

The VanEck logo is displayed in a large, white, serif font. To its right, a small registered trademark symbol (®) is visible. The background of the top left section of the page features a stack of colorful shipping containers in shades of blue, red, and yellow, with a large black ship's hull in the foreground.

Access the opportunities.

# VanEck FTSE Global Infrastructure (Hedged) ETF (ASX: IFRA)

## Q1 2024 Update

The IFRA logo consists of the letters "IFRA" in a white, sans-serif font, centered within a dark blue rectangular box. The background of the top right section of the page shows a large commercial airplane on a tarmac at sunset, with its reflection on the water and a city skyline in the distance.

## Fund summary

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VanEck FTSE Global Infrastructure (Hedged) ETF (IFRA) gives investors exposure to a diversified portfolio of infrastructure securities listed on exchanges in developed markets around the world. IFRA aims to provide investment returns before fees and other costs which track the performance of the Index.

IFRA tracks the FTSE Developed Core Infrastructure 50/50 Hedged into Australian Dollars Index. The index comprises securities in developed countries which provide exposure to core infrastructure businesses, namely transportation, energy and telecommunications, as defined by FTSE's International Benchmark Classification.

## Quarterly summary

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- IFRA returned 1.97% for the quarter ended 31 March 2024.
- Most sectors performed strongly with companies in Pipelines and Telecommunications Equipment sectors contributing the most to overall return.

Quarter end performance as at 31 March 2024

	1 month	3 months	6 months	1 year	3 years (p.a.)	5 years (p.a.)	Since IFRA inception (p.a.)
Price Return (%)	2.77	1.11	9.06	-2.15	-0.32	-0.71	2.00
Income Return (%)	0.88	0.86	1.88	3.46	3.23	3.37	3.44
<b>Total Return (%)</b>	<b>3.65</b>	<b>1.97</b>	<b>10.94</b>	<b>1.31</b>	<b>2.91</b>	<b>2.66</b>	<b>5.44</b>
IFRA Index (%)	3.65	1.96	10.88	1.20	3.04	2.80	5.66

Source: VanEck.  
 The table above shows past performance of the ETF from 29 April 2016. Index performance shown prior to 2 March 2015 is simulated based on the current Index methodology. Results are calculated to the last business day of the month and assume immediate reinvestment of dividends. ETF results are net of management fees and costs incurred in the fund, but before brokerage fees or bid/ask spreads incurred when investors buy/sell on the ASX. Returns for periods longer than one year are annualised. Past performance is not a reliable indicator of current or future performance which may be lower or higher.

Key benefits

**Global infrastructure exposure:** Access to a diversified portfolio that provides targeted exposure to listed global infrastructure companies.

**Infrastructure provides investors with stable income:** Global infrastructure assets have provided investors with inflation-linked and regulated income.

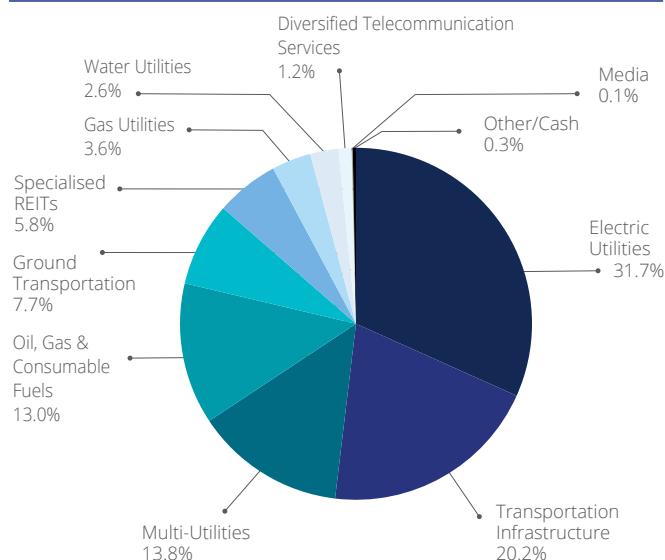
**Diversified across companies and sub-sectors:** Company and sector capping provides comprehensive exposure with diversification across companies and sub-sectors.

**Australian dollar currency hedged.**

Key risks

An investment in the ETF carries risks associated with: ASX trading time differences, financial markets generally, individual company management, industry sectors, foreign currency, country or sector concentration, political, regulatory and tax risks, fund operations, liquidity and tracking an index. See the **PDS** for details.

Sector breakdown



Source: VanEck, as at 31 March 2024.

Fundamentals

Constituents (#)	134
Return on equity (%)	12.70
Price/Earnings (x)	15.39
Dividend yield (%)	3.65
Price/Book (x)	1.95
Price/Sales (x)	2.20

Source: VanEck, as at 31 March 2024.

## VanEck FTSE Global Infrastructure (Hedged) ETF: Top and bottom performers

Top performers	Contribution to return (%)	Sector	Commentary
Aena SME SA	0.73	Transportation services	Aena SME, being part of the airports and air services industry, continued to benefit from a wider reopening of tourism and travel following the end of COVID lockdowns.
NextEra Energy, Inc	0.52	Conventional electricity	The company's share price rose strongly in January after it exceeded its own adjusted EPS estimates for 2023. It also said it is well positioned for 2024 and expects to hit the top end of its adjusted EPS guidance through 2026. Both of NextEra Energy's businesses -- Florida Power & Light (FPL), which is also the largest electric utility in America, and renewable energy arm NextEra Energy Resources -- grew strongly in the fourth quarter and 2023. Driven by spending worth nearly \$9.4 billion on its infrastructure, FPL's earnings surged 20% last year. In Q4, FPL's average customer base increased by 81,000 year over year.
ONEOK, Inc	0.32	Pipelines	The company announced higher fourth quarter and full-year 2023 results and 2024 financial guidance in February which buoyed the share price. The company also increased its quarterly dividend by 3.7% to 99 cents per share and authorised a \$2 billion share repurchase program.

Bottom performers	Contribution to return (%)	Sector	Commentary
Auckland International Airport Limited	-0.19	Transportation services	Auckland International Airport's share price pared back sharply during the first quarter of the year after rising over 20% in the final 2 months of 2023. The movement during the quarter could be more appropriately attributed to consolidation rather than being driven by any market news.
American Tower Corporation	-0.17	Infrastructure REITs	American Tower's Q4 revenue beat Wall Street expectations but its earnings fell short even as the REIT reduced its expenses, according to the result reported in February. Importantly, Q4 adjusted funds from operations per share of \$2.29, trailed the \$2.32 consensus, declining from \$2.58 in Q23 and \$2.34 in Q4 2022.
Transurban Group Ltd	-0.16	Transportation services	In the last 5 years, Transurban Group saw its revenue shrink by 0.2% per year and the 1H results announced in February was weaker than expected, although the company is still generating enough cash to support a forecast FY dividend of \$0.62/share.

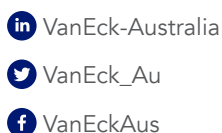
Source: VanEck, as at 31 March 2024.

## Outlook

- While the market has pared back its expectations for central bank cuts this year, we think it is still a touch too optimistic. Inflation is elevated and the trimming of rate cut forecasts could see equity market volatility increase.
- An environment of sustained rates and inflation is typically when infrastructure companies outperform. Infrastructure contracts such as toll roads allow revenue increases to be passed through above CPI (i.e. greater of CPI or 4%).
- Mounting public debt in developed countries are fostering an environment which could see listed infrastructure equities thrive as governments 'tighten their belts'.
- An expanding middle class spurs on infrastructure investment in an effort to improve standards of living.
- Grounded in the Inflation Reduction Act and the clean energy transition is the need for important infrastructure investment which is acting as a tailwind for the sector.

## Contact us

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