Macquarie Global Infrastructure Securities Fund (Hedged) - Class A Units

Monthly report – 31 May 2023

Investment objective

Aims to provide total returns (income and capital growth) after costs and before tax, above the Dow Jones Brookfield Global Infrastructure Net Total Return Index Australian Dollar Hedged (Benchmark) over the long term.

Key information

Fund details	
APIR code (Class A Units)	AMP1595AU
Inception date	15 July 2010
Fund size+	$363.3m
Distribution frequency	Quarterly
Management fee*	0.80% pa
Minimum investment (Direct)	$500,000
Unit prices and spreads	macquarie.com.au/unit_prices

*Read the Product Disclosure Statement for more details on fees and costs.
+As the Fund has one or more classes of units on issue, this figure represents the assets under management (AUM) of the Fund as a whole (rather than the AUM attributable to the class of units specified in this report).

Class performance to 31 May 2023

	Total Class return (gross)	Total Class return (net)	Benchmark return	Total excess return (net)
1 month (%)	-5.79	-5.85	-5.85	0.00
3 months (%)	-0.76	-0.96	-2.26	1.30
1 year (%)	-5.07	-5.87	-11.88	6.01
3 years (% pa)	8.52	7.50	3.72	3.78
5 years (% pa)	8.41	7.44	4.49	2.95
Since inception (% pa)	11.39	10.43	9.94	0.49

Past performance is not a reliable indicator of future performance.

Total returns are calculated based on changes in net asset values and assumes the reinvestment of distributions.

Total net Class returns are quoted after the deduction of fees and expenses. Due to individual circumstances, your net returns may differ from the net returns quoted above.

Macquarie Investment Management Global Limited (MIMGL) was appointed as the investment manager of the Fund from 26 March 2022 and Macquarie Investment Management Australia Limited (MIMAL) was appointed as the responsible entity of the Fund from 26 April 2022. Prior to these dates, the fund was managed or operated by another entity or entities. Please see the offer document of the Fund or contact Client Service on 1800 814 523 for further information.

Top overweight positions

	%
Severn Trent Plc	3.08
Terna-Rete Elettrica Naziona	2.55
ENAV SpA	2.49
Essential Utilities Inc	2.29
Cellnex Telecom Sa	2.09
SSE PLC	2.04
CMS Energy Corp	2.03
PPL Corp	2.02
CLP Holdings Ltd	1.97
Gibson Energy Inc	1.63

Top underweight positions

	%
Williams Cos Inc	-2.74
Consolidated Edison Inc	-2.60
American Water Works Co Inc	-2.19
P G & E Corp	-2.14
Edison International	-2.02
SBA Communications Corp	-1.88
Fortis Inc	-1.84
American Tower Corp	-1.77
Transurban Group	-1.59
Pembina Pipeline Corp	-1.52

Top 3 stock attribution

	bps
SSE PLC	19
SBA Communications Corp	18
Terna-Rete Elettrica Naziona	13

*Italics denotes underweight

Bottom 3 stock attribution

	bps
Ferrovial SA	-10
P G & E Corp	-9
Tokyo Gas Co Ltd	-8

*Italics denotes underweight

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Sector allocation

Sector	Portfolio (%)	Benchmark (%)
Airports	3.54	4.35
Communications Infrastructure	15.32	15.94
Diversified Infrastructure	0.00	1.14
Electric Utility	23.53	17.48
Electricity And Gas Distribution	7.99	15.06
Electricity Generation	0.51	0.00
Electricity Transmission	3.62	2.14
Energy Infrastructure	22.07	26.49
Rail / Other Transportation	1.50	0.62
Seaports	1.21	0.65
Toll Roads	9.48	10.23
Water	9.00	5.91
Cash	2.23	0.00

Regional allocation

Country	Portfolio (%)	Benchmark (%)
Australia	1.11	3.86
Belgium	0.00	0.40
Brazil	0.68	0.33
Canada	12.55	15.46
China	4.17	4.03
Denmark	0.51	0.00
France	5.50	6.60
Germany	0.00	0.17
Italy	8.09	2.82
Japan	1.50	1.34
Luxembourg	0.00	0.21
Mexico	1.44	1.32
Netherlands	1.21	0.21
New Zealand	0.00	0.59
Spain	6.09	6.21
Switzerland	0.00	0.33
United Kingdom	13.85	7.26
United States	41.07	48.89
Cash	2.23	0.00

Market overview

Global equities fell in May, in US dollar terms. However, there was a marked difference between sectors, as enthusiasm over AI (Artificial Intelligence) boosted technology stocks. In economic news, survey data indicated further weakness in manufacturing sectors, with services still proving robust. Worries over the US debt ceiling made headlines although a deal was reached shortly after month-end. As such, while the Fed's rate hike was anticipated, there was a slight but significant adjustment to messaging. The central bank expressed uncertainty in its May meeting about future policy tightening and the need to retain flexibility. China underperformed, with weak manufacturing and consumer spending numbers reported in May. European economies began to show signs of disinflation, with sharp declines in annual inflation rates in Germany, France, and Spain. Japan is one of the year's top performers, rising 1.0% in May, reflecting favorable valuation levels, higher dividends, and improved corporate governance.

Fund performance review

The Fund has an overweight allocation to Electric Utilities, Rail/ Other transportation, Water, Seaports, Electricity Transmission, and Electricity Generation sectors. It has an underweight allocation to Communications, Electricity and Gas Distribution and the Energy infrastructure, Toll roads, Airports and Diversified sectors.

In local terms, relative to the benchmark and stripping out the effect of any currency movements, the Fund produced above benchmark contributions from Communications Infrastructure, Electricity transmission and Rail/Other transportation. The main below benchmark contributions came from the Electricity and Gas Distribution, Airports and Water sectors.

The top three individual contributors to relative performance in the period were from overweight allocations to benchmark stock, SSE and Terna and an underweight allocation to SBA Communications Corp,

The bottom three individual contributors to relative performance during the period were from underweight positions in Ferrovial, PG&E and Tokyo Gas.

Market outlook and investment strategies

The Macro environment will likely be weaker in the second half of the year as rate increases bite. Central banks appear to have a bias towards crimping growth to fight inflation. Energy markets have been severely disrupted in Europe – the flow on effects have been felt around the world.

The effects have generally been positive for infrastructure assets, as we see. At the asset class level, tighter financial conditions have had relatively little impact, but the impact on valuations has been varied, depending on the degree of protection, explicit or implicit available. As always, the strategy remains focused on core, high-quality infrastructure assets. We continue to seek businesses that deliver services essential to the daily lives of people around the world, and assets necessary for the growth of economies.

MACQUARIE ASSET MANAGEMENT

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For more information speak to your financial adviser, call us on 1800 814 523, email mam.clientservice@macquarie.com or visit macquarieim.com

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