BMO Global Infrastructure Fund

Quarterly Commentary

Market Commentary

The Fund was generally in line with the index in the first quarter of 2025 ("the quarter") amid the volatile market. The new U.S. administration delivered a lot of disrupts on infrastructure policies and increased geopolitical tensions between the U.S. and major economies. Although underlying demand for energy, power, and other key infrastructure remain solid, the ongoing disruption may sustain and impact corporates' investment decisions. Most recently, tariff uncertainty has weighed on transport infrastructure stocks whose volumes are sensitive to cross border trade.

The Fund was in-line with the benchmark (S&P Global Infrastructure Total Return Index (C$)) over the quarter.

Attribution Comments

Positive sector allocation offset negative stock selection (mainly in Utilities). In general, we have positive stock picks other than the few names which experienced the unexpected hit from natural disaster (California wildfire).

Energy was the highest returning sector this quarter. Positive stock selection in this sector contributed to our performance. North American energy infrastructure activity continues to be buoyed by development of LNG export markets and growing global demand for gas.

European governments' nominal yields stayed relatively more stable than the U.S. in this quarter, contributing to our European positions' outperformance. We shifted certain weights from U.S. to Europe, which partially protected the Fund from some volatile turbulence brought on by the new U.S. administration's policies.

Outlook for Market/Fund

Policy uncertainty remains elevated and threatens consumer and business confidence. We have accordingly lowered our weight to economically sensitive segments. Rates expectations will be topical in 2025, especially post the latest volatile shifts of U.S. 10yr yields, and potential inflation pressure due to tariffs.

Longer term trends such as electrification, energy security, decarbonization, and AI/DC build should continue to buoy energy development. We maintain our exposure to this theme. Especially, we expect power infrastructure development activity to remain strong in the long run and support the infrastructure investment universe.

Buys/Sells

The Fund reduced its holdings in the Energy sector and shifted more towards relatively defensive Utilities. We also cut our U.S. holdings and invested more in Europe, China, and Brazil, reflecting a cautious view of diversifying exposure to regional factors including trade dispute, interest rates, and fiscal uncertainties.

We increased our holding in **Enbridge** this quarter. The company has structural advantages with significant volumes underpinned by long term contracts, take or pay arrangements, and strong counterparties. The company has a visible and diversified pipeline of capital projects, including data centre driven opportunities, that should drive stable growth.

We added **E.ON** into our Fund as we expect the new German government to issue more utility-friendly energy policy, which could potentially benefit large network companies like E.ON.

Hold: We increased our holding in **Targa**, reflecting our continued confidence in the company's growth trajectory. Attractive acreage dedications in the Permian Basin should underpin both organic volume growth and expansion capital expenditures in the forecast period.

The Fund does not hedge currencies.

Fund Codes & Fees

Series	Fund Code	MER (%)*
Advisor	BMO99150	2.25
Series F	BMO95150	1.15

*Annual Management Expense Ratios (MERs) are as of September 30, 2024.

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