

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	\$266.5m
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 30 April 2021

	Total Fund return (gross)	Total Fund return (net)	Benchmark return	Total excess return (net)
1 month (%)	3.05	2.97	2.33	0.64
3 months (%)	10.52	10.26	8.56	1.70
1 year (%)	19.76	18.58	20.84	-2.26
3 years (% pa)	7.99	6.92	4.11	2.81
5 years (% pa)	8.50	7.43	5.78	1.65
Since inception (% pa)	10.36	9.26	7.80	1.46

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

	%
TC Energy Corp	6.2
Transurban Group	5.8
Sempra Energy	5.1
American Electric Power	4.8
Aena SME SA	4.3
Cheniere Energy Inc	4.2
Enbridge Inc	4.1
Atlantia Spa	3.5
ENAV Spa	3.3
Sydney Airport	3.3

Top sectors

	%
Pipelines	24.3
Electric Utility	21.1
Toll Roads	15.4
Airports	12.9
Electricity and Gas Distribution	8.1

Top countries

	%
United States	31.9
Canada	13.6
Australia	11.6
Italy	10.3
United Kingdom	9.0

Macquarie International Infrastructure Securities Fund (Hedged)

Monthly report – 30 April 2021

Fund highlights

The Fund returned 2.97% (after fees), outperforming the benchmark which returned 2.33 %. 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 Airport sectors. Relative to the S&P Global Infrastructure Index and in local currency terms, major stock contributors to the Fund's return included Japan Airport Terminal, Orsted and Enel. ENAV, Aleatica and Terna were among the significant detractors. Relative to the S&P Global Infrastructure Index, the major positive contributors were positions in the Water, Pipelines and Electricity Generation sectors. Positions in the Rail and Other Transportation, Electricity Transmission and Seaports sectors detracted.

Key Contributors to Outperformance

1. **Infraestructura Energetica** -The stock outperformed as the company's directors unanimously voted in favour of an all stock offer from Sempra Energy after the exchange ratio terms were improved. This follows an announcement in December 2020 by Sempra Energy offering to acquire the remaining stake of Infraestructura Energetica Nova SAB de CV (IENOVA) through a stock for stock exchange process.
2. **Cheniere Energy** - Cheniere performed strongly during the month as investors anticipated strong guidance with Q1 results in May. A supportive operating environment including strong Asian LNG prices gave rise to expectations that Cheniere will book attractive margins on its small percentage of volumes not pre-sold for 2021, around 5% of total volumes. The positive environment also gave rise to expectations that further long-term contracts would be agreed with offtakers.
3. **Severn Trent** - Severn Trent, a UK Water company, performed strongly as investors considered the valuation impacts for regulated utilities in the UK after National Grid acquired WPD, an electricity distribution network company, in March for a significant premium to regulated asset base. A positive and increasing rate of inflation in the UK also added to investor appetite, as the economy continues to recover.

Key Contributors to Underperformance

1. **ENAV** - ENAV underperformed as the recovery in air traffic in Europe was placed on hold with ongoing localised lockdowns across the continent. Results reported during the month confirmed a pause in distributions on 2020 earnings, however the regulatory outlook and expectations of a recovery in dividends by management are both positive.
2. **Aleatica** - Aleatica disclosed a lawsuit against the Mexican CNBV (stock market regulator) to overturn a request asking the company to restate its accounting treatment of the guaranteed returns agreed under its concession agreement with the government. The company disclosed that it has brought its quarterly and annual financial statements in compliance with the required measures from the CNBV in the interim. The new accounting treatment will not impact the cash generation of the business, which should continue to improve on the back of a recovery in traffic post-Covid and the ramping up of new projects currently under construction.
3. **Terna** - Terna was weaker in April on little fundamental news flow. Market expectations regarding the company's potential inclusion in one of the recently volatile clean energy indices did not come to pass, resulting in some speculative premium being unwound during the month.

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.

The information in this report is provided for general information purposes only and is not, and should not be construed as, an advertisement, an invitation, an offer, a solicitation of an offer or a recommendation to participate in any investment strategy or take any other action, including to buy or sell any product offered by any member of the Macquarie Group. The above information is not personal advice and does not take into account the investment objectives, financial situation or needs of any person. Investors should consider the offer document of 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. In preparing this document, reliance may have been placed, without independent verification, on the accuracy and completeness of information available from external sources. This report may also include 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. To the maximum extent permitted by law, no member of the Macquarie Group nor its directors, employees or agents accept any liability for any loss arising from the use of this document, its contents or otherwise arising in connection with it..

Other than Macquarie Bank Limited (**MBL**), none of the entities noted in this document are authorised deposit-taking institutions for the purposes of the Banking Act 1959 (Commonwealth of Australia). The obligations of these entities do not represent deposits or other liabilities of MBL. MBL does not guarantee or otherwise provide assurance in respect of the obligations of these entities, unless noted otherwise.