

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

Monthly report – 30 June 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 <sup>+</sup>	\$353.0m
Distribution frequency	Quarterly
Management fee <sup>*</sup>	0.80% pa
Minimum investment (Direct)	\$500,000
Unit prices and spreads	<a href="https://macquarie.com.au/unit_prices">macquarie.com.au/unit_prices</a>

<sup>\*</sup>Read the Product Disclosure Statement for more details on fees and costs.

<sup>\*</sup>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 30 June 2023

	Total Class return (gross)	Total Class return (net)	Benchmark return	Total excess return (net)
<b>1 month (%)</b>	1.46	1.39	2.04	-0.65
<b>3 months (%)</b>	-1.45	-1.63	-1.82	0.19
<b>1 year (%)</b>	2.54	1.69	-3.75	5.44
<b>3 years (% pa)</b>	9.85	8.81	5.06	3.75
<b>5 years (% pa)</b>	7.84	6.88	4.25	2.63
<b>Since inception (% pa)</b>	11.44	10.48	10.05	0.43

### 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	2.99
ENAV SpA	2.57
Terna-Rete Elettrica Naziona	2.54
Essential Utilities Inc	2.30
CMS Energy Corp	2.10
PPL Corp	2.08
Cellnex Telecom SA	2.03
CLP Holdings Ltd	1.96
SSE PLC	1.91
Gibson Energy Inc	1.83

## Top 3 stock attribution

	bps
<i>Consolidated Edison Inc</i>	14
CLP Holdings Ltd	12
Sacyr SA	9

<sup>\*</sup>Italics denotes underweight

## Top underweight positions

	%
Williams Cos Inc	-3.10
Consolidated Edison Inc	-2.44
P G & E Corp	-2.18
American Water Works Co Inc	-2.16
Edison International	-2.07
SBA Communications Corp	-1.96
Fortis Inc	-1.83
American Tower Corp	-1.71
Pembina Pipeline Corp	-1.52
Transurban Group	-1.45

## Bottom 3 stock attribution

	bps
<i>Williams Cos Inc</i>	-37
Severn Trent PLC	-23
<i>Targa Resources Corp</i>	-12

<sup>\*</sup>Italics denotes underweight

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## Sector allocation

Sector	Portfolio (%)	Benchmark (%)
Airports	3.53	4.23
Communications Infrastructure	15.69	16.11
Diversified Infrastructure	0.00	1.07
Electric Utility	23.95	17.12
Electricity And Gas Distribution	7.80	15.11
Electricity Generation	0.49	0.00
Electricity Transmission	3.62	2.09
Energy Infrastructure	22.83	27.35
Rail / Other Transportation	1.38	0.60
Seaports	1.26	0.62
Toll Roads	9.37	9.98
Water	9.14	5.71
Cash	0.94	0.00

## Regional allocation

Country	Portfolio (%)	Benchmark (%)
Australia	1.11	3.68
Belgium	0.00	0.40
Brazil	0.50	0.36
Canada	12.78	15.32
China	4.23	3.92
Denmark	0.49	0.00
France	5.43	6.47
Germany	0.00	0.17
Italy	8.18	2.71
Japan	1.38	1.29
Luxembourg	0.00	0.20
Mexico	1.52	1.30
Netherlands	1.26	1.58
New Zealand	0.00	0.56
Spain	5.92	4.69
Switzerland	0.00	0.35
United Kingdom	13.89	6.70
United States	42.37	50.32
Cash	0.94	0.00

## Market overview

Global equities rebounded in June, while global government bonds edged lower by slight. Economic activity generally appeared to soften, though US data seem resilient. Persistent inflation resulted in central banks taking policy rates higher after a brief pause. The Reserve Bank of Australia) surprised with a 25bps hike in June, the Fed added 25bps, the European Central Bank and the Bank of England a further 50bps.

The Bank of Japan continues to push back on the speculation of a change in policy, stating that monetary stimulus needs to be maintained because hitting their price goal is still out of reach.

In China, authorities are formally recognising that growth has disappointed and have stated that broader policy easing is coming, including property support and rate cuts. Key economic data in the month has been weaker than expected, with consumer spending highlighting the persistence of cautious and uncertainty on the outlook.

## 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 the Airport, Toll Roads, Electricity transmission and Rail/Other transportation. The main below benchmark contributions came from the Energy sector, Electricity and Gas Distribution, Airports and Water sectors.

The top three individual contributors to relative performance in the period were from overweight allocations to, CLP Holdings and Sacyr and an underweight allocation to Consolidated Edison,

The bottom three individual contributors to relative performance during the period were from underweight positions in Williams Inc and Targa resources and overweight to Severn Trent.

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## Market outlook and investment strategies

The pandemic has faded from view in 2023. The conflict in Eastern Europe has served to invigorate the EU's energy transition plans, in the short term focusing on more reliable sources of natural gas, however the clear direction is a greater focus on zero carbon sources of primary energy supply into the EU.

We continue to notice investors in listed infrastructure markets overemphasising near-term observations of activity whereas our process seeks to value assets over at least 10 years. We believe a thoughtful, active management approach is needed given today's increased political, economic, and market uncertainty. In our view, vigilant and continuous assessment of the current market environment may offer opportunities to take advantage of market dislocations and has the potential to achieve attractive risk-adjusted returns for investors with a keen focus on sustainable, steady growth in capital and income over time.

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**For more information speak to your financial adviser, call us on 1800 814 523, email [mam.clientservice@macquarie.com](mailto:mam.clientservice@macquarie.com) or visit [macquarieim.com](http://macquarieim.com)**

## Important information

Macquarie Investment Management Australia Limited ABN 55 092 552 611 AFSL Licence 238321 is the issuer of units in, and responsible entity of the Fund. Macquarie Investment Management Global Limited ABN 90 086 159 060 AFSL 237843 is the investment manager of the Fund.

The above information is not personal advice and does not take into account the investment objectives, financial situation or needs of any person. The Fund is designed for investors who are seeking capital growth and income distribution, are intending to use the Fund as a satellite within a portfolio, have a medium to long-term investment timeframe, have a high or very high risk/return profile and require the ability to have daily access to capital. Please review the Target Market Determination available at [macquarieim.com/TMD](http://macquarieim.com/TMD) and consider if the Fund may be suitable for you. Investors should consider the offer document relating to the Fund in deciding whether to acquire or continue to hold units in the Fund. The offer document is available by contacting us on 1800 814 523. Past performance is not a reliable indicator of future performance. Future results are impossible to predict. This report includes opinions, estimates and other forward-looking statements which are, by their very nature, subject to various risks and uncertainties. Actual events or results may differ materially, positively or negatively, from those reflected or contemplated in such forward-looking statements. Forward-looking statements constitute the investment manager's judgement as at the date of preparation of this report and are subject to change without notice.

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