperforming the index.

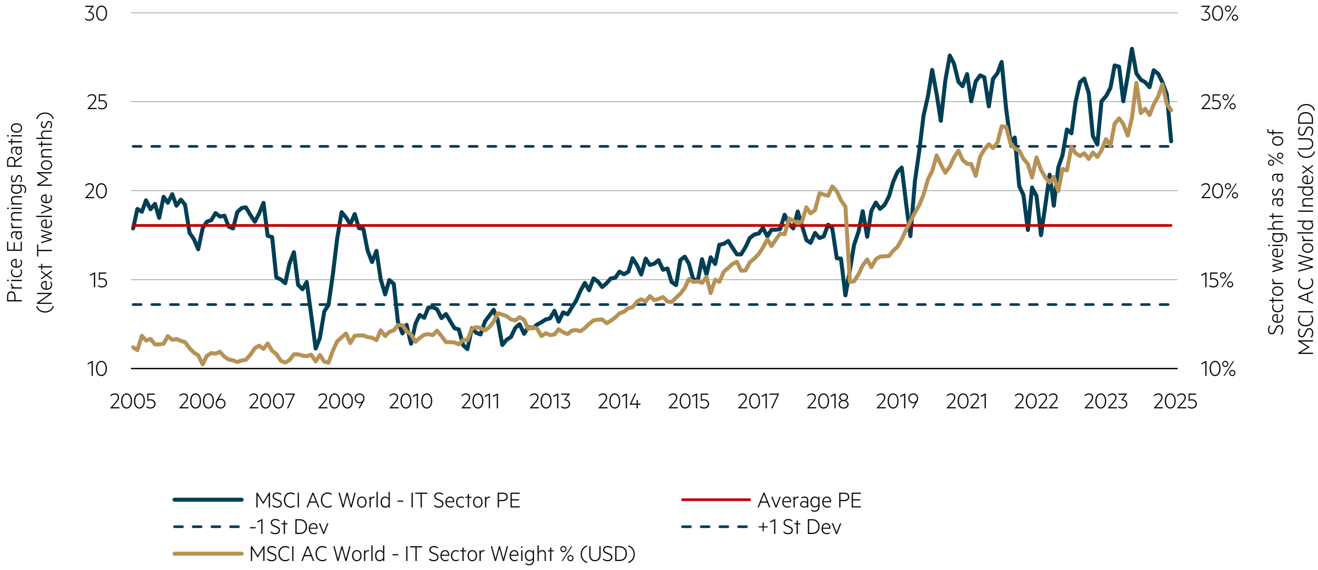
The Trust's exposure to alternative assets, through its holding in the MBA Global Listed Infrastructure Fund (GLIF), returned 8.5% for the quarter. During the quarter US regulated utilities were strong, continuing to benefit from the surge in power demand that is being seen in the US. This included fund holdings Exelon and Ameren which were among GLIF's top positive contributors.

### Economic Review[1]

The MSCI AC World Index decreased by 1.3% in USD terms over the March quarter driven by concerns around the US economy and tariff uncertainty. Energy, utilities and financials generated high single digit returns during the quarter. Information technology fared the worst, declining 11.6%, while consumer discretionary was among one of the other weakest sectors falling by 7.6%.

[1] GDP data is based on December quarter-on-quarter growth rates.

**Despite recent price declines, valuations of the largest sector of the global market (Information Technology) remain stretched**




Source: FactSet, Maple-Brown Abbott.

Amidst the uncertainty of Trump's impending tariff policies, the Fed kept policy rates on hold during the quarter and committee member projections remained steady predicting a total of 50 basis points of cuts in 2025. The European Central Bank cut rates by 50 basis points, while the Bank of England cut rates by 25 basis points. The People's Bank of China kept rates unchanged but reiterated intentions for further loosening of monetary policy in the coming year to support the economy. Meanwhile the Bank of Japan raised rates by 25 basis points as consumer price inflation continued to strengthen.

US GDP growth rose by 0.6%[1] for the December quarter as consumer and government spending offset a decline in investment. Economic activity across Europe remained stagnant weighed down by poor consumer and business confidence. GDP in Japan increased by 0.6% as capital investment rebounded. Chinese GDP growth improved to 1.6%, bolstered by government stimulus and stronger exports.

Economic activity improved modestly in Australia with GDP growth of 0.6% driven by public and private expenditure, along with higher exports. Despite strong employment growth and consumer spending, the recent trends of moderating inflation and wages growth prompted the Reserve Bank of Australia (RBA) to reduce the cash rate by 25 basis points during the quarter.

Post quarter end, President Trump unveiled a series of tariffs applying to most of the US's trading partners. The level of tariffs was higher than expected and whilst they might be negotiated lower, it seems likely that there will be a negative impact on global economic growth.

## Responsible Investment

Stewardship is a key pillar of Maple-Brown Abbott's approach to environmental, social and governance (ESG) integration. We engage regularly with the companies we invest in, taking the view that there is greater benefit to influence change as a shareholder rather than simply divest and pass the challenge to a potentially less ESG-focussed investor.

Our long-term investment horizon facilitates this approach, as it enables us to take a longer view on ESG risks and engenders stable, influential relationships with the Board and management of our portfolio companies.

Over the course of the past year we met with a range of companies held in our Australian value equity portfolios, with climate risk and decarbonisation again the most discussed topic. Other engagement themes that repeated regularly in our meetings included conduct and culture; data privacy and cybersecurity; and modern slavery.

Our engagements may be triggered by a particular incident or controversy or be undertaken as part of a regular deep dive into ESG risk management

Deep dive ESG meetings were held with portfolio companies including Brambles (BXB), where we discussed decarbonisation, circularity and modern slavery; Treasury Wine Estates (TWE), covering decarbonisation, modern slavery and human capital;

Orica (ORI), on decarbonisation, environmental stewardship, and safety performance; and Ansell (ANN), on modern slavery and environmental stewardship.

We also participated in several engagements specifically focussed on companies' climate transition plans, including Origin Energy (ORG), BHP Group (BHP) and National Australia Bank (NAB), and used these meetings to inform our proxy voting activity at subsequent AGMs.

In many cases it may take several years for engagement objectives to be met, however there are other times when outcomes are more immediate.

To supplement our direct engagement, we also participate in collaborative investor initiatives, including Climate Action 100+ and Investors Against Slavery and Trafficking Asia-Pacific (IAST APAC).

Most of our direct engagement meetings cover multiple topics, and insights are fed back into our company research and evaluation. Our engagement priorities are identified through assessment of the most material ESG risks and opportunities at a company and portfolio level, analysis of macroeconomic trends and regulatory focus, real-world impacts, and the responsiveness of the target company.

**For latest Fund factsheet click here.**

## Fund ratings

Investment Grade Lonsec Research

Responsible Investment Leader 2024 — A proud RIAA member

Signatory of: PRI Principles for Responsible Investment

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