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

Monthly report – 31 July 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⁺	$384.7m
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 July 2023

	Total Class return (gross)	Total Class return (net)	Benchmark return	Total excess return (net)
1 month (%)	0.41	0.33	0.71	-0.38
3 months (%)	-4.02	-4.22	-3.25	-0.97
1 year (%)	-1.88	-2.70	-8.30	5.60
3 years (% pa)	9.94	8.90	5.26	3.64
5 years (% pa)	7.34	6.38	4.04	2.34
Since inception (% pa)	11.40	10.44	10.04	0.40

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	3.11
ENAV SPA	2.55
Terna-Rete Elettrica Naziona	2.54
Essential Utilities Inc	2.36
CLP Holdings Ltd	2.23
CMS Energy Corp	2.13
PPL CORP	2.06
Cellnex Telecom SA	2.02
SSE PLC	1.91
Gibson Energy Inc	1.73

Top underweight positions

	%
Williams Cos Inc	-3.23
Consolidated Edison Inc	-2.53
American Water Works Co Inc	-2.21
P G & E Corp	-2.19
Edison International	-2.12
American Tower Corp	-1.89
SBA Communications Corp	-1.83
Fortis Inc	-1.80
Transurban Group	-1.55
Pembina Pipeline Corp	-1.52

Top 3 stock attribution

	bps
Essential Utilities Inc	12
SBA Communications Corp	12
CLP Holdings Ltd	8

*Italics denotes underweight

Bottom 3 stock attribution

	bps
Williams Cos Inc	-15
SSE PLC	-11
Targa Resources Corp	-10

*Italics denotes underweight

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

Monthly report – 31 July 2023

Sector allocation

Sector	Portfolio (%)	Benchmark (%)
Airports	3.69	4.25
Communications Infrastructure	14.93	15.56
Diversified Infrastructure	0.00	1.08
Electric Utility	23.56	17.30
Electricity & Gas Distribution	8.20	15.17
Electricity Generation	0.49	0.00
Electricity Transmission	3.58	2.05
Energy Infrastructure	22.54	27.42
Rail / Other Transportation	1.55	0.62
Seaports	1.22	0.63
Toll Roads	9.11	10.08
Water	10.02	5.84
Cash	1.10	0.00

Regional allocation

Country	Portfolio (%)	Benchmark (%)
Australia	1.04	3.72
Belgium	0.00	0.39
Brazil	0.44	0.36
Canada	12.12	14.73
China	4.50	3.89
Denmark	0.49	0.00
France	5.45	6.49
Germany	0.00	0.17
Italy	8.20	2.66
Japan	1.55	1.34
Luxembourg	0.00	0.22
Mexico	1.42	1.35
Netherlands	1.22	1.64
New Zealand	0.00	0.55
Spain	6.02	4.64
Switzerland	0.00	0.35
United Kingdom	14.27	6.69
United States	42.16	50.83
Cash	1.10	0.00

Market overview

The narrow path to a soft landing looked much wider in July as economic data was stronger than anticipated and inflation figures surprised to the downside. Developed market central banks are pondering just how much further they need to tighten policy in this environment. Meanwhile, emerging central banks are embarking on rate cuts. The resilient economy and expectations of an end to the rate hiking cycle lifted equity markets but weighed on bonds. The MSCI World gained 2.9% and the EM index was up 5.4%. Meanwhile, the Bloomberg Global Aggregate Bond index rose 0.7% (total returns in local currency).

Economic data out of China has done little other than disappointing economist and investors, but Chinese officials are finally starting to act on stimulus measures. While there is little detail on the size of any package, the focus will be on strengthening the consumer and unlocking household savings, easing back some of the restrictions on the property sector and ensuring that local governments have the financing to undertake infrastructure investment.

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 Communications Infrastructure, Water and Electricity and Gas distribution sectors. The main below benchmark contributions came from the Energy Infrastructure, Toll Roads and Electricity generation sectors.

The top three individual contributors to relative performance in the period were from overweight allocations to Essential Utilities and CLP Holdings and an underweight allocation to SBA Communications Corporation.

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

Market outlook and investment strategies

We expect global monetary tightening to lead to weaker economic activity in the future. We believe stretched fiscal balance sheets will make it more difficult for governments to support economies as weakness arises. Inflation is proving stickier than most market participants expected, and as a result monetary tightening will probably have to go farther and/or last longer than was expected. It is highly uncertain when inflation in developed countries will return to central bank targets. We continue to have a high degree of exposure to inflation linkage in the portfolios.

The megatrend of pursuing a greener world is intact, and we expect it to persist for decades. The demand for renewable generation remains as robust as ever, and we continue to favour names that can invest directly or indirectly in this space, if we believe they will earn attractive risk-adjusted returns on their capital deployment.

MACQUARIE ASSET MANAGEMENT

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

Monthly report – 31 July 2023

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

PRRP-MGISFHA-ANZ