

Investment objective

Aims to outperform the S&P Global Infrastructure Index (Net Total Return \$A Hedged) over the medium to long term (before fees). It aims to provide a return comprising both income and capital growth.

Key information

Fund details	
APIR code	MAQ0423AU
Inception date	29 September 2005
Fund size	\$260.7m
Distribution frequency	Quarterly
Management fee*	1.00% pa
Minimum investment (Direct)	\$20,000
Unit prices and spreads	macquarie.com.au/unit_prices

*Read the Product Disclosure Statement for more details on fees and costs.

Fund performance to 31 March 2021

	Total Fund return (gross)	Total Fund return (net)	Benchmark return	Total excess return (net)
1 month (%)	6.62	6.53	5.58	0.95
3 months (%)	5.49	5.24	4.07	1.17
1 year (%)	26.09	24.86	27.45	-2.59
3 years (% pa)	8.18	7.11	4.45	2.66
5 years (% pa)	8.33	7.26	5.68	1.58
Since inception (% pa)	10.13	9.03	7.83	1.20

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 Fund 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.

Top 10 stocks

	%
Sempra Energy	6.5
TC Energy Corp	5.6
Transurban Group	5.0
American Electric Power	4.7
Aena SME SA	4.4
Enbridge Inc	4.2
Cheniere Energy Inc	4.1
Atlantia Spa	4.0
Sydney Airport	3.6
Enav Spa	3.6

Top sectors

	%
Pipelines	24.4
Electric Utility	20.5
Toll Roads	15.1
Airports	14.5
Electricity and Gas Distribution	9.8

Top countries

	%
United States	32.9
Canada	13.5
Australia	11.1
Italy	10.5
United Kingdom	9.2

Macquarie International Infrastructure Securities Fund (Hedged)

Monthly report – 31 March 2021

Fund highlights

The Fund returned 6.53% (after fees), outperforming the benchmark which returned 5.58%. As the Fund's foreign currency exposure is hedged, Australian dollar movements do not materially affect its return.

The major contributors to the strategy's return were the Pipelines and Electric Utilities sectors. The major detractors from the strategy's return were the Rail and Other Transportation and Communications Infrastructure sectors. Relative to the S&P Global Infrastructure Index and in local currency terms, major stock contributors to the Fund's return included Sempra Energy, American Electric Power and Atmos Energy. West Japan Railway, Vinci and East Japan Railway were among the significant detractors. Relative to the S&P Global Infrastructure Index, the major positive contributors were positions in the Electricity and Gas Distribution and Airport sectors. Positions in the Electric Utilities, Communication infrastructure and Toll Roads detracted.

Key Contributors to Outperformance

1. **Sempra Energy**, which owns several assets including utilities in California and Texas, rose along with the global utility sector as markets were attracted to the company's stable cash flows, long-term growth opportunities and attractive valuation. Sempra remains one of our highest conviction holdings driven by its attractive business mix, relatively low valuation, and upcoming catalysts with the expected minority sell-down of Sempra Infrastructure Partners.
2. **American Electric Power**, which owns several utilities in multiple US states, rose along with the global utility sector as markets were attracted to the company's stable cash flows, long-term growth opportunities and attractive valuation. AEP is one of our highest conviction holdings, and we expect the market to find AEP increasingly attractive over the coming years as they improve their ESG profile with their North Central Wind development.
3. **Atmos Energy**, a US gas utility, rose along with the global utility sector as markets were attracted to the company's stable cash flows, long-term growth opportunities and relatively attractive valuation. We remain constructive on Atmos.

Key Contributors to Underperformance

1. **West Japan Railway**, having rallied strongly in February 2021, the share price of West Japan Railway was weaker in March due to concerns over the rise in COVID-19 case numbers and targeted lockdown measures in Osaka.
2. **Vinci** rose slightly for the period as it finalized its acquisition of an ACS subsidiary, but lagged other infrastructure names. Compared to others, Vinci has a relatively attractive risk/reward profile given its attractive assets and relatively low levels of financial leverage. With global vaccine rollouts foreshadowing an eventual sharp rebound in mobility, the stock should continue to benefit as the market "looks through" pandemic-driven weakness. We remain positively positioned on the name.
3. **East Japan Railway**, having rallied strongly in February 2021, the share price of East Japan Railway was relatively flat March due to concerns over the rise in COVID-19 case numbers and targeted lockdown measures in Tokyo.

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

Important information

Macquarie Investment Management Australia Limited ABN 55 092 552 611 AFS Licence 238321 is the issuer of units in, and responsible entity of the Fund.

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