

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	\$249.4m
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 October 2021

	Total Fund return (gross)	Total Fund return (net)	Benchmark return	Total excess return (net)
1 month (%)	1.63	1.55	3.17	-1.62
3 months (%)	1.77	1.51	4.66	-3.15
1 year (%)	24.59	23.37	25.85	-2.48
3 years (% pa)	9.68	8.59	6.92	1.67
5 years (% pa)	8.37	7.30	5.80	1.50
Since inception (% pa)	11.36	10.25	8.90	1.35

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	6.3
Sempra Energy	6.0
Transurban Group	5.4
Aena SME SA	5.2
National Grid plc	4.7
American Electric Power	4.6
Enbridge Inc	4.2
Nextera Energy Inc	3.9
ENAV Spa	3.4
Sydney Airport	3.1

Top sectors

	%
Electric Utility	27.8
Energy Infrastructure	20.2
Airports	15.1
Toll Roads	14.5
Electricity and Gas Distribution	8.9

Top countries

	%
United States	31.7
Canada	14.0
Australia	11.1
Italy	9.5
United Kingdom	9.2

Macquarie International Infrastructure Securities Fund (Hedged)

Monthly report – 31 October 2021

Fund highlights

The Fund returned 1.55% (after fees), underperforming the benchmark which returned 3.17%. 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 Electric Utilities, Energy Infrastructure and Water sectors. The major detractors from the strategy's return were the Airports, Toll Roads and Rail / Other Transportation sectors. Relative to the S&P Global Infrastructure Index and in local currency terms, major stock contributors to the Fund's return included TC Energy Corp, Gibson Energy and National Grid. East Japan Railway, ENAV Spa and Aleatica were among the significant detractors. Relative to the S&P Global Infrastructure Index, the major positive contributors were positions in the Seaports, Water and Other Infrastructure Sectors. Positions in the Airports, Electric Utilities and Rail/ Other transportation sector detracted.

Key Contributors to Outperformance

- 1. TC Energy:** TC Energy rose during the month amidst an improving natural gas market backdrop. In addition, the market was encouraged by the news of the company's joint development agreement with Nikola to identify and co-develop large-scale clean hydrogen hubs.
- 2. Gibson Energy:** Gibson rose during the month on the back of an upgrade of its ESG rating to AAA from MSCI, which makes Gibson one of three companies globally in the Oil & Gas Refining, Marketing, Transportation & Storage industry (and the only company in North America in that industry), to receive a rating of AAA.
- 3. National Grid:** Despite a quiet month in terms of news flow, the company benefitted from higher inflation expectations which benefit the company's growth in its UK Regulated Asset Base as well as the market's appreciation of the company's exposure to the energy transition theme.

Key Contributors to Underperformance

- 1. East JR:** The stock fell in sympathy with West Japan Railway ("WJR") after WJR announced a surprise equity issuance. We do not expect East JR to follow suit but based on the depth and length of the pandemic slowdown. Patronage across the JRs has been steadily increasing and we remain confident in the company's outlook.
- 2. ENAV:** The stock pulled back after a meaningful rally in the prior month on no specific negative news and amidst improving flight and passenger numbers in Europe.
- 3. Aleatica:** Mexican toll road owner and operator Aleatica fell on no meaningful news.

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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