

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

Monthly report – 30 September 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 ⁺	\$420.0m
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 30 September 2023

	Total Class return (gross)	Total Class return (net)	Benchmark return	Total excess return (net)
1 month (%)	-3.91	-3.97	-4.02	0.05
3 months (%)	-7.52	-7.71	-7.17	-0.54
1 year (%)	1.47	0.66	-1.58	2.24
3 years (% pa)	8.18	7.16	3.62	3.54
5 years (% pa)	6.19	5.24	2.85	2.39
Since inception (% pa)	10.56	9.60	9.23	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	3.75
ENAV SpA	2.48
Terna-Rete Elettrica Naziona	2.41
Crown Castle Inc	2.35
Essential Utilities Inc	2.29
Cellnex Telecom SA	2.15
CLP Holdings Ltd	2.09
SSE Plc	2.08
CMS Energy Corp	2.03
PPL Corp	2.01

Top 3 stock attribution

	bps
<i>American Water Works Co Inc</i>	14
<i>SBA Communications Corp</i>	13
<i>American Tower Corp</i>	10

^{*}Italics denotes underweight

Top underweight positions

	%
Williams Cos Inc	-3.32
P G & E Corp	-2.73
Transurban Group	-2.50
Consolidated Edison Inc	-2.39
Edison International	-1.96
American Water Works Co Inc	-1.95
Fortis Inc	-1.84
SBA Communications Corp	-1.76
Pembina Pipeline Corp	-1.64
Targa Resources Corp	-1.55

Bottom 3 stock attribution

	bps
<i>Williams Cos Inc</i>	-8
<i>Essential Utilities Inc</i>	-7
<i>Crown Castle Inc</i>	-7

^{*}Italics denotes underweight

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Sector allocation

Sector	Portfolio (%)	Benchmark (%)
Airports	2.48	4.58
Communications Infrastructure	15.95	14.37
Diversified Infrastructure	0.00	1.12
Electric Utility	23.94	16.99
Electricity & Gas Distribution	7.94	14.59
Electricity Generation	0.35	0.00
Electricity Transmission	3.46	2.01
Energy Infrastructure	23.64	29.51
Rail / Other Transportation	1.06	0.51
Seaports	1.29	0.62
Toll Roads	7.00	10.20
Water	10.53	5.48
Cash	2.34	0.00

Regional allocation

Country	Portfolio (%)	Benchmark (%)
Australia	0.00	3.56
Belgium	0.00	0.33
Brazil	0.51	0.41
Canada	13.07	15.78
China	4.44	3.68
Denmark	0.35	0.00
France	5.67	6.65
Germany	0.00	0.19
Italy	7.88	2.72
Japan	1.06	1.47
Luxembourg	0.00	0.22
Mexico	0.00	1.38
Netherlands	1.29	0.22
New Zealand	0.00	0.62
Spain	4.99	6.15
Switzerland	0.00	0.36
United Kingdom	15.25	6.61
United States	43.16	49.66
Cash	2.34	0.00

Market overview

September proved to be a reality check on the markets and the potential cost of a more resilient U.S. economy in the form of a slower fall in inflation and cash rates that remain higher for longer. The result was a sharp repricing in bond markets as yields rose to cycle highs and a broad sell-off across equity markets as the correlation between stocks and bonds became positive once again. The MSCI World index fell by 3.7% and the emerging market index by 1.8%. Meanwhile, the Bloomberg Aggregate Bond index fell 2.9% (total returns in local currency).

Fund performance review

The Fund has an overweight allocation to Electric Utilities, Rail/ Other transportation, Water, Seaports, Electricity Transmission, Communications and Electricity Generation sectors. It has an underweight allocation to 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, Rail/Other transportation and Diversified Infrastructure sectors. The main below benchmark contributions came from the Energy Infrastructure sector, Electric Utilities and Electricity and Gas Distribution sectors.

The top three individual contributors to relative performance in the period were from underweight allocations to American Water works and SBA Communications Corp and an overweight allocation to American Tower corp.

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

Market outlook and investment strategies

The smooth sailing for risk assets in the first half of the year was unlikely to continue indefinitely in the face of a slowing global economy. Despite the resilience witnessed in economic activity year to date, recession risks remain elevated and not all parts of the market appear appropriately priced for such a scenario. We believe vigilant and continuous assessment of the current market environment offers opportunities to take advantage of market dislocations and achieve attractive risk-adjusted returns through an active focus on portfolio risk and diversification.

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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

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 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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