

# ClearBridge Global Infrastructure Income Fund

Class I: RGIVX Class A: RGAVX

Commentary | as of March 31, 2025

## Key Takeaways

- **Markets:** Infrastructure delivered positive returns in the first quarter, outpacing both global equities and U.S. equities, which were weaker amid higher policy uncertainty, specifically around tariffs.
- **Contributors:** On a regional basis, Western Europe and the U.S. and Canada were the top-contributing regions, with German electric utility E.ON the lead performer. U.S. electric utility Entergy also performed well.
- **Detractors:** Canadian energy infrastructure company Gibson Energy and U.S. renewables utility XPLR Infrastructure were the largest detractors.
- **Outlook:** We expect earnings across infrastructure and utilities to remain robust despite the higher levels of uncertainty throughout 2025, with infrastructure's defensiveness offering further upside.

## Performance Review

- On a regional basis, Western Europe and the U.S. and Canada were the top-contributing regions to Strategy outperformance for the quarter, with German electric utility E.ON the lead performer. E.ON runs one of the world's largest investor-owned electric utility service providers and is the largest distribution system operator in Germany. Across Europe, it has 47 million customers. The Germany Infrastructure Fund bodes well for the investment environment across the nation's electricity network, of which E.ON is a beneficiary.
- Turning to North America, U.S. electric utility Entergy also performed well. Entergy is a pure regulated electric utility, providing services to approximately three million people in Arkansas, Louisiana, Texas and Mississippi. Entergy's share price rose on the back of another guidance upgrade.
- Canadian energy infrastructure company Gibson Energy and U.S. renewables utility XPLR Infrastructure were the largest detractors.
- Gibson Energy is an oil midstream logistics provider in Western Canada and the U.S. We exited our position in Gibson as the company has lost key leadership personnel whom we regarded highly. The company's longer-term growth aspirations under the newly appointed CEO also involve an M&A growth strategy outside their traditional liquids storage business; we find it difficult to underwrite this without a track record.
- XPLR Infrastructure LP, formerly NextEra Energy Partners LP, is a growth-oriented contracted renewables company formed by its sponsor and general partner NextEra Energy (NEE) to own, operate and acquire contracted renewable energy generation assets located in North America. The company's share price fell due to a capital restructuring that was viewed as disappointing by the market. We exited our position.

## Outlook

- Our outlook is for slowing global growth in 2025 with some regional nuances. Trump's policy agenda has so far been more disruptive than expected, and we anticipate uncertainty will weigh on U.S. growth. However, other regions such as Europe may see improving growth through a potentially constructive fiscal agenda across the region. We remain somewhat defensively positioned toward utilities, which we see as undervalued at present, as peak bond yields have resulted in multiples coming down in that space. Utilities themselves have very fundamentally strong growth profiles, particularly in the U.S., driven by AI data center power demand, industry decarbonization and resiliency spending. European utilities are getting more capex approved by regulators and are seeing returns tick up as well, providing robust long-term visibility in earnings growth. Hence, we would expect earnings across infrastructure and utilities to remain robust despite the higher levels of uncertainty throughout 2025, with infrastructure's defensiveness offering further upside.

## Top Holdings (% of Total)

Holding	Fund
Entergy Corp	5.06
Red Electrica Corp. SA	4.64
Severn Trent Plc	4.35
Vinci SA	4.23
E.ON SE	4.09
Emera Inc.	3.99
NextEra Energy, Inc.	3.79
ENEL SpA	3.70
TC Energy Corp.	3.66
Crown Castle Int'l Corp.	3.57

## Average annual total returns and fund expenses (%)

Class	CUSIP	Ticker	Without Sales Charge							With Maximum Sales Charge							Expenses		Sales Charges		Inception
			3-Mo	YTD	1-Yr	3-Yr	5-Yr	10-Yr	Inception	3-Mo	YTD	1-Yr	3-Yr	5-Yr	10-Yr	Inception	Gross	Net	Initial Charge	CDSC	Date
Class I	52471E472	RGIVX	9.17	9.17	13.34	0.83	10.37	—	7.31	9.17	9.17	13.34	0.83	10.37	—	7.31	1.39	0.95	—	—	3/31/2016
Class A	52471E480	RGAVX	9.03	9.03	12.99	0.55	10.05	—	6.98	3.02	3.02	6.81	-1.42	8.76	—	6.28	1.42	1.30	5.50	—	3/31/2016
Benchmark	—	—	4.41	4.41	17.76	5.15	12.87	—	—	4.41	4.41	17.76	5.15	12.87	—	—	—	—	—	—	—

## Benchmark(s)

Benchmark = S&P Global Infrastructure Index (NTR)

**Performance data quoted represents past performance, which does not guarantee future results.** Current performance may be lower or higher than the figures shown. Principal value and investment returns will fluctuate, and investors' shares, when redeemed, may be worth more or less than the original cost. Performance would have been lower if fees had not been waived in various periods. Total returns assume the reinvestment of all distributions and the deduction of all fund expenses. Returns with sales charge reflect a deduction of the stated maximum sales charge. An investor cannot invest directly in an index, and unmanaged index returns do not reflect any fees, expenses or sales charges. Returns for periods of less than one year are not annualized. All classes of shares may not be available to all investors or through all distribution channels. For current month-end performance, please visit [franklintempleton.com](http://franklintempleton.com).

Gross expenses are the fund's total annual operating expenses as of the fund's prospectus available at the time of publication. Actual expenses may be higher and may impact portfolio returns. Net expenses reflect contractual fee waivers, expense caps and/or reimbursements, which cannot be terminated prior to 12/31/2026 without Board consent. Additional amounts may be voluntarily waived and/or reimbursed and may be modified or discontinued at any time without notice.

Maximum sales charges have been updated as of August 15, 2022, please refer the Fund's prospectus for more information.

## What are the Risks?

**All investments involve risks, including possible loss of principal.** Equity securities are subject to price fluctuation and possible loss of principal. **Small- and mid-cap stocks** involve greater risks and volatility than large-cap stocks. Companies in the **infrastructure industry** may be subject to a variety of factors, including high interest costs, high degrees of leverage, effects of economic slowdowns, increased competition, and impact resulting from government and regulatory policies and practices. **International investments** are subject to special risks, including currency fluctuations and social, economic and political uncertainties, which could increase volatility. These risks are magnified in **emerging markets**. To the extent the portfolio invests in a **concentration of certain securities, regions or industries**, it is subject to increased volatility. **Real estate investment trusts (REITs)** are closely linked to the performance of the real estate markets. REITs are subject to illiquidity, credit and interest rate risks, and risks associated with small- and mid-cap investments. Investments in energy-related **master limited partnerships and midstream entities** are subject to risks of declines in energy and commodity prices, decreases in energy demand, adverse weather conditions, natural or other disasters, changes in government regulation, and changes in tax laws. **Derivative instruments** can be illiquid, may disproportionately increase losses, and have a potentially large impact on performance. **Dividends** may fluctuate and are not guaranteed, and a company may reduce or eliminate its dividend at any time. The portfolio is **non-diversified** and may invest in a relatively small number of issuers, which may negatively impact the fund's performance and result in greater fluctuation in the value of the fund's shares. The manager may consider **environmental, social and governance (ESG) criteria** in the research or investment process; however, ESG considerations may not be a determinative factor in security selection. In addition, the manager may not assess every investment for ESG criteria, and not every ESG factor may be identified or evaluated. These and other risks are discussed in the fund's prospectus.

## Important Information

The information provided is not a complete analysis of every material fact regarding any country, market, industry, security or fund. Because market and economic conditions are subject to change, comments, opinions and analyses are rendered as of the date of this material and may change without notice. A portfolio manager's assessment of a particular security, investment or strategy is not intended as individual investment advice or a recommendation or solicitation to buy, sell or hold any security or to adopt any investment strategy; it is intended only to provide insight into the fund's portfolio selection process. Holdings are subject to change.

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**Before investing, carefully consider a fund's investment objectives, risks, charges and expenses. You can find this and other information in each prospectus, or summary prospectus, if available, at [www.franklintempleton.com](http://www.franklintempleton.com). Please read it carefully.**



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