

What is infrastructure?

Investing in infrastructure is about investing in the companies that provide essential services to society and that generate predictable long-term earnings. These assets include transportation, energy and utilities, communications and social infrastructure businesses.

Why invest in Global Listed Infrastructure?

Investing in global listed infrastructure offers unique advantages for investors. With over 350 infrastructure and utility companies available on global stock markets, these investments have the potential to provide reliable cash generation, inflation protection, and defensiveness in declining markets.

Diversification

Infrastructure assets often have low correlations with other asset classes, providing portfolio diversification.

Predictable demand

Investing in companies that deliver essential services such as transportation, energy, utilities, and communications, investors can benefit from predictable long-term demand.

Inflation protection

Infrastructure investments can improve risk-adjusted returns and act as a hedge against inflation, making them a compelling addition to a diversified portfolio.

Why invest with Magellan?

Definition matters

Magellan's infrastructure universe is more strictly defined than standard benchmark indices.

Predictable earnings: Magellan limits its global listed infrastructure investment universe to approximately 130 to 140 stocks within regulated utilities, transport and social infrastructure assets that it believes can provide investors with predictable, through-the-economic-cycle, inflation-linked returns.

Cashflows are reliable: Magellan excludes stocks from the benchmark whose earnings have material exposure to competition, movements in commodity price or unacceptable sovereign risk.

Essential for the efficient function of a community



Seeks to avoid:

- competition risk
- commodity price risk
- sovereign risk



Many prominent infrastructure benchmarks include companies whose risk and return profiles are virtually indistinguishable from broader equities, therefore failing to provide the desired diversification. Assets exposed to sovereign risk, competition risk, and commodity price risk (which can lead to volatility and unpredictability in returns) exhibit characteristics more akin to equities rather than true infrastructure assets. Magellan's strict definition of infrastructure focuses on companies with stable demand profiles and reliable cash flows, which have the potential to provide **enhanced diversification** and **long-term stability**.



Highly defensive



Inflation-linked cash flows



Structural growth

Magellan's approach to global listed infrastructure delivers investment characteristics not easily replicated by other asset classes, which can enhance the diversification of a portfolio.

Why global listed infrastructure deserves a place in your portfolio

Despite market fluctuations and even during times of economic downturns and geopolitical uncertainties, investing in infrastructure can provide attractive opportunities for investors due to its essential nature and stable returns.

- **Diversification when you need it:** Infrastructure assets typically exhibit low correlations with other asset classes, thereby reducing overall portfolio risk and enhancing diversification. These benefits are often most apparent in times of economic weakness or geopolitical uncertainty.
- **Long-term stability:** Infrastructure assets, such as utilities, transportation, and communication networks, often have stable, long-term revenue streams.
- **Income generation:** Infrastructure assets often produce reliable and steady income, offering the potential for consistent returns across various economic cycles.

With the increasing global demand for infrastructure development, the sector is positioned for long-term growth, making it a compelling choice for investors seeking stability and future potential.

Magellan's global listed infrastructure funds

Magellan's infrastructure investment team seeks to invest in the most advantaged infrastructure companies in the world, using detailed research analysis and continually monitoring the market. Magellan's global listed infrastructure funds are set out below.

Fund Name	Access	Holdings	Cash Level	Distribution	Management Fees & Costs	Performance Fee
Magellan Infrastructure Fund	Unquoted	20-40 companies	20% max	Distribution semi-annually	1.06% p.a	Yes*
Magellan Infrastructure Fund (Unhedged)						
Magellan Infrastructure Fund (Currency Hedged) – Active ETF (ASX:MICH)	Quoted on ASX					
Magellan Core Infrastructure Fund – Active ETF (CBOE:MCSI)	Quoted on CBOE	70-100 companies	5% max		0.50% p.a	Nil

*Please refer to the relevant Product Disclosure Statement for information on the Performance Fee applicable to these Funds. Transaction costs may also apply - refer to the relevant Product Disclosure Statement. All fees described above are inclusive of the estimated net effect of GST.

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