



# April - energy security in focus at GLIO

Hello,

Welcome to our update for April, a month in which the unique characteristics of infrastructure shone through.

Before we get into that, we invite you to join our **energy security** virtual discussion on June 7, where two CEOs offer insights into one of the hot topics of the moment. **Gale Klappa**, of WEC Energy Group, and **Ralph Izzo**, of PSEG, will talk about the changing landscape for US utilities and how their companies will fit into future energy needs. **Steve Fleishman** of Wolfe Research will lead the discussion.

GLIO corporate members will also be available for virtual one-on-ones with investors during the week.

As regards April's infrastructure performance, global equities fell back over 8% and listed infrastructure dropped too, but just -4.6%. The pattern is similar over the long term because listed infrastructure's downside capture is 56%; when global equities fall, listed infrastructure companies only reflect about half of the fall.

On the flip side, capture is higher when global equities rise as listed infrastructure captures 80% of the gain!

With that in mind, it's good to remind ourselves of the reasons why the sector is a great long-term option:

- **Lower volatility** versus general equities (-300bps),
- The underlying assets enjoy predictable, **stable earnings**,
- Assets provide **inflation protection** through regulation, concession agreements, and contracts,
- Listed infrastructure offers good **diversification** generally and can enhance a private allocation, and
- **Liquidity** offers the agility to take advantage of opportunities.

The **GRESB ESG public disclosure** portal for the GLIO Index companies is open. Please find out how to submit your company feedback below. Corporate feedback is important as it feeds into the final GRESB ratings that affect index weightings.

A little reminder to those of you looking to get on board for the **July 2022 Journal** - we are building the content list now and we welcome suggestions and articles from our growing GLIO membership.

Kind regards,  
**Fraser Hughes**  
GLIO Chief Executive

## Read: Issue 10



## Read: GLIO Index update April 29



## Sign up for the GLIO weekly - essential news

GLIO Infrastructure Review Weekly

### Energy Security Panel



Gale Klappa  
WEC Energy Group

Ralph Izzo  
PSEG

Steve Fleishman  
Wolfe Research

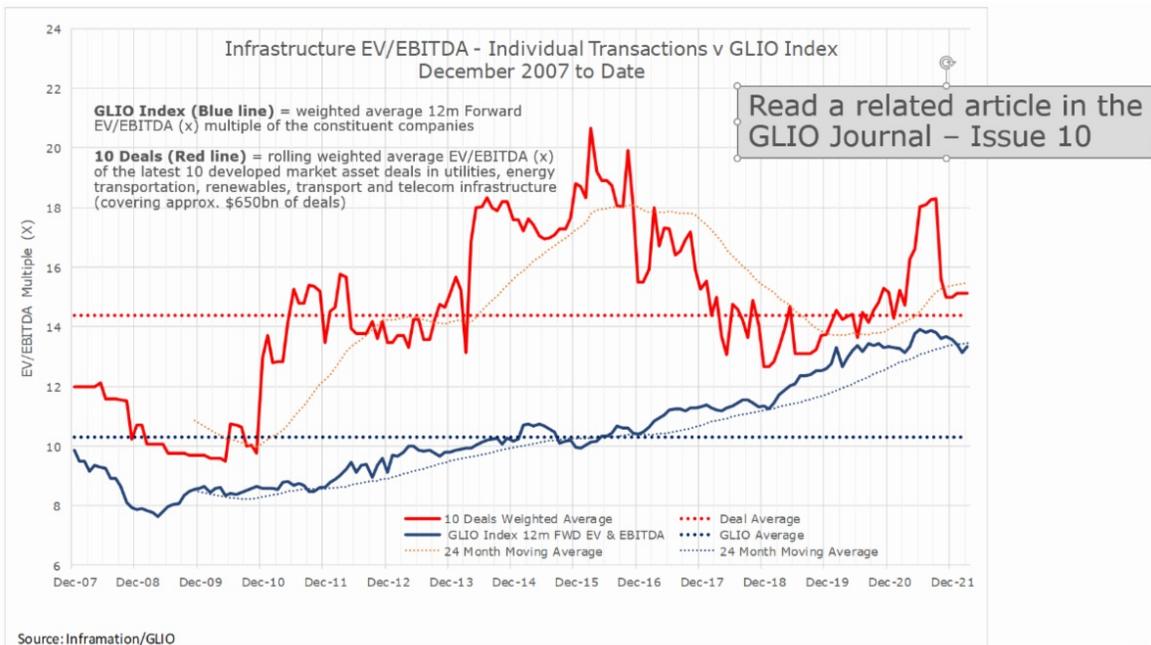
Register now for the GLIO Energy security panel discussion with **Gale Klappa** and **Ralph Izzo**.

The discussion will be led by **Steve Fleishman** - Wolfe Research.

The webinar is scheduled for **June 7 @ 5:00PM ET**.

Register by clicking here.

# GLIO Index - April 29, 2022



19

The **GLIO Index** of infrastructure companies **fell back** in April (-4.6%), and year-to-date it is down a touch (-1.7%).

**Global equities** took a (-8.3%) hit in April, and YTD is well off the pace (-12.9%).

Infrastructure sectors across the board declined (in USD terms) in April.

In April, **Railroads** (-11.3%) wiped off the significant gains made during the previous month. **Airports** (-6.5%), **Toll-roads** (-1.2%), **Passenger rail** (-7.3%), and **Marine Ports** (-4.4%) all reversed. Collectively, the **Transportation** group was pushed back (-8.9%).

**Regulated Utilities** ended down (-3.4%) for the month, with **Electric** (-3.1%), **Gas** (-3.7%) and **Water Utilities** (-7%) all in the red. **Renewables** fell (-6.9%).

In April, the great start to 2022 for **Energy Transportation & Storage** was halted (-3.5%). YTD, the sector remains significantly higher (+18.4%)

**Telecom infrastructure** (-1.7%) ended lower. **Satellites** added (+3.3%) during the month – the only sector on positive ground in April.

**Atlantia** received a buyout offer from Blackstone and Edizione on April 14. The EUR23 per share offer values Atlantia at approximately EUR54bn.

The 15-year annualized USD return for the **GLIO Index is +7.9%**, ahead of global equities (+6.5%) and with a full **300bps lower volatility**.

The chart above is the latest listed v transactions multiples we've published. The update includes the latest Inframation sourced deals. Over the long term, listed infrastructure is at a **40% discount** compared to individual infrastructure transactions.

Every year we ask all dedicated listed infrastructure managers to provide their assets under management (AUM) figures as of December 31. It is one way to chart our progress as an asset class - in terms of inflows into listed infrastructure strategies. **Managers provide their assets under management (AUM) figures on a confidential basis.**

Once again, most managers have kindly provided their latest figures, enabling us to estimate the total AUM.

Click the button below to see another year of growth in 2021, with **AUM rising to \$145 bn from \$115bn.**

[See: growth in listed infra AUM here](#)

[See: listed infra drawdowns v global equities](#)

Click the 10, 15, and 20-year risk/return profiles button below. All three listed infrastructure indices offer better risk/return profiles compared to global equities and global REITs.

See: April's headline & sector returns

See: Asset class 'Risk/Return' profiles

See: largest company share price moves in April

## Save the date, June 7 (5:00PM ET). GLIO virtual discussion: energy security



**Gale Klappa**  
WEC Energy Group



**Ralph Izzo**  
PSEG



**Steve Fleishman**  
Wolfe Research

GLIO is planning a discussion on energy security moderated by **Steve Fleishman, Wolfe Research** on June 7 (5:00 PM ET).

Steve will be joined by **Gale Klappa, CEO WEC Energy Group** and **Ralph Izzo CEO Public Service Enterprise Group** for what is bound to be a lively and interesting discussion from two experts.

[Register here](#)

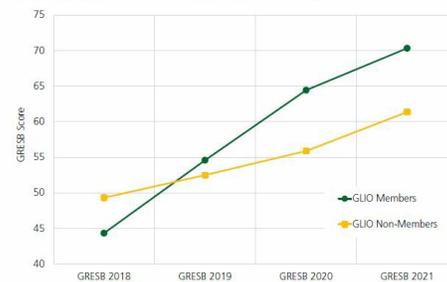
## GLIO/GRESB ESG feedback portal open: Check your preliminary results now!

The assessment portal is now open for participation. All GLIO/GRESB ESG Index constituents are encouraged to give public disclosure score feedback. You can find further details [here](#).

As usual, GRESB Infrastructure submissions are due by July 1, 2022. See the entire 2022 assessment timeline [here](#).

If you have any questions about participating in the assessments, don't hesitate to contact the GRESB helpdesk team.

Figure 4: GLIO members increased scores at a faster rate



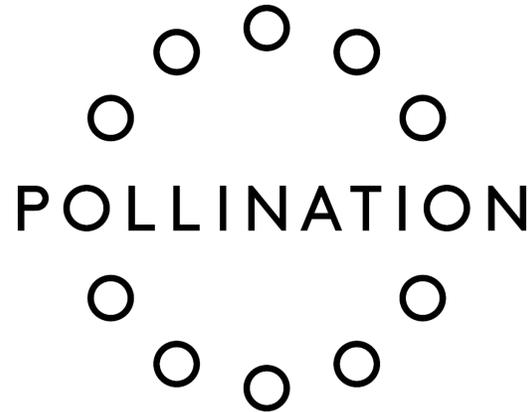
During the feedback period between April and July 2021, 52 companies engaged with **GRESB**, accounting for 53% of the market capitalization of the **GLIO Index**. On average, companies that got in touch to provide more detail improved their scores.

## Meet the new GLIO member

Pollination is a specialist climate change investment and advisory firm, accelerating the transition to a net-zero, high-quality, nature-positive future. Around the world, Pollination works with clients across government, business, public and private capital, helping them to navigate the climate transition, and is developing several net zero-focused investment platforms including a Transition Listed Infrastructure strategy.

This strategy aims to provide clients with a concentrated portfolio of high-quality listed infrastructure companies – all of which are on the transition pathway to net-zero, are highly resilient, and have a strong social contract. Pollination engages with listed infrastructure companies, invests in, and supports those companies that are building the infrastructure required for a net-zero, nature-positive future.

Ben May and Jonathon Ong are the founding portfolio managers to lead and develop the Transition Listed Infrastructure strategy.



[Learn more about Pollination Group](#)

## Member news in April

April 1- Edison, **Italgas** and Marguerite have agreed that Edison will buy a majority stake in Gaxa, a company 51.85% owned by Italgas and 48.15% by Marguerite, active in the Sardinian retail gas market, through the supply of natural gas, LPG and propane-air. Gaxa's new shareholding structure, aimed at strengthening commercial presence and development, will be Edison with 70%, Italgas with 15.56% and Marguerite with 14.44%.

April 6 - **National Grid** was one of 30 parties, including national governments, which agreed to work together for the accelerated deployment of offshore wind in Europe, aiming to establish regulatory frameworks and a predictable long-term market environment

April 11 - **Vopak**, Gasunie and HES International announced a joint initiative to develop an import terminal for green hydrogen.

April 12 - **Zurich Airport** announced growing March traffic figures, but still below 2019 levels.

April 13 - Kiwi broadband provider **Chorus** announced Q3 FY22 data, with total fibre connections up 21k to 939,000 vs a rise of 24k in Q2.

April 14 - **Transurban** said average daily traffic rose 0.4% in Q1 versus the same period in 2021, but was 3.4% lower versus the same period in 2019.

April 20 - **CSX** posted a 16% rise in operating income to \$1.3 bn driven by increased revenue and earnings per share up 26%

April 20 - **Crown Castle** posted a 9% rise in AFFO per share in Q1 and raised its outlook for 2022. "We are seeing the benefit of a robust 5G leasing environment that contributed to the

9% AFFO per share growth we delivered in the first quarter and led to an increase in our operating expectations for the full year 2022," said CEO Jay Brown.

April 21 - **Nextera Energy** posted Q1 adj. earnings of \$1.46 bn, or \$0.74/shr, vs \$1.33 bn, or \$0.67/shr. "NextEra Energy is off to a solid start to meet our overall objectives for the year," said CEO John Ketchum.

April 21 - Energy and chemicals storage firm **Vopak** posted a 2.5 % rise in EBITDA to €213 mn, driven by growth projects and a strong performance in the Americas which offset the impact of particularly challenging market conditions in Europe.

April 25 - **SBA Communications** posted Q1 net income of 188.3 mn and painted a bright outlook backed by strong demand. CEO Jeffrey A. Stoops said: "Based on our backlogs and conversations with our customers, we expect elevated leasing activities to continue through 2022 and into 2023. The favorable operational environment, expected strong execution on our part and opportunistic allocation of capital into both quality new assets and stock repurchases should allow us to continue to produce material growth in AFFO per share and total shareholder return."

April 26 - Rail transportation firm **CN** posted adj. diluted earnings per share of C\$1.32, up 7%. CEO Tracy Robinson said: "I am encouraged by the cadence that we developed at the end of the quarter as we lifted out of winter operations. Looking ahead, our immediate focus is on restoring CN's network to its full capacity and running a scheduled railroad with an emphasis on velocity. I am confident that we will have a strong year and deliver on our 2022 financial outlook."

April 27 - **American Tower** said Q1 net income rose 7.7% to \$703 mn. "We believe our global footprint of distributed communications real estate is well-positioned to capture the benefits of the emerging technological trends, ultimately driving what we hope to be a prolonged period of solid global growth and attractive returns for our shareholders," CEO Tom Bartlett said.

April 28 - **Southern Company** announced Q1 revenues of \$6.6 bn up 12.5%. CEO Thomas A. Fanning said: "The economies within our Southeast service territories are among the best in the United States, and we believe we are well-positioned to achieve our financial objectives for 2022."

April 28 - **American Electric Power** reported Q1 net income of \$714.7 mn and reaffirmed guidance.

April 28 - **Alliant Energy** announced Q1 earnings per share of \$0.77 vs \$0.68 in the same period a year ago. "We had a solid start to the year with more than 25% of our 2022 guidance midpoint coming in the first quarter, and we are reaffirming our 2022 guidance range of \$2.67 to \$2.81," said CEO John Larsen.

## Members' May events:

[WEC Energy Group - May 2](#)

[Italgas Q1 results on May 2](#)

[CMS Energy - May 3](#)

[ONE Gas - May 3](#)

[Williams - May 3](#)

[PSEG Q1 earnings webcast on May 3](#)

[ONE GAS Q1 earnings scheduled for May 3](#)

[Cheniere Q1 earnings on May 4](#)

[Dominion Energy Q1 earnings on May 5](#)

[UGI Corporation Q1 earnings on May 5](#)

Click on the button to the right to see full call dial-in details and timings.

Upcoming Events	Month	Agenda
29 April Friday	29 April, 2022 02:00 pm - 03:00 pm (GMT)	Alliant Energy Q1 Earnings call (09:00 AM CT) Alliant Energy Corporation (NASDAQ: LNT) has scheduled its first quarter 2022 earnings release for Thursday, April 28th, after market close. A conference call to review the year-end results is scheduled for Friday, April 29th at 9 a.m. CT. Alliant Energy will webcast the event live at <a href="http://www.alliantenergy.com/investors">www.alliantenergy.com/investors</a> . The call is open to the public and will be hosted by John Larsen, Chair, President and CEO, and Robert Durian, Executive Vice President and CFO. Individuals who would like to participate in the conference call can do so by dialing (866) 594-3219 (United States & Canada) or (323) 794-2149 (international), passcode 4175543.  A replay of the call will be available through May 6th, 2022, at (888) 203-1112 (United States & Canada) or (719) 457-0820 (international). Callers should reference passcode 4175543 and pin 9578. An archive of the webcast will also be available on the company's website at <a href="http://www.alliantenergy.com/investors">www.alliantenergy.com/investors</a> .



Go to detailed members' earnings calendar

Latest members' research

## Duff & Phelps Investment Management

### Listed infrastructure: An all-weather portfolio performance in a choppy market

An already choppy market in 2022 has gone from bad to worse with the Russian invasion of Ukraine.

The MSCI ACWI Index (net) was down -5.4% year-to-date with its lowest point on March 8. Meanwhile, the global listed infrastructure sector ("GLI") has held up significantly better, returning 3.7% year-to-date, as of March 31, 2022.

[Read report](#)



**THE SECTOR'S INFLATION PROTECTION ATTRIBUTES, HIGHER DIVIDEND YIELDS, EXPOSURE TO GROWTH AND ESSENTIAL SERVICES AND DEFENSIVE CHARACTERISTICS HAVE DRIVEN THE OUT-PERFORMANCE AND WHY WE REFER TO THIS STRATEGY AS AN "ALL WEATHER PORTFOLIO".**

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Source: Bloomberg Finance L.P., Duff & Phelps Investment Management Co. Returns are represented by the following indices: Global Listed Infrastructure FTSE Developed Core Infrastructure GUSO Index (net), Global Developed and Emerging Market Equities MSCI ACWI (net), and U.S. Equities S&P 500. Page 1 of 4

## Key events



### 2022 Visions, Insights & Perspectives (VIP) Infrastructure

JUNE 7 - 9, 2022 | | AUSTIN, TX

**GLIO** has teamed up with **VIP Infrastructure**, which brings together institutional investors and investment managers who are active in the infrastructure asset class or exploring it for the future. The event will offer exclusive content, expert analysis, and insightful perspectives.

Please email [events@irei.com](mailto:events@irei.com) if you'd like to be added to our mailing list and receive information on this event. **Click on the image for the event details.**

**Date: May 6 @ 09:00 AM AEST**

APA's Investor Morning will be an opportunity to learn more about APA's role in responsibly transitioning energy, Environmental, Sustainability, and Governance.

The event will be virtual and in-person, offering stakeholders the opportunity to hear from senior management and interact with the APA Group executive leadership team.



[More information and registration](#)

# Latest GLIO Journal at a glance

## Investor's ESG Q&A with corporate members

Investor Questions by:



Connie Luecke  
Senior Portfolio Manager  
Duff & Phelps Investment Management



Georgia Hall  
ESG Analyst, Global Listed Infrastructure  
Maple-Brown Abbott



We asked two prominent listed infrastructure investors from **Duff & Phelps** and **Maple-Brown Abbott** to pose questions to GLIO corporate members.

The feedback from the corporate members was fantastic, so much so we started this dedicated web page to publish the full set of responses.

Participating companies were: **Alliant Energy, Chorus, CN, Gibson Energy, National Grid, ONE Gas, Southern Co, UGI Corp, WEC Energy Group** and **Zurich Airport**.

[Click to see the full set of Q&A](#)

[Click to read article](#)

## Glasgow Climate Pact: fossil fuels to be phased down and out

World leaders convened in Glasgow in November for the UN Climate Change Conference, or COP26, six years after the Paris Agreement established a global framework to tackle climate change.

Representing our asset class were the CEOs of **Edison International, National Grid** and **Public Service Enterprise Group (PSEG)**.

Broadly speaking, COP26 was encouraging: for the first time, the international community is rallying with one purpose to find answers to shared global challenges. **CEOs share their thoughts in this article.**



**Ralph Izzo, PSEG** summed up the challenges ahead: *"The time for climate action is now, and the meetings at COP26 (were) an extraordinary opportunity – at a pivotal moment in the climate change crisis – for government and business to work together to solve our greatest climate challenges, while also strengthening economies and communities."*

[Click to read article](#)



## Expanding the infra universe - IITs

Recent research by **Ausbil** on M&A activity in Australia and puts **IITs** in the spotlight as a way of expanding the listed infrastructure universe in the future.

A spate of de-listings in 2021 mean that domestic investors have now very limited opportunities to invest in Australian essential infrastructure as the superfunds

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pounce.

We argue that IITs would offer a broader range of investors access to the **infrastructure assets they crave** in a coherent, tax-transparent and regulated vehicle – citizens get to use higher-quality, better-funded assets and services than they would otherwise have access to.

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**CBRE Investment Management** makes the case that listed infrastructure is the backbone of energy transition strategies, yet it is under-represented in ESG portfolios.

It finds that:

- Top ESG funds only have 5% exposure to infrastructure despite their central position in the **energy transition**;
- Clean-tech ETFs over-allocate to sectors with a history of volatile earnings and returns;
- Allocations to listed infrastructure is a **essential component** of any global sustainable portfolio.

## Missing link: listed infra in sustainable strategies



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## Listed and unlisted infra: closing the gap

A growing understanding of the differences between private and listed infrastructure may lead to a growth in listed allocations.

The **scarcity** of quality assets in the private market, coupled with the growing amount of **dry powder** and heady private asset **valuations** will strengthen the case for listed infrastructure.

**Invesco** argues that listed and unlisted infrastructure must be treated **in tandem** when building a sensible allocation to infrastructure.

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GLIO hosted two webinars in December with experts who shared their insight on the current driving forces behind the asset class. Firstly, why investment in **listed infrastructure will continue to grow** and secondly, the link between **ESG and infrastructure**.

The fascinating discussions are available to watch by clicking on the buttons below.

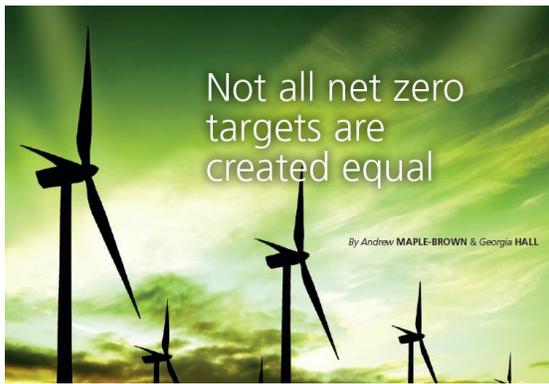
[Watch: ESG in infra recording](#)

[Watch: Infra allocation recording](#)

## Panel discussion videos on allocations and ESG



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[Click to read article](#)

## Engagement and net zero targets

**Maple-Brown Abbott (MBA)** reveal how active engagement with companies in the global listed infrastructure universe has brought to light some interesting facts about **net zero targets**.

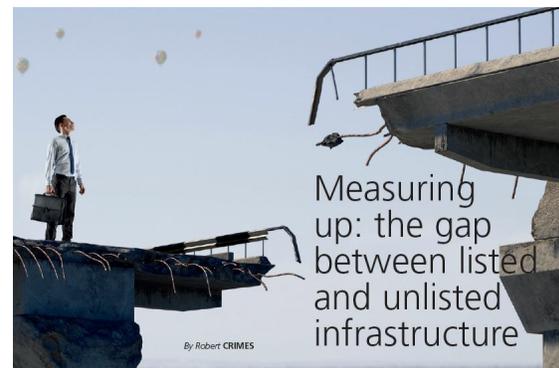
Around 80% of MBA's portfolio companies have some variety of net zero target, which appears to be a good result. But **the devil is in the detail**.

They believe active engagement, as opposed to divestment, is critical to decarbonization.

## Measuring the gap between listed and unlisted infra

A spate of infrastructure transactions has taken place at premiums to current market prices, highlighting a sense that **listed infrastructure is deeply undervalued**. But how best to measure this valuation gap?

**Insight Investment Research** has reviewed the 109 largest transactions in 2015-21 across the main sub-sectors within its global infrastructure universe; 25 companies in Toll Roads, Airports and Towers across Europe, South America and Asia Pacific to create a valuation framework and make sense of what's going on.



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## Unlocking the electrification opportunity

Climate change presents an immense challenge to the global economy, but it comes with a **once-in-a-generation opportunity** that infrastructure investors are uniquely positioned to realize.

**RMI** argues that investors must leverage transition finance and better metrics to seize this opportunity, and the time to do so is now.

## Infrastructure leads real assets in the energy transition

**EVORA Global** and **GLIO** hosted a lunch with an insightful group of investment managers working on ESG integration.

In a number of ways, these leaders are **ahead of other real assets**, particularly real estate. There are obvious differences between direct investment in infrastructure and equity investment in both listed and private infrastructure companies, but there are some shared challenges.

The **main challenge** is that their investor clients have lots of diverse, individual views on ESG – ranging from a hard line on exclusion screening, through to being anti-ESG.



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## Carbon markets and COP26

Glasgow's COP26 climate conference ended with a **carbon pricing framework** and a global 2050 net zero finance sector pledge, a big step forward in the fight against climate change, and we take a look at the opportunity for infrastructure.

While there will be un-doubted costs, especially as regimes are implemented nationally, it will also be a period of great opportunity for funding targets like infrastructure, particularly the most transparent and accountable operators in the listed sector.

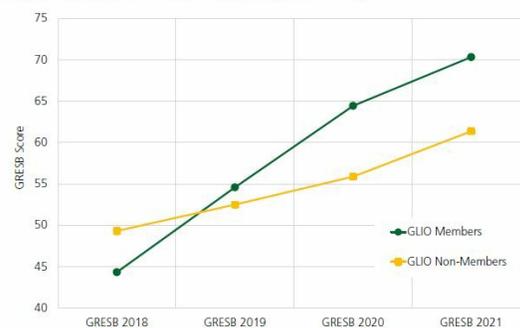
## GLIO/GRESB ESG 2021 results - engagement is key

The world's first infrastructure ESG index got its annual rebalance in November 2021.

During the feedback period between April and July 2021, 52 companies engaged with **GRESB**, accounting for 53% of the market capitalization of the **GLIO Index**. Companies that got in touch to provide more detail, on average, improved their scores.

We highlight the key takeaways for the 2021 results, including **19 companies** achieving the **highest 'A' rating**.

Figure 4: GLIO members increased scores at a faster rate



Source: GLIO/GRESB

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## Decarbonization: utilities take center stage

As the energy transition gathers pace, utilities are making **significant investments** for the future. But achieving net zero targets will be far from straightforward.

**S & P** stress how a dramatic increase in

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newly installed capacity will be central to ensuring countries remain on track to achieving their goals – while making sure negative social repercussions are kept to a minimum.

## InvestEU - stimulating sustainable growth

How to stimulate sustainable growth in the post-pandemic era?

**InvestEU** is a **€372bn European Union** finance initiative which aims to contribute to sustainable post-pandemic growth of the EU economy, with climate goals clearly in its sights.



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**The GLIO Index**  
Building pure infrastructure investment

The GLIO Index™ measures and ranks the performance of companies critical to the day-to-day functioning of society and the global economy. Constituents are characterised by high entry barriers, capital requirements and regulations, as well as predictability of cashflow and long-term contractual agreements.

At least 75% of constituents' EBITDA must derive from: energy transportation and storage, communications infrastructure, transportation, renewable energy and regulated network utilities.

We developed the GLIO Index in collaboration with specialist global listed infrastructure investment managers.

Visit [www.glioindex.com](http://www.glioindex.com) for more data to enhance your investment research.

**GLOBAL LISTED INFRASTRUCTURE ORGANISATION**

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Now available on the major data platforms:

Bloomberg Factors: Refinitiv, Eikon and iBloom	Refinitiv: iBloom
GLIOAID (with Reuters)	GLIOAID (with Reuters)
GLIOEUR (with Reuters)	GLIOEUR (with Reuters)
GLIOJOC (with Reuters)	GLIOJOC (with Reuters)
GLIOUSD (with Reuters)	GLIOUSD (with Reuters)
GLIONAUD (with AEX)	GLIONAUD (with AEX)

**Global Infrastructure Anti-Corruption Centre**

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Based on: GRI, Eikon, FTSE, MSCI, S&P, and other sources.

## GLIO Index stats

The general principles of the GLIO Index are to capture companies engaged in activities critical to the day-to-day functioning of society and the global economy.

Companies selected derive more than **75% of EBITDA** from the following infrastructure sectors: Regulated Network Utilities, Transportation, Energy Transportation and Storage, Communications Infrastructure and Renewables.

Click to see GLIO stats

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