

Investment objective

Aims to outperform the S&P Global Infrastructure Index (Net Total Return in \$A) 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	MAQ0825AU
Inception date	29 January 2014
Fund size	\$358.3m
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 2021

	Total Fund return (gross)	Total Fund return (net)	Benchmark return	Total excess return (net)
1 month (%)	0.95	0.87	0.26	0.61
3 months (%)	11.40	11.13	8.52	2.61
1 year (%)	8.79	7.72	5.31	2.41
3 years (% pa)	8.64	7.56	5.16	2.40
5 years (% pa)	7.39	6.33	4.87	1.46
Since inception (% pa)	9.50	8.42	7.37	1.05

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	6.3
TC Energy Corp	6.3
Transurban Group	5.6
American Electric Power	4.7
Aena SME SA	4.3
Cheniere Energy Inc	4.2
Enbridge Inc	4.0
ENAV Spa	3.5
Atlantia Spa	3.5
National Grid plc	3.3

Top sectors

	%
Pipelines	22.3
Electric Utility	20.9
Toll Roads	15.2
Airports	13.0
Electricity and Gas Distribution	9.2

Top countries

	%
United States	33.0
Canada	13.7
Australia	11.3
Italy	10.6
United Kingdom	9.4

Macquarie International Infrastructure Securities Fund (Unhedged)

Monthly report – 31 May 2021

Fund highlights

The Fund returned 0.87% (after fees), outperforming the benchmark which returned 0.26%.

The major contributors to the strategy's return were the Pipelines and Electricity Transmission sectors. The major detractors from the strategy's return were the Electric Utilities 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 Cheniere Energy, NextEra Energy and ENAV. American Electric Power, APA group and Sydney Airport were among the significant detractors. Relative to the S&P Global Infrastructure Index, the major positive contributors were positions in the Electric Utilities, Water and Rail/Other Transportation sectors. Positions in the Airports, Toll Roads and Pipeline sectors detracted.

Key Contributors to Outperformance

1. **Cheniere Energy** - Cheniere outperformed as the company reported a stronger than expected 1Q21 result due to higher than anticipated marketing margins causing the company to lift FY21 financial guidance. Management also noted strong construction progress at Sabine Pass Train 6 and brought forward completion timing from 1H23 to 2H22.
2. **NextEra Energy** - NextEra underperformed the index as investor sentiment on renewable growth names have continued to cool following a significant rally in late 2020 into the first quarter of 2021. Rising inflation has also increased concerns regarding the company's ability to hit its aggressive renewable growth targets due to potential raw material cost hikes and shortages.
3. **ENAV** - The shares were strong in May on the back of the Q1 results, where the company reiterated its commitment to resume dividend payments based on the 2021 results despite the weak start to the year in the EU aviation sector. Additionally, broader sentiment around the aviation sector improved.

Key Contributors to Underperformance

1. **American Electric Power** - The company traded in line with the utilities index, which was down for the month driven by a broad move away from utilities into riskier sectors. For AEP specifically, investors have concerns regarding cuts to allowed transmission returns and uncertainty regarding asset sales to strengthen the company's balance sheet. Rising inflation and cost of capital have also put more pressure on the company's long term renewable development plans.
2. **APA Group** - There was no material news during the month. APA held an investor day where it affirmed earnings guidance and its growth strategy in renewables and US pipelines. We remain positive due to attractive valuation, and ample domestic pipeline growth opportunities within Australia.
3. **Sydney Airport** - the share price was weaker during the month due to market concerns that Australia will delay the reopening of international borders as the vaccination program takes longer than initially hoped. The Australian Federal Government released its budget during the month, which included assumptions that inbound and outbound international travel will remain low through to mid-2022.

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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