Principal Asset Management℠

GLOBAL LISTED INFRASTRUCTURE SECURITIES

Quarterly update

SECOND QUARTER | July 2025

Global listed infrastructure (FTSE Global Core Infrastructure 50/50) was up 4.3% during the quarter, but underperformed global equities (MSCI AC World, 11.5%), giving back their first quarter outperformance. Markets have staged a remarkable rebound off their April lows, assuaged by President Trump's tariff de-escalation and the moniker that "Trump Always Chickens Out". U.S. hard data have stayed resilient in the face of deteriorating soft data and the short-lived conflict in the Middle East. For now, inflation remains under control and first quarter U.S. earnings have come in generally better than expected.

Latin America was the top-performing region, with GLI returning 23.9%, supported by strong local equity markets and meaningful currency appreciation. Mexico led, driven by robust passenger growth at airport operators and favorable regulatory developments. A tower infrastructure firm also contributed significantly. Brazil followed closely, with toll road and sanitation operators benefiting from easing inflation and improving investor sentiment. A logistics company and a sanitation utility were among the top contributors, while the strengthening of the Mexican peso and Brazilian real further boosted returns.

Europe returned 17.5%, buoyed by easing inflation, resilient economic data, and a strengthening euro. Transportation led, as airport and toll road operators benefited from strong travel demand and improved sentiment around infrastructure investment. Utilities posted strong returns, with UK and Italian names performing well due to inflation-linked revenues and stable regulatory environments. Communications infrastructure also gained, supported by disciplined capital rotation and share buybacks. Energy infrastructure also performed strongly, led by a Dutch company benefiting from robust liquefied natural gas (LNG) and chemical storage demand.

THEMES

Defensive listed infrastructure underperformed broader equities, as tariff de-escalation and resilient U.S. earnings and hard data drove a risk on bid.

Currency remained a key driver of returns with U.S. dollar weakness a key headwind for U.S. returns.

More cyclical transportation stocks outperformed, while utilities and energy lagged.

Exhibit 1: Global listed infrastructure total returns by region

Region	Benchmark weight (%)	Total returns: Trailing three months (%)	Total returns: Trailing twelve months (%)
North America	65.2	-0.3	17.8
Asia	13.4	9.4	3.1
EMEA	11.7	17.5	31.9
Australia-Nz	4.9	9.6	10.5
Latin America	4.8	23.9	28.2
FTSE Global Core Infrastructure 50/50	**100.0**	**4.3**	**17.0**

As of 30 June 2025. Source: FactSet. Returns represent the FTSE Global Core Infrastructure 50/50 Index, by region. Returns in USD. Past performance is not a reliable indicator of future return. Index performance information reflects no deduction for fees, expenses, or taxes. Indices are unmanaged and individuals cannot invest directly in an index. Does not represent any investment strategy.

Australia and New Zealand returned 9.6%. Australia led, driven by toll road operators benefiting from strong traffic growth, inflation-linked tolls, and disciplined cost control. Energy infrastructure also performed well, supported by strong free cash flow and positive capital allocation. Currency depreciation was a modest headwind.

Asia returned 9.4%. India led, with ports, utilities, and communications supported by strong earnings and infrastructure investment. Within Japan, rail operators and gas utilities benefiting from resilient demand and shareholder-focused strategies. Chinese toll roads and tower operators performed well despite broader macro uncertainty. Thailand declined due to airport concession risks and weak tourism from China.

North America was the weakest-performing region, down 0.3%. Rising interest rates and a rotation out of defensive stocks pressured infrastructure assets. Utilities were the main underperformer, weighed by rising bond yields and cost inflation. Energy also declined, pulled down by midstream operators that suffered from weaker commodity sentiment. Transportation led, driven by solid rail operator performance. Communications also delivered modest gains.

PRINCIPAL GLOBAL LISTED INFRASTRUCTURE TEAM

EMILY FOSHAG, CFA
Portfolio Manager,
Head of Listed Infrastructure
15 years investment experience

ALEX MOTTERSHEAD, CFA
Portfolio Manager
30 years investment experience

RISHIKA DAVDA, CFA
Senior Analyst
14 years investment experience

BING HAN, CFA
Senior Analyst
14 years investment experience

CARLOS VASQUEZ-VELASCO
Research Associate
1 year investment experience

Performance figures referenced in commentary are presented in USD.

Exhibit 2: Global listed infrastructure total returns by sector

Sector	Benchmark weight (%)	Total returns: Trailing three months (%)	Total returns: Trailing twelve months (%)
Utilities	50.2	1.5	17.0
Transportation	29.9	11.3	9.1
Energy	13.3	-0.1	34.6
Communications	6.6	4.8	15.7
Environmental	0.0	10.4	0.0
FTSE Global Core Infrastructure 50/50	**100.0**	**4.3**	**17.0**

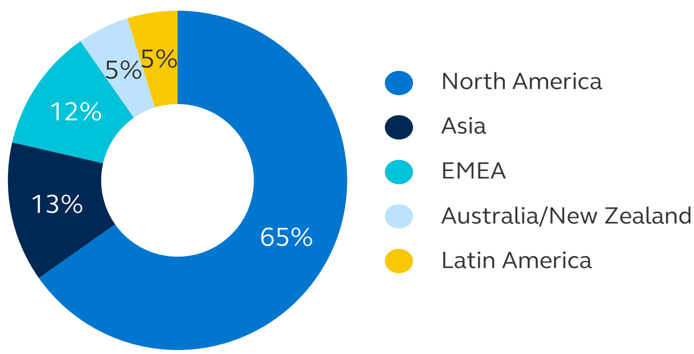
As of 30 June 2025. Source: FactSet. Returns represent the FTSE Global Core Infrastructure 50/50 Index, by sector. Returns in USD. Past performance is not a reliable indicator of future return. Index performance information reflects no deduction for fees, expenses, or taxes. Indices are unmanaged and individuals cannot invest directly in an index. Does not represent any investment strategy.

Global dashboard

Market performance

Exhibit 3:

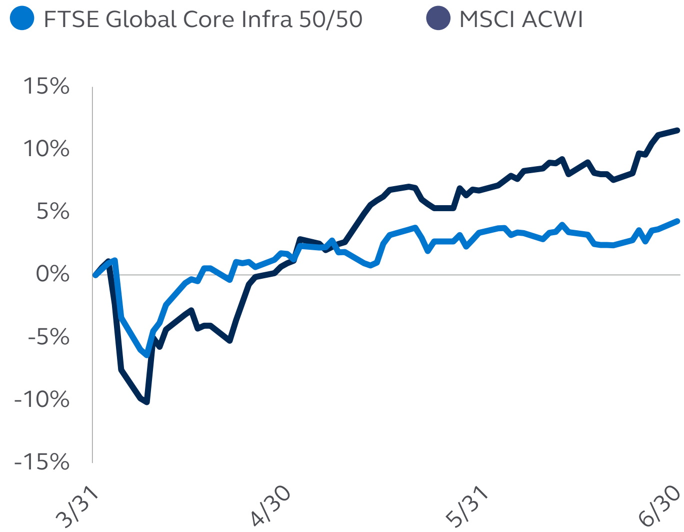
Global listed infrastructure regional split



Source: FactSet, FTSE Global Core Infra 50/50 Index.

Exhibit 4:

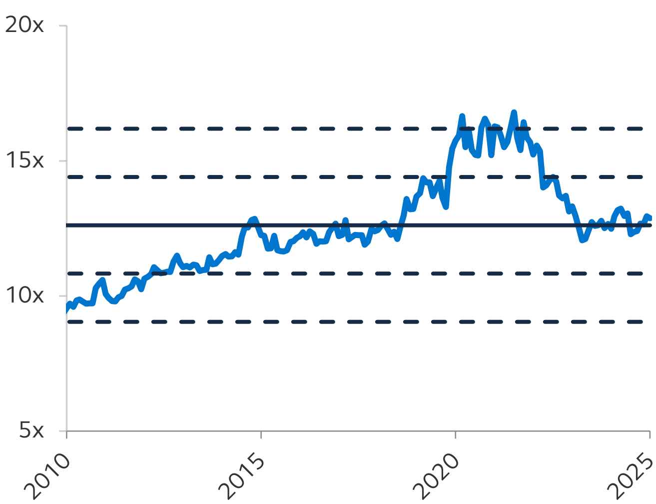
Global listed infrastructure vs. equities returns



Source: FactSet, FTSE Global Core Infra 50/50, MSCI ACWI Index. Returns in USD.

Exhibit 5:

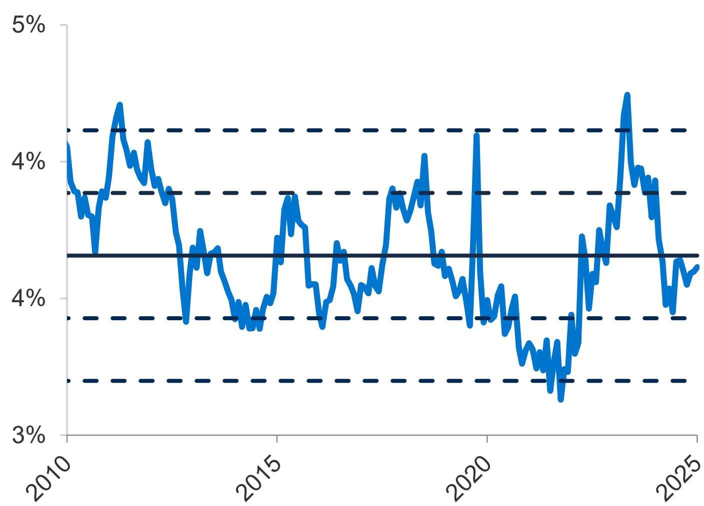
Global listed infrastructure enterprise value to EBITDA



Source: FactSet, FTSE. This chart illustrates the weighted average, 1st and 2nd standard deviations EV/EBITDA of the stocks in the FTSE Global Core Infra 50/50 index. The historical average represents 15 years.

Exhibit 6:

Global listed infrastructure dividend yield



Source: Principal Global Investors, FactSet, FTSE. The dividend yield percentage shown above is the weighted average, 1st and 2nd standard deviations dividend yield of the of the stocks in the FTSE Global Core Infra 50/50 index. The historical average represents 15 years.

As of 30 June 2025.
Index performance information reflects no deduction for fees, expenses, or taxes. Indices are unmanaged and individuals cannot invest directly in an index. Does not represent any investment strategy.

The potential for profit is accompanied by the possibility of loss. Past performance is not a reliable indicator of future performance.

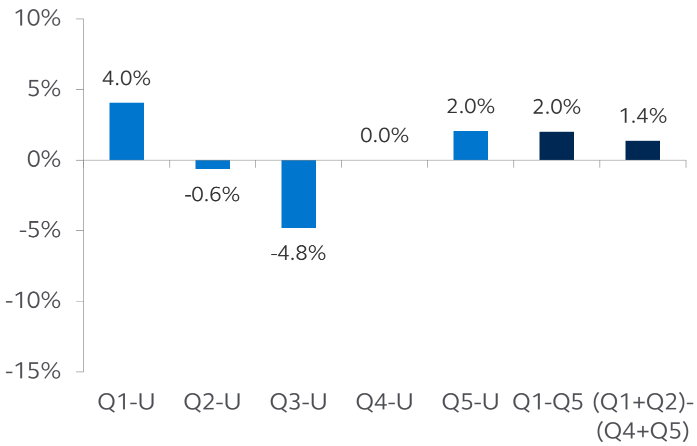
Global dashboard

Second quarter style analysis

Exhibit 7:

Total return by dividend yield

Lower yielding stocks outperformed

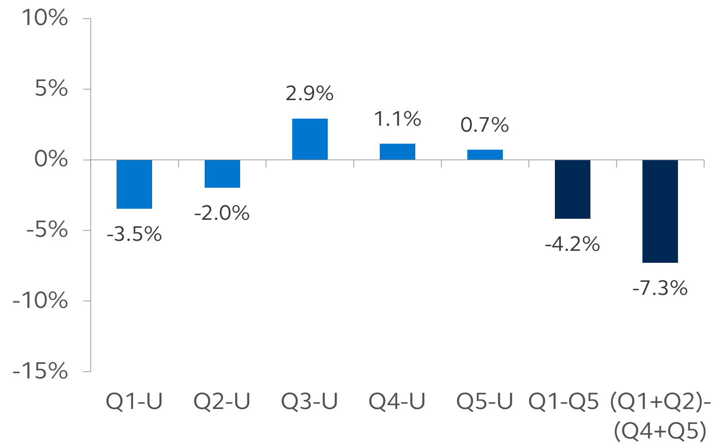


Note: Q1 = Lowest yield, Q5 = Highest yield; U=Universe mean

Exhibit 8:

Total return by market capitalization

Smaller market cap stocks outperformed

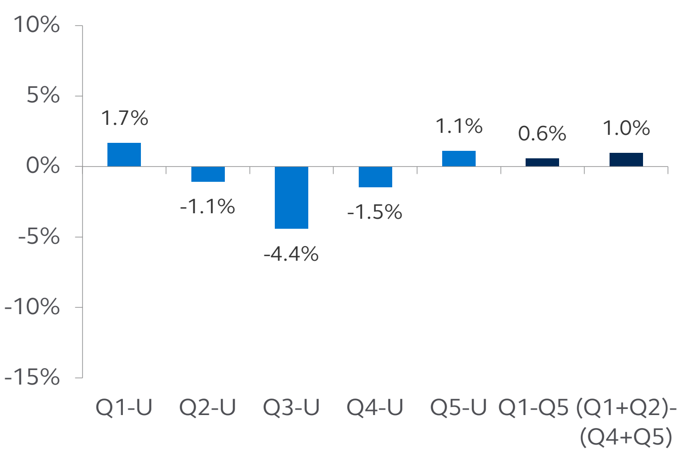


Note: Q1 = Largest market cap, Q5 = Smallest market cap; U=Universe mean

Exhibit 9:

Total return by debt to total capital

Lower levered stocks modestly outperformed

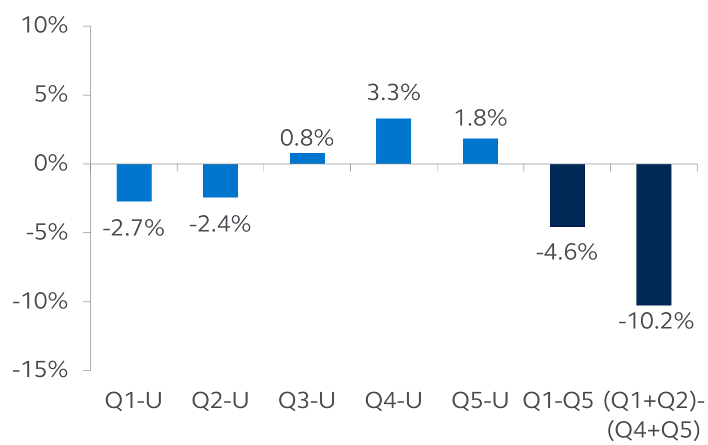


Note: Q1 = Lowest leverage, Q5 = Highest leverage; U=Universe mean

Exhibit 10:

Total return by 100-day standard deviation

Higher volatility stocks strongly outperformed



Note: Q1 = Lowest deviation, Q5 = Highest deviation; U=Universe mean

As of 30 June 2025. Source: Principal Global Investors, FactSet, FTSE. U= Universe. Universe is all securities in the FTSE Global Core Infrastructure 50/50 Index. Quintiles based on equal number of securities. All data in USD. Returns presented in USD. Does not represent any investment strategy or reflect fees, taxes, or expenses. Investors cannot invest directly in an index.

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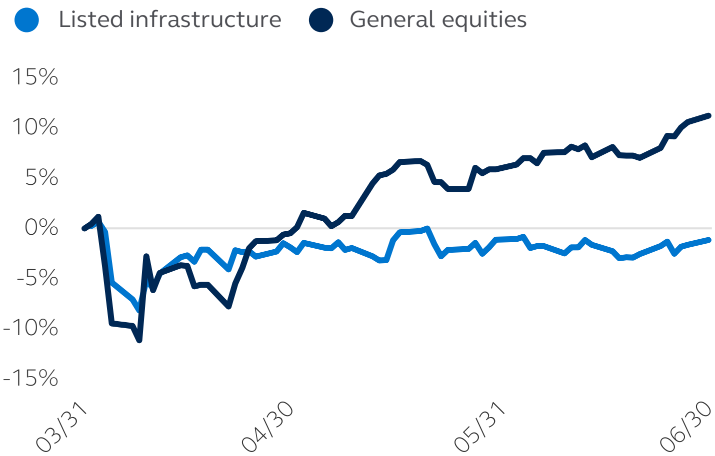
North America

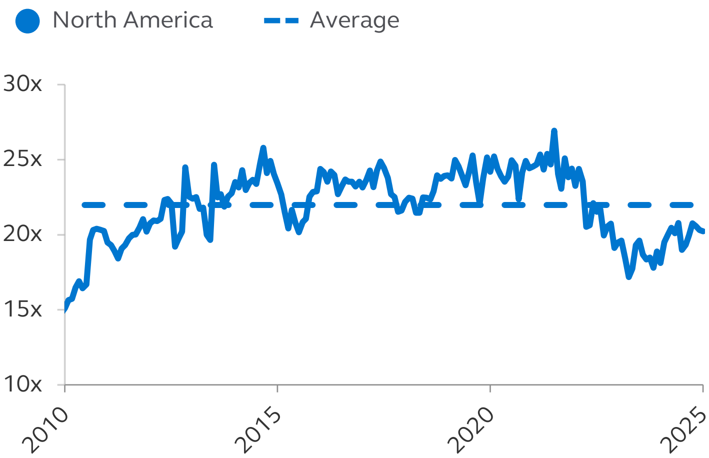
Exhibit 11:
Listed infrastructure vs. general equities performance



Source: FactSet, FTSE Global Core Infra 50/50, MSCI North America. All data in local currency.

Exhibit 12:
Price to earnings*

*Includes all securities in the investable universe



Source: Principal Global Investors, FTSE, FactSet. The historical average represents 15 years.

Summary return data	(in local)	(in USD)
North American equities	11.2%	11.5%
North American listed infrastructure	-1.2%	-0.3%

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North American listed infrastructure declined 0.3%, significantly underperforming the 11.5% gain in broader North American equities. The region was weighed down by rising interest rates and investor rotation into growth sectors, which pressured rate-sensitive infrastructure assets.

Transportation returned 5.6%, the strongest performing sector. Rail operators posted solid gains, supported by stable freight volumes and operational efficiencies. The rails were also supported by improving sentiment around the impact of tariffs and anticipated support for industrial activity from tax reform. A Canadian rail operator and a U.S. peer were notable contributors, while another large U.S. name detracted modestly.

Communications gained 2.5%. After a strong Q1, tower companies delivered more moderate gains in Q2 as macro and (some) political uncertainly slowly eased. The data center operators underperformed as the market focused on concerns around higher capex.

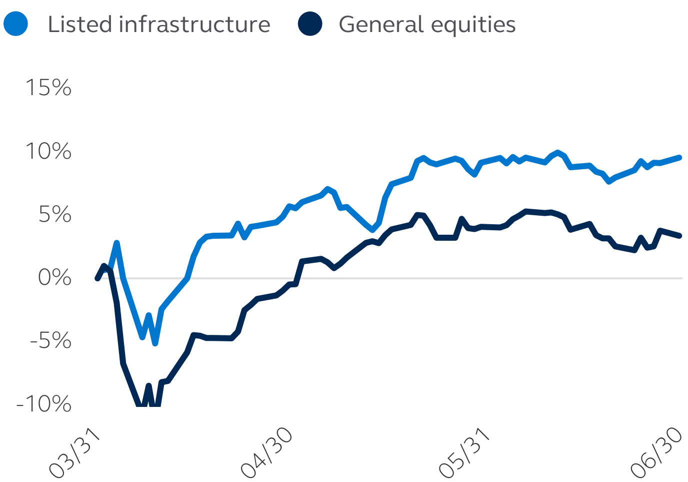
Energy declined 0.3%. While several pipeline operators posted mid-single-digit gains, others fell sharply, including a U.S. midstream name that dropped over 15%. Natural gas infrastructure names, which are exposed to the positive power demand thematic, outperformed their oil infrastructure peers. The latter faced pressure from weaker commodity sentiment.

Utilities fell 1.9%, making it the weakest sector. Despite isolated strength in a few regulated names, the group broadly declined amid rising bond yields and cost inflation. A large California utility was a notable laggard as uncertainty remained over how the state will ensure utilities are in a position to pay any future wildfire liabilities while simultaneously maintaining customer affordability .

Performance figures referenced in commentary are presented in USD.

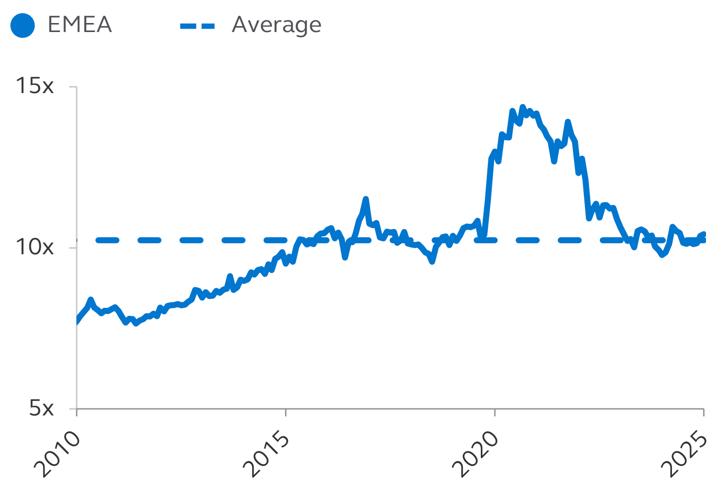
EMEA

Exhibit 13:
Listed infrastructure vs. general equities performance



Source: FactSet, FTSE Global Core Infra 50/50, MSCI Europe. All data in local currency.

Exhibit 14:
Enterprise value to EBITDA*
*Includes all securities in the investable universe



Source: Principal Global Investors, FTSE, FactSet. The historical average represents 15 years.

Summary return data	(in local)	(in USD)
European equities	3.4%	11.8%
European listed infrastructure	9.5%	17.5%

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European listed infrastructure returned 17.5%, outperforming the 11.8% gain in regional equities. The rally was supported by easing inflation, resilient macro data, and a strengthening euro.

Transportation gained 20.5%, leading all sectors. Airport and toll road operators benefited from continued strong travel demand, more moderate capex concerns and some names benefitted from improved sentiment around the Germany Infrastructure fund and sentiment for increased activity.

Utilities rose 16.4%. UK and Italian names performed particularly well, supported by inflation-linked revenues and stable regulatory frameworks. A Belgian grid operator and several UK water utilities posted double-digit returns.

Communications returned 11.8%. European tower companies benefited from continued disciplined capital rotation, with support from share buyback activity in the quarter.

Energy gained 19.6%. A Dutch storage and logistics company led the sector, supported by strong demand for LNG and chemical storage.

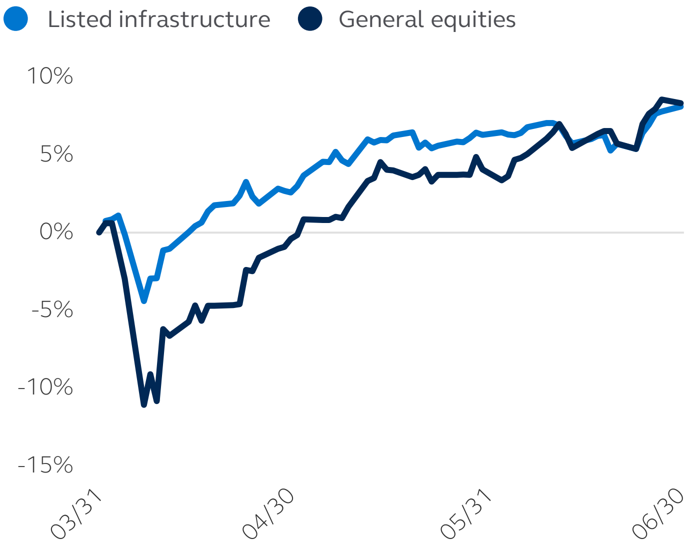
FX was a tailwind, with the euro and British pound appreciating against the USD.

Performance figures referenced in commentary are presented in USD.

Asia

Exhibit 15:

Listed infrastructure vs. general equities performance

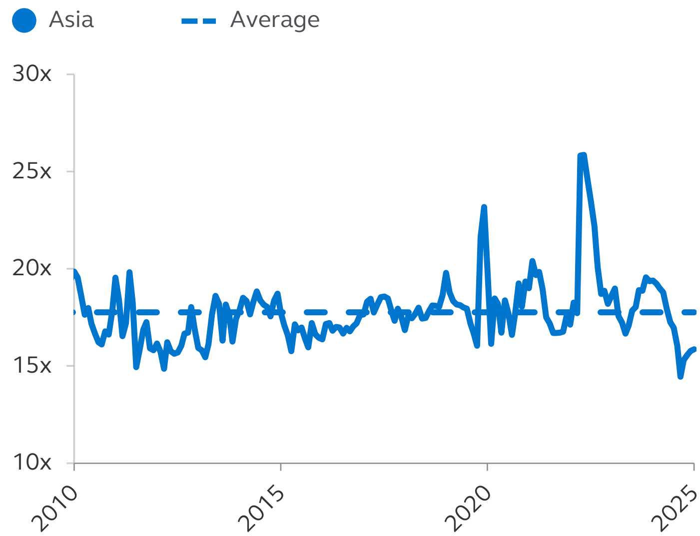


Source: FactSet, FTSE Global Core Infra 50/50, MSCI AC Asia. All data in local currency.

Exhibit 16:

Price to earnings*

*Includes all securities in the investable universe



Source: Principal Global Investors, FTSE, FactSet. The historical average represents 15 years.

Summary return data	(in local)	(in USD)
Asian equities	8.3%	12.2%
Asian listed infrastructure	8.1%	9.4%

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Asian listed infrastructure returned 9.4%, underperforming the 12.2% gain in regional equities.

India returned 14.2% and was the top contributor in the region. Gains were broad-based across ports, utilities, and communications. A leading port operator and a telecom tower company were key contributors, supported by robust earnings and ongoing infrastructure investment. Ports further benefited from their perceived role in facilitating shifting global trade patterns and supply chains. Foreign capital inflows also boosted performance, particularly amid capital outflows from China due to trade tensions and evolving tariff dynamics.

Japan posted an 8.2% return. Rail operators and gas utilities led performance, driven by resilient domestic demand and the release of new medium-term plans that were well received for their focus on shareholder returns, balance sheet optimization, and improved ROE targets. In contrast, some regional electric utilities underperformed amid intensifying competition, rising costs, and a more subdued outlook for growth and profitability.

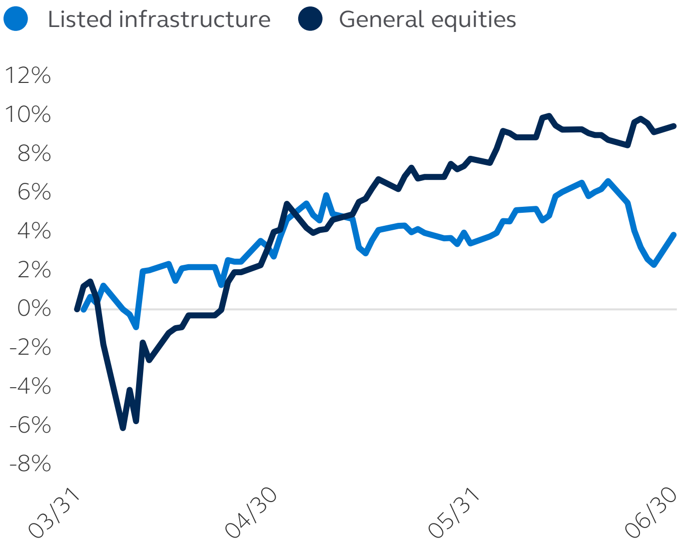
China returned 6.4%. Select toll road and port operators delivered solid performance, buoyed by inventory restocking during the tariff pause; however, broader gains were limited by ongoing macroeconomic uncertainty and shifting trade dynamics. Tower operators also fared well, supported by stable earnings growth and the potential for medium-term dividend increases. Water utilities benefited from steady earnings, attractive dividend yields, and improving investor sentiment.

ASEAN performance was mixed. The Philippines and Malaysia posted strong gains, supported by solid port throughput and yield growth, as well as robust utility earnings driven by higher electricity sales and positive regulatory adjustments. In contrast, Thailand was the region's weakest performer, declining 13.0%, as its incumbent airport operator faced pressure from ongoing concession renegotiation risks and weak Chinese tourist arrivals.

Performance figures referenced in commentary are presented in USD.

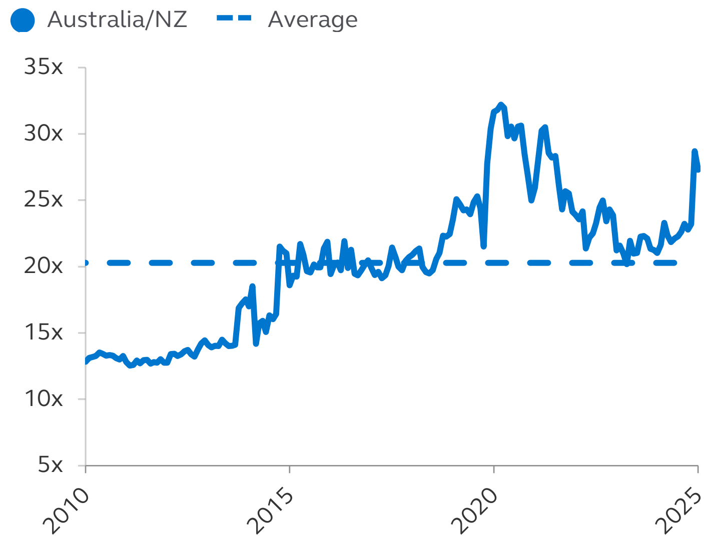
Australia/New Zealand

Exhibit 17:
Listed infrastructure vs. general equities performance



Source: FactSet, FTSE Global Core Infra 50/50, MSCI Australia. All data in local currency.

Exhibit 18:
Enterprise value to EBITDA*
*Includes all securities in the investable universe



Source: Principal Global Investors, FTSE, FactSet. The historical average represents 15 years.

Summary return data	(in local)	(in USD)
Australian equities	9.4%	15.1%
Australian/New Zealand listed infrastructure	3.8%	9.6%

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Listed infrastructure in Australia and New Zealand returned 9.6%, underperforming the 15.1% gain in regional equities.

Australia returned 12.3%. Toll road operators led performance this quarter. The domestic incumbent benefited from strong traffic growth, inflation-linked toll increases, disciplined cost control, resilient margins, and a pipeline of expansion projects. An international toll road operator also delivered solid traffic and operational metrics, with rising free cash flow supporting a stable distribution outlook and improving investor sentiment amid potential catalysts. Energy infrastructure performed well too, driven by strong free cash flow generation, successful integration and development of new assets, a positive growth outlook, and a shareholder-friendly capital allocation.

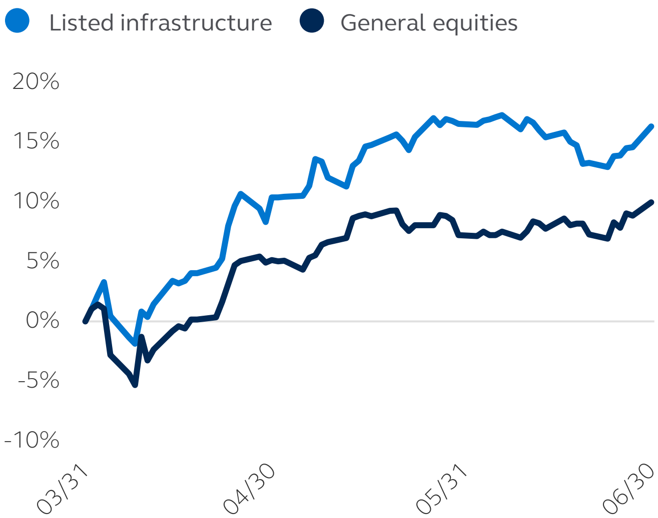
New Zealand returned 1.6%. Airports delivered modest gains, supported by continued traffic recovery, steady progress on major capital projects, and solid financial results supported by a pricing reset, improved regulatory visibility, and commercial developments.

FX was a modest headwind, with both the Australian and New Zealand dollars depreciating slightly against the USD.

Performance figures referenced in commentary are presented in USD. 8

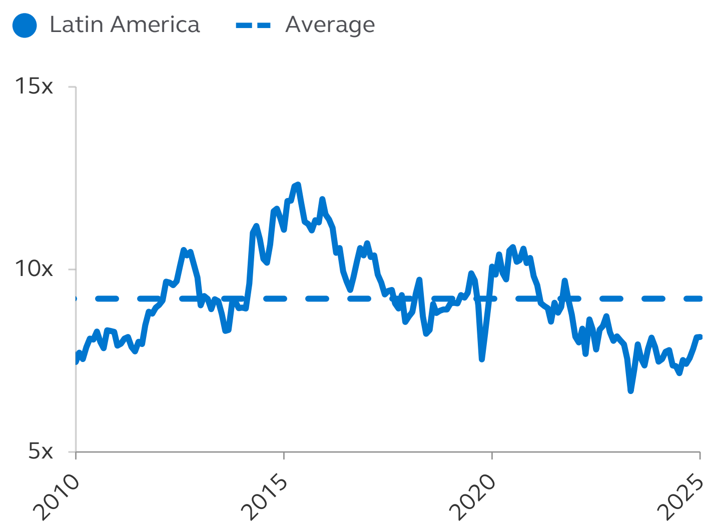
Latin America

Exhibit 19:
Listed infrastructure vs. general equities performance



Source: FactSet, , FTSE Global Core Infra 50/50, MSCI EM Latin America. All data in local currency.

Exhibit 20:
Enterprise value to EBITDA*
*Includes all securities in the investable universe



Source: Principal Global Investors, FTSE, FactSet. The historical average represents 15 years.

Summary return data	(in local)	(in USD)
Latin America equities	10.0%	15.4%
Latin America listed infrastructure	16.3%	23.9%

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Latin American listed infrastructure returned 23.9%, outperforming the 15.4% gain in regional equities. The region benefited from strong local equity markets and currency appreciation, particularly in Mexico and Brazil.

Mexico returned 25.5%, the top-performing country. Airport operators led the rally, supported by robust passenger growth and favorable regulatory developments. A tower infrastructure firm also posted strong gains.

Brazil returned 24.2%. Toll road and sanitation operators performed well, supported by easing inflation and improving investor sentiment. A logistics company and a sanitation utility were among the top contributors.

FX was a material tailwind, with the Mexican peso and Brazilian real appreciating meaningfully against the USD.

Performance figures referenced in commentary are presented in USD.

Important Notes

Risk Considerations

Investing involves risk, including possible loss of principal. Past performance is no guarantee of future results. International and global investing involves greater risks such as currency fluctuations, political/social instability and differing accounting standards. Infrastructure issuers may be subject to regulation by various governmental authorities and may also be affected by governmental regulation of rates charged to customers, operational or other mishaps, tariffs and changes in tax laws, regulatory policies, and accounting standards. Some international securities may represent small and medium-sized companies, which may be more susceptible to price volatility and may be less liquid than larger companies. Equity markets are subject to many factors, including economic conditions, government regulations, market sentiment, local and international political events, and environmental and technological issues that may impact return and volatility.

Important Information

Glossary of Indices

The FTSE Global Core Infrastructure 50/50 Index is designed to represent general trends in eligible listed infrastructure stocks worldwide. Performance is divided by region: Americas, EMEA (Europe, Middle East and Africa), Asia, Australia/New Zealand, and Latin America.

The MSCI Global Equity Indices are widely tracked global equity benchmarks and serve as the basis for over 500 exchanged traded funds throughout the world. The indices provide exhaustive equity market coverage for over 70 countries in the Developed, Emerging and Frontier Markets, applying a consistent index construction and maintenance methodology. The following indices in this report are part of this index series representing the following regions:

- MSCI North America
- MSCI Europe
- MSCI Asia
- MSCI Australia
- MSCI EM Latin America

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