

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	\$339.9m
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 June 2021

	Total Fund return (gross)	Total Fund return (net)	Benchmark return	Total excess return (net)
1 month (%)	1.14	1.06	1.25	-0.19
3 months (%)	5.00	4.74	3.61	1.13
1 year (%)	14.24	13.11	12.09	1.02
3 years (% pa)	7.32	6.26	4.13	2.13
5 years (% pa)	7.62	6.56	5.10	1.46
Since inception (% pa)	9.56	8.48	7.47	1.01

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	6.3
Transurban Group	6.0
American Electric Power	4.9
Cheniere Energy Inc	4.4
Enbridge Inc	4.3
Aena SME SA	4.3
ENAV Spa	3.4
National Grid plc	3.3
Sydney Airport	3.1

Top sectors

	%
Electric Utility	24.2
Energy Infrastructure	22.8
Toll Roads	14.8
Airports	12.8
Electricity and Gas Distribution	9.3

Top countries

	%
United States	33.6
Canada	13.9
Australia	11.7
Italy	9.7
United Kingdom	9.2

Macquarie International Infrastructure Securities Fund (Unhedged)

Monthly report – 30 June 2021

Fund highlights

The Fund returned 1.06% (after fees), underperforming the benchmark which returned 1.25%.

The major contributors to the strategy's return were the Energy Infrastructure 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 Xcel energy, Enel and Terna. Zhejiang Expressway, Sempra and ENAV were among the significant detractors. Relative to the S&P Global Infrastructure Index, the major positive contributors were positions in the Electric Utilities, Rail/Other transportation, and Seaports. Positions in the Energy Infrastructure, Airports and Diversified Infrastructure sectors detracted.

Key Contributors to Outperformance

1. **East Japan Railway** performed relatively well during June as vaccination rates improved in Japan and investors turned their attention towards a gradual reopening of the economy.
2. **Terna**, the Italian electricity transmission network owner and operator outperformed as it outlined future areas of capital investment. The company expects to invest EUR18bn over the next 10 years. Drivers of investment include transmission lines connecting renewable generation to industrial users and undersea electricity transmission cables connecting mainland Italy with Sicily, Corsica and Sardinia.
3. **Severn Trent**, a regulated UK Water utility reported full year results in late May. UK Water Companies are performing well regarding their operating and financing efficiency targets for the first year of the five-year regulatory agreement through 2025. The UK water regulator, OFWAT, handed down an initial determination regarding additional capital investment the sector may undertake in the current regulatory period. Listed UK water companies will be able to spend an additional £700m to fund the green economic recovery. Investments will be made in the areas of river quality, flood resilience, storm overflows, decarbonising and fixing of pipes.

Key Contributors to Underperformance

1. **ENAV** - Air traffic control company ENAV received a balanced draft determination for tariff development through 2024. Slightly greater than expected efficiency targets imply a lower tariff profile in the near term. This is expected to be balanced by a recovery in the latter years of the regulatory period.
2. **Sempra Energy** performed inline with the US utilities sector over the month. The company updated investors at an analyst day held late in the month, highlighting the company's multiple platforms for growth in network assets including 7%-10% compound growth rates in California and Texas assets over five years, and long term take or pay contracts in the energy infrastructure segment.
3. **Enbridge Inc.** received a positive legal ruling for a project underway in Minnesota – the Line 3 replacement project. The company also announced the first sustainability-linked bond framework in the North American midstream sector, which links ESG goals to the company's funding strategy.

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

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