

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

Monthly report – 31 August 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>	\$416.4m
Distribution frequency	Quarterly
Management fee <sup>*</sup>	0.80% pa
Minimum investment (Direct)	\$500,000

Unit prices and spreads [macquarie.com.au/unit\\_prices](https://macquarie.com.au/unit_prices)

<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 31 August 2023

	Total Class return (gross)	Total Class return (net)	Benchmark return	Total excess return (net)
<b>1 month (%)</b>	-4.15	-4.21	-3.96	-0.25
<b>3 months (%)</b>	-2.35	-2.56	-1.31	-1.25
<b>1 year (%)</b>	-4.96	-5.74	-9.40	3.66
<b>3 years (% pa)</b>	8.18	7.16	4.28	2.88
<b>5 years (% pa)</b>	6.58	5.63	3.42	2.21
<b>Since inception (% pa)</b>	10.96	10.00	9.63	0.37

**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	3.17
ENAV SPA	2.65
Terna-Rete Elettrica Nazionale	2.54
Essential Utilities Inc	2.24
Cellnex Telecom SA	2.10
CMS Energy Corp	2.10
CLP Holdings Ltd	2.07
Aleatica SAB de CV	2.03
Crown Castle Inc	2.02
SSE PLC	2.02

## Top 3 stock attribution

	bps
<i>ENN Energy Holdings Ltd</i>	24
Aleatica SAB de CV	21
East Japan Railway Co	8

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

## Top underweight positions

	%
Williams Cos Inc	-3.41
Consolidated Edison Inc	-2.50
Transurban Group	-2.42
American Water Works Co Inc	-2.19
P G & E Corp	-2.14
Edison International	-2.14
SBA Communications Corp	-1.97
American Tower Corp	-1.80
Fortis Inc	-1.73
Targa Resources Corp	-1.58

## Bottom 3 stock attribution

	bps
Essential Utilities Inc	-20
<i>Williams Cos Inc</i>	-13
<i>Targa Resources Corp</i>	-13

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## Sector allocation

Sector	Portfolio (%)	Benchmark (%)
Airports	2.65	4.31
Communications Infrastructure	16.13	15.60
Diversified Infrastructure	0.00	1.05
Electric Utility	23.53	17.06
Electricity & Gas Distribution	8.07	14.66
Electricity Generation	0.41	0.00
Electricity Transmission	3.61	2.09
Energy Infrastructure	22.92	28.39
Rail / Other Transportation	1.38	0.62
Seaports	1.17	0.61
Toll Roads	8.60	9.91
Water	9.86	5.70
Cash	1.68	0.00

## Regional allocation

Country	Portfolio (%)	Benchmark (%)
Australia	0.00	3.53
Belgium	0.00	0.38
Brazil	0.48	0.36
Canada	12.30	14.84
China	4.14	3.42
Denmark	0.41	0.00
France	5.31	6.48
Germany	0.00	0.18
Italy	8.32	2.73
Japan	1.38	1.42
Luxembourg	0.00	0.26
Mexico	2.03	1.38
Netherlands	1.17	0.22
New Zealand	0.00	0.51
Spain	4.96	6.09
Switzerland	0.00	0.36
United Kingdom	14.66	6.63
United States	43.14	51.21
Cash	1.68	0.00

## Market overview

August saw equity markets fall back after strong performance year to date. Economic activity remained sound in the US as inflation continued to weaken and European economic activity continued to lose momentum. Government bonds reached multi-year highs in the UK and the US before falling later in the period. Infrastructure posted a return of -4.8% (S&P GLI Index) which underperformed the MSCI World which returned -2.4% in USD terms.

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

The top three individual contributors to relative performance in the period were from overweight allocations to Aleatica and East Japan Railway and an underweight allocation to ENN Energy Holdings.

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

## Market outlook and investment strategies

We believe market expectations for a “Goldilocks” scenario that supported global markets until the end of July were probably too good to be true. To some extent, August’s volatility highlighted that a growing number of investors seem to share the same concern.

China’s difficulties will inevitably weigh on the global economy in the coming months, given the country contributes almost a third of global growth. At the same time, even though inflation pressures are receding, risks have not entirely disappeared, and central banks will likely have to maintain restrictive policies beyond 2023.

In this context, we continue to believe that a thoughtful active management approach is required in the current environment. We believe that a vigilant and continuous assessment of the opportunity set across our global research platform offers opportunities to take advantage of market dislocations and achieve attractive risk-adjusted returns for our clients.

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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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