

# Magellan Infrastructure Fund (Unhedged)



APIR: MGE0006AU | ARSN: 164 285 830

AS AT 31 MAY 2024

## PORTFOLIO MANAGER

GERALD STACK

INVESTMENT PHILOSOPHY	OBJECTIVES	PORTFOLIO CONSTRUCTION	INVESTMENT RISKS
To prudently invest in outstanding infrastructure and utilities companies at attractive prices that exhibit highly predictable cashflows.	To achieve attractive risk-adjusted returns over the medium to long term; while reducing the risk of permanent capital loss.	Relatively concentrated portfolio of typically 20 to 40 investments. Typical cash and cash equivalents exposure between 0 - 20%.	All investments carry risk. While it is not possible to identify every risk relevant to an investment in the fund, we have provided details of risks in the Product Disclosure Statement. You can view the PDS for the fund on Magellan's website <a href="http://www.magellangroup.com.au">www.magellangroup.com.au</a> .

## MAGELLAN INFRASTRUCTURE FUND (UNHEDGED): KEY PORTFOLIO INFORMATION

TICKER	FUND SIZE	BUY/SELL SPREAD	MANAGEMENT AND PERFORMANCE FEES <sup>1</sup>	INCEPTION DATE
-	AUD \$757.9 million	0.15% /0.15%	1.05%, and performance fee of 10% of dual hurdle excess return <sup>^</sup>	1 July 2013

<sup>^</sup> 10.0% of the excess return of the units of the Fund above the higher of the Index Relative Hurdle (S&P Global Infrastructure Index A\$ Unhedged Net Total Return) and the Absolute Return Hurdle (the yield of 10-year Australian Government Bonds). Additionally, the Performance Fees are subject to a high water mark.

### PERFORMANCE<sup>2</sup>

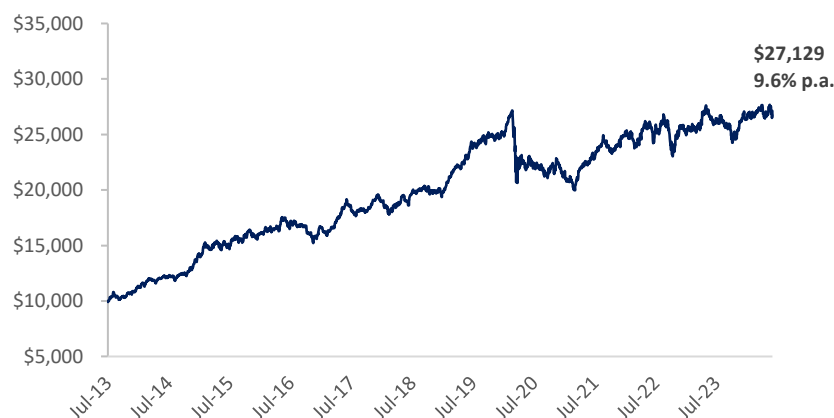
	1 MONTH (%)	3 MONTHS (%)	1 YEAR (%)	3 YEARS (% p.a.)	5 YEARS (% p.a.)	7 YEARS (% p.a.)	10 YEARS (% p.a.)	Since Inception (% p.a.)	OUTPERFORMANCE CONSISTENCY*
Magellan Infrastructure Fund (Unhedged)	1.5	0.1	2.0	6.4	3.5	5.3	8.3	9.6	64%
Global Infrastructure Benchmark (A\$)*	3.6	8.0	9.5	10.6	6.0	6.3	8.1	9.1	-
Excess	-2.1	-7.9	-7.5	-4.2	-2.5	-1.0	0.2	0.5	-

### CALENDAR YEAR RETURNS

	CYTD (%)	2023 (%)	2022 (%)	2021 (%)	2020 (%)	2019 (%)	2018 (%)	2017 (%)	2016 (%)	2015 (%)	2014 (%)	2013 (part year)
Magellan Infrastructure Fund (Unhedged)	2.8	5.8	-1.3	19.2	-14.9	25.5	4.8	14.1	3.7	14.6	23.3	13.4
Global Infrastructure Benchmark (A\$)*	9.5	5.1	6.2	17.9	-14.8	25.9	-0.4	10.2	12.0	-1.2	24.8	10.6
Excess	-6.7	0.7	-7.5	1.3	-0.1	-0.4	5.2	3.9	-8.3	15.8	-1.5	2.8

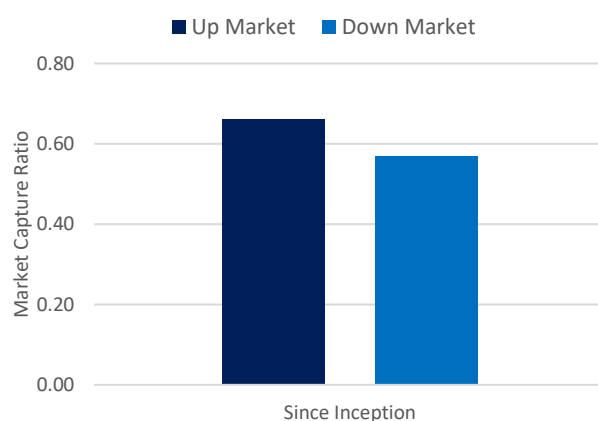
Past performance is not a reliable indicator of future performance.

### PERFORMANCE CHART GROWTH OF AUD \$10,000<sup>2</sup>



Past performance is not a reliable indicator of future performance.

### MARKET CAPTURE<sup>3</sup>



Since Inception

<sup>1</sup> Transaction costs may also apply – refer to the Product Disclosure Statement. All fees are inclusive of the net effect of GST.

<sup>2</sup> Calculations are based on exit price with distributions reinvested, after ongoing fees and expenses but excluding individual tax, member fees and entry fees (if applicable). Returns denoted in AUD.

<sup>3</sup> Market Capture is calculated after fees measured against the monthly return of the MSCI World Net Total Return Index (A\$ Unhedged). Up market capture shows how the fund performed relative to the index while the market is rising. Down market capture shows how the fund performed relative to the index while the market is falling. All MSCI data used is the property of MSCI. No use or distribution without written consent. Data provided "as is" without any warranties. MSCI and its affiliates assume no liability for or in connection with the data. Please see complete disclaimer in [www.magellangroup.com.au/funds/benchmark-information/](http://www.magellangroup.com.au/funds/benchmark-information/).

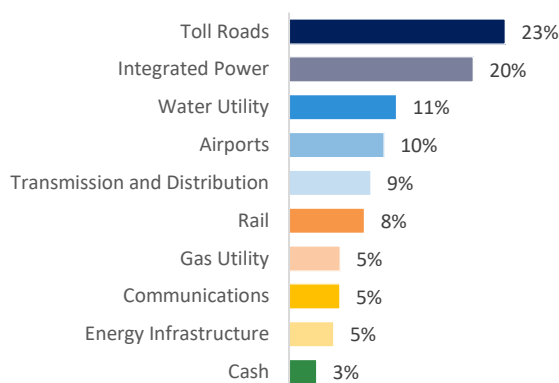
\* Outperformance consistency indicates the percentage of positive excess returns for rolling 3 year returns since inception.

<sup>^</sup> S&P Global Infrastructure Index A\$ Unhedged Net Total Return spliced with UBS Developed Infrastructure and Utilities Index A\$ Unhedged Net Total Return prior to 1 January 2015. Note: as the UBS Developed Infrastructure and Utilities Index A\$ Unhedged Net Total Return ceased to be published from 31 May 2015, it was replaced by Magellan on 1 January 2015 with the S&P Global Infrastructure Index A\$ Unhedged Net Total Return.

## TOP 10 HOLDINGS (ALPHABETICAL ORDER)

STOCK	SECTOR <sup>4</sup>
Aena SME SA	Airports
Atlas Arteria	Toll Roads
Dominion Energy Inc	Integrated Power
Ferrovial SE	Toll Roads
Norfolk Southern Corporation	Rail
Sempra Energy	Integrated Power
Severn Trent	Water Utility
Transurban Group	Toll Roads
United Utilities Group Plc	Water Utility
Vinci SA	Toll Roads

## SECTOR EXPOSURE<sup>4</sup>



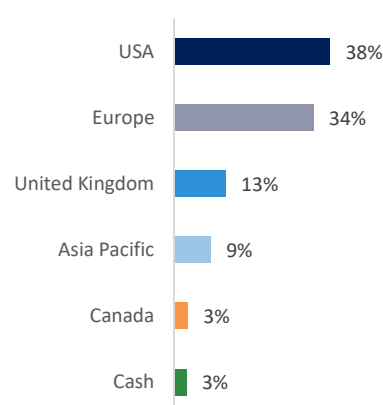
## TOP CONTRIBUTORS/DETRACTORS 1 YEAR<sup>5</sup>

TOP 3 CONTRIBUTORS	CONTRIBUTION TO RETURN (%)
Ferrovial	1.6
Aena SME SA	1.5
Vinci SA	0.8

TOP 3 DETRACTORS	CONTRIBUTION TO RETURN (%)
Transurban Group	-0.9
Evergy Inc	-0.5
Atlas Arteria	-0.4

## GEOGRAPHICAL EXPOSURE<sup>4</sup>



## MONTHLY SUMMARY

The portfolio recorded a positive return in May as the portfolio benefited from declining bond yields in many markets.

The key contributors for the month were Aena, Ferrovial and American Tower. Shares in Spanish airport operator Aena lifted following a strong Q1 result that benefited from new duty-free contracts coming into force as well as good cost control. Shares in Spain-domiciled Ferrovial benefited as it completed its US listing and as it forged a path towards selling part of its stake in Heathrow Airport (the process for which had been held up by co-investor tag-along rights). American Tower benefited from falling US bond yields and a solid Q1 result at the end of April.

The largest detractors were National Grid, United Utilities and Norfolk Southern. UK electricity and gas utility National Grid fell as it announced a large capital raising to fund its capital plan for the next five years. By raising equity capital now National Grid secured its financing future and put itself in a strong position with regulators who assess proposed capital investment plans. However, investors did not expect a capital raising of this quantum at this time. The capital raise will reduce earnings growth in the short term (albeit it should make longer-term earnings growth more secure) and this was a key reason the stock was sold off. United Utilities fell late in the month as the conservative government in the UK called a snap election, delaying a regulatory determination and potentially increasing the political noise around the industry in the lead-up to the 4th of July poll. Shares of US rail company Norfolk Southern declined following a split board at the AGM, where activist investors got three representatives (out of 13 board seats) onto the board of the company, disappointing some investors.

*Stock contributors/detractors are based in local currency terms unless stated otherwise.*

<sup>4</sup> Sectors are internally defined. Geographical exposures are by domicile of listing. Exposures may not sum to 100% due to rounding.

<sup>5</sup> Shows how much the stock has contributed to the fund's gross return for the period in AUD. Excludes non-disclosed positions established in the latest quarter.

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