

Macquarie International Infrastructure Securities Fund (Hedged)

Monthly report – 31 May 2023

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	MAQ0432AU
Inception date	29 September 2005
Fund size	\$232.8m
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 May 2023

	Total Fund return (gross)	Total Fund return (net)	Benchmark return	Total excess return (net)
1 month (%)	-5.09	-5.17	-4.73	-0.44
3 months (%)	0.61	0.35	-0.79	1.14
1 year (%)	1.26	0.25	-6.59	6.84
3 years (% pa)	11.78	10.67	7.91	2.76
5 years (% pa)	8.39	7.32	4.35	2.97
Since inception (% pa)	8.66	7.53	7.02	0.51

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

	%
Nextera Energy Inc	5.64
Aena SME SA	5.48
Enbridge Inc	5.42
National Grid Plc	3.97
American Electric Power	3.91
Aleatica SAB de CV	3.67
Transurban Group	3.53
ENAV SpA	3.52
Exelon Corp	3.49
Kinder Morgan Inc	3.25

Top sectors

	%
Electric Utility	34.66
Energy Infrastructure	17.94
Airports	11.64
Toll Roads	11.40
Water	6.28

Top countries

	%
United States	35.82
United Kingdom	11.01
Spain	10.23
Canada	9.82
Italy	9.25

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Fund Highlights

The Fund returned -5.17% (after fees), underperforming the benchmark which returned -4.73%. 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 Rail / Other Transportation and Electricity Generation.
- The major detractors to the strategy's return were Electric Utility, Energy Infrastructure and Airports.
- Relative to the S&P Global Infrastructure Index and in local currency terms, major stock contributors to the Fund's return included SSE PLC, Dominion Energy Inc and Duke Energy Corp.
- Grupo Aeroportuario PAC-ADR, Flughafen Zurich AG-REG and Equitrans Midstream Corp were among the significant detractors.
- Relative to the S&P Global Infrastructure Index, the major positive contributors were positions in the Rail / Other Transportation, Electricity Transmission and Electric Utility.
- Positions in Airports, Water and Seaports detracted.

Key Contributors to Outperformance

- **SSE PLC**- the company reported strong FY23 results (+75% year on year) that was above both consensus forecast and company guidance. Furthermore, SSE also significantly upgraded its 5 year asset and earnings growth outlook, thanks to strong tail winds from NetZero on its renewables and networks business, as well as higher earnings from its thermal and flexible generation fleet
- **Dominion Energy Inc**- (not held) - the stock underperformed due to general negative sentiment in the utilities sector due to higher interest rates.
- **Duke Energy Corp**- (not held) - the stock underperformed due to general negative sentiment in the utilities sector due to higher interest rates.

Key detractors from Outperformance

- **Grupo Aeroportuario PAC-ADR**- (not held) - the share price was relatively flat during the month. The company continues to report strong passenger growth, with total passengers across its Mexican airports growing by 15% year on year in April.
- **Equitrans Midstream Corp**- (not held) - a US midstream company, rose sharply after the debt ceiling negotiations in the US surprisingly included provisions for an expedited Mountain Valley Pipeline (MVP) completion. Equitrans owns roughly 48% of the pipeline along with partners NextEra, ConEd, AltaGas and RGC Resources and will operate the pipeline after its completion.
- **Flughafen Zurich AG-Reg**- (not held) - The share price was strong in May on the back of positive sentiment towards the broader aviation sector ahead of the summer season. Commentary from the airlines Q1 2023 results in the month confirmed strong demand for air travel during the upcoming summer season, and airports in general should benefit from this trend.

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 AFS 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.

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