Magellan Core Infrastructure (AUD Hedged)

AS AT 30 JUNE 2024

PORTFOLIO MANAGER GERALD STACK

INVESTMENT PHILOSOPHY	OBJECTIVES	PORTFOLIO CONSTRUCTION
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.	Diversified rules-based portfolio applying our proprietary infrastructure classification. Valuation driven benchmark-unaware strategy. Highly defensive, inflation-linked exposure.

MAGELLAN CORE INFRASTRUCTURE (AUD HEDGED)

TOTAL STRATEGY ASSETS	TOTAL INFRASTRUCTURE ASSETS[1]	INCEPTION DATE
AUD $8,628.3 million	AUD $15,473.4 million	17 December 2009

AUD PERFORMANCE[2]

	3 Months (%)	1 Year (%)	3 Years (% p.a.)	5 Years (% p.a.)	10 Years (% p.a.)	Since Inception (% p.a.)	OUTPERFORMANCE CONSISTENCY[3]
Composite (Gross)	-0.9	-0.5	1.8	2.8	7.4	10.7	86%
Composite (Net)	-1.0	-1.0	1.3	2.3	6.7	10.0	84%
Global Infrastructure Benchmark[4]	2.3	5.8	5.6	3.0	5.4	7.4	-
Excess (Gross)	-3.2	-6.3	-3.8	-0.2	2.0	3.3	-
MSCI World NTR Index (A$ Hedged)[+]	2.9	20.1	7.1	11.0	10.1	11.5	-

CALENDAR YEAR RETURNS[2]	CYTD (%)	2023 (%)	2022 (%)	2021 (%)	2020 (%)	2019 (%)	2018 (%)	2017 (%)	2016 (%)	2015 (%)	2014 (%)	2013 (%)	2012 (%)	2011 (%)	2010 (%)
Composite (Gross)	-0.7	2.0	-5.4	17.2	-5.5	28.3	-1.7	15.4	10.6	7.9	28.0	16.7	16.3	15.6	15.9
Composite (Net)	-0.9	1.5	-5.8	16.6	-6.0	27.5	-2.4	14.6	9.8	7.2	27.1	15.8	15.5	14.8	15.1
Global Infrastructure Benchmark[4]	4.9	3.4	1.3	13.7	-11.9	25.3	-6.7	14.4	14.1	-5.4	22.9	18.5	9.1	4.7	5.7
Excess (Gross)	-5.6	-1.4	-6.7	3.5	6.4	3.0	5.0	1.0	-3.5	13.3	5.1	-1.8	7.2	10.9	10.2
MSCI World NTR Index (A$ Hedged)[+]	13.2	21.5	-17.7	23.7	10.3	26.7	-7.4	19.8	10.4	3.8	12.3	31.8	18.8	-2.3	12.6

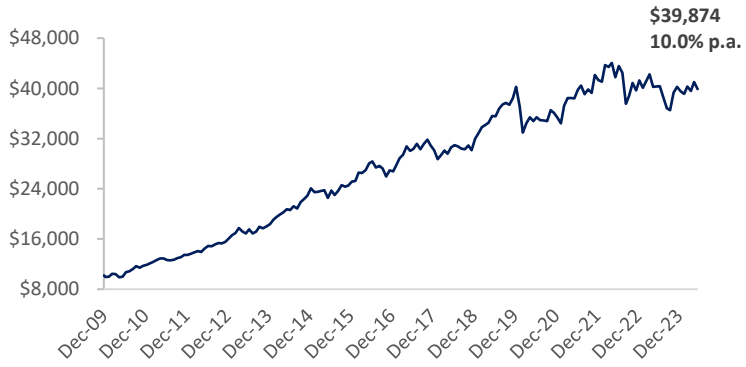
Past performance does not predict future returns.

STRATEGY FUNDAMENTALS[5]

Number of Holdings	92
Dividend Yield	4.5%
P/E Ratio (1 year forward)	17.3
EBITDA multiple (historic)	12.8
EPS Growth (next 3 years)	3.3%
Carbon Intensity (CO_2t/US$1m revenue)[#]	815

[#]The carbon intensity score is calculated using MSCI data. In a limited number of circumstances, where data is not available or Magellan deems it appropriate, manual adjustments are made to the MSCI carbon intensity.

PERFORMANCE CHART GROWTH OF AUD $10,000 (NET)[2]



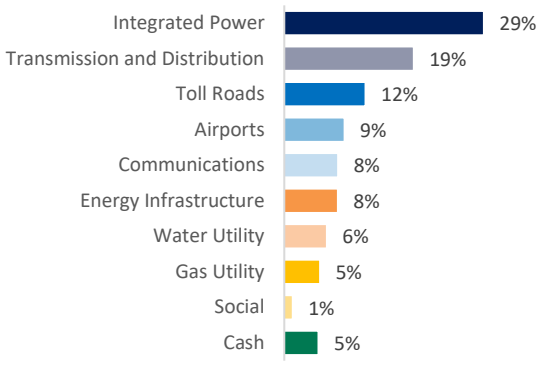
Past performance does not predict future returns.

[1] Comprised of all Infrastructure strategies.
[2] Returns are for the Global Core Infrastructure Hedged to AUD Composite and denoted in AUD. Performance would vary if returns were denominated in a currency other than AUD. Refer to the GIPS Disclosure section below for further information. Strategy inception is 17 December 2009. Composite (Net) returns are net of fees charged to clients and have been reduced by the amount of the highest fee charged to any client employing that strategy during the period under consideration. Actual fees may vary depending on, among other things, the applicable fee schedule and portfolio size. Fees are available upon request.
[3] Outperformance consistency indicates the percentage of positive excess returns for rolling 3 year returns since inception.
[4] S&P Global Infrastructure Index A$ Hedged Net Total Return spliced with UBS Developed Infrastructure and Utilities Index (A$ Hedged) Net Total Return prior to 1 January 2015. Note: as the UBS Developed Infrastructure and Utilities Index (A$ Hedged) 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$ Hedged) Net Total Return.
[5] The data is based on a representative portfolio for the strategy. Refer to the Important Notice below for further information.
[+] 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/
*Part year return.

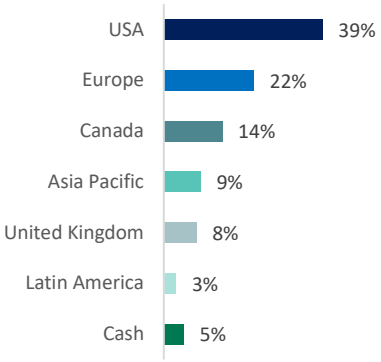
TOP 10 HOLDINGS[6]

STOCK	SECTOR	%
National Grid Plc	Transmission and Distribution	3.0
Transurban Group	Toll Roads	3.0
Fortis Inc	Transmission and Distribution	3.0
Enbridge Inc	Energy Infrastructure	2.9
TC Energy Corporation	Energy Infrastructure	2.9
Ferrovial SE	Toll Roads	2.9
Aena SME SA	Airports	2.8
Cellnex Telecom SA	Communications	2.6
Vinci SA	Toll Roads	2.5
Terna SpA	Transmission and Distribution	2.1
	TOTAL:	27.7

SECTOR EXPOSURE[6]



GEOGRAPHICAL EXPOSURE[6]



CONTRIBUTION HIGHLIGHTS[7]

1 YEAR	
TOP 5	**CONTRIBUTION (%)**
Ferrovial	0.7
Aena	0.7
Public Service Enterprise	0.4
Duke Energy	0.3
Southern Company	0.3
BOTTOM 5	**CONTRIBUTION (%)**
Cellnex	-0.5
Emera	-0.3
Transurban	-0.3
Algonquin Power & Utilities	-0.3
Snam	-0.2

5 YEARS	
TOP 5	**CONTRIBUTION (%)**
Ferrovial	1.5
National Grid	1.4
Enbridge	1.3
Southern Company	1.2
Hydro One	1.1
BOTTOM 5	**CONTRIBUTION (%)**
Algonquin Power & Utilities	-0.5
Auckland Airport	-0.3
Elia	-0.3
Fraport	-0.3
Groupe ADP	-0.2

SUPPLEMENTARY STATISTICAL MEASURES[8]

	3 Years	5 Years	10 Years	Since Inception
Turnover	22.1%	19.1%	16.0%	12.8%
Beta	1.0	0.7	0.8	0.8
Tracking Error (% p.a.)	4.5%	7.7%	6.5%	5.9%
Standard Deviation - Strategy	13.8%	13.8%	11.9%	10.9%
Information Ratio	-1.0	-0.1	0.2	0.4

[6] The data is based on a representative portfolio for the strategy. Refer to the GIPS Disclosure below for further information. Sectors are internally defined. Geographical exposure is by domicile of listing. Exposures may not sum to 100% due to rounding.
[7] The contribution data is actual performance data of a representative portfolio within the Global Core Infrastructure Composite that closely reflects the management style of the strategy. Contributions are denoted in AUD and are cumulative at each period. The characteristics of the representative portfolio may differ from those of the composite and of the other accounts in the composite. Performance is not a consideration in the selection of the representative portfolio. The performance figures above may differ from those of the composite and from other accounts in the composite.
[8] Supplementary Statistical Measures are calculated after fees in AUD against the benchmark[4]

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The Global Infrastructure Benchmark is comprised of the following: from inception to 31 December 2014 the benchmark is UBS Developed Infrastructure & Utilities Net Total Return Index (A$ Hedged) and from 1 January 2015 the benchmark is S&P Global Infrastructure Net Total Return Index (A$ Hedged). The benchmark changed because UBS discontinued their index series. The UBS Developed Infrastructure & Utilities Net Total Return Index (A$ Hedged) is a market capitalisation weighted index that is designed to measure the equity performance of listed Infrastructure and Utility stocks. Index results assume the reinvestment of all distributions of capital gain and net investment income using a tax rate applicable to non-resident institutional investors who do not benefit from double taxation treaties. The index is hedged to Australian dollars.

The S&P Global Infrastructure Net Total Return Index (A$ Hedged) is a market capitalisation weighted index that is designed to track 75 companies from around the world diversified across three infrastructure sectors energy, transportation and utilities. Index results assume the reinvestment of all distributions of capital gain and net investment income using a tax rate applicable to non-resident institutional investors who do not benefit from double taxation treaties. The index is hedged to Australian dollars.

GLOBAL INVESTMENT PERFORMANCE STANDARDS (GIPS®) DISCLOSURE

Magellan Asset Management Limited, doing business as MFG Asset Management in jurisdictions outside Australia and New Zealand, (MFG Asset Management) claims compliance with the Global Investment Performance Standards (GIPS ®)

For the purpose of complying with GIPS, the Firm is defined as all discretionary portfolios managed by MFG Asset Management, excluding brands managed by subsidiaries operating as distinct business entities. MFG Asset Management is a wholly-owned subsidiary of the publicly listed company Magellan Financial Group Limited. MFG Asset Management is based in Sydney, Australia. Total Firm assets is defined as all assets managed by MFG Asset Management, excluding assets managed by subsidiaries operating as distinct business entities.

The Global Core Infrastructure Hedged in AUD composite is a global strategy investing in strictly defined or "pure" infrastructure companies (typically 80-100). The filtered investment universe is comprised of stocks that 1. generate reliable income streams, 2. benefit from inflation protection and have an appropriate capital structure. The investment objective of the strategy is to minimise the risk of permanent capital loss; and achieve superior risk adjusted investment returns over the medium to long-term. The composite is hedged to Australian dollars with Forward contracts. The composite was created in December 2011.

To achieve investment objectives, the composite may also use derivative financial instruments including, but not limited to, options, swaps, futures and forwards. Derivatives are subject to the risk of changes in the market price of the underlying securities instruments, and the risk of the loss due to changes in interest rates. The use of certain derivatives may have a leveraging effect, which may increase the volatility of the composite and may reduce its returns.

A copy of the composite's GIPS compliant presentation and/or the firm's list of composite descriptions are available upon request by emailing client.reporting@magellangroup.com.au.

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The representative portfolio is an account in the composite that closely reflects the portfolio management style of the strategy. Performance is not a consideration in the selection of the representative portfolio. The characteristics of the representative portfolio may differ from those of the composite and of the other accounts in the composite. Information regarding the representative portfolio and the other accounts in the composite is available upon request.

AUD is the currency used to calculate performance.

Strategy Commentary

3 months

The strategy recorded a negative return for the quarter ended 30 June, with long-term bond rates rising in several key markets, and political risk escalating after the calling of snap elections in the UK and France.

Stocks that detracted most during the period were Vinci, Cellnex, NextEra Energy and National Grid. France-domiciled airport and toll road operator Vinci declined after French President Macron called a snap election, subsequently raising investor concerns about the potential for unilateral changes to concession contracts. Meanwhile, shares of Spanish communications company Cellnex were pushed lower after a large shareholder completed the sale of a material stake in the company. US utility NextEra Energy fell during the period after the company issued conservative earnings guidance, which underwhelmed some investors who came in with high expectations. UK-based electricity and gas utility National Grid fell as the company 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 positioned itself strongly with regulators who assess proposed capital investment plans. However, investors were caught unawares by the magnitude and timing of the capital raising and this was the key reason for the stock selling off. The capital raise will reduce earnings growth in the short term, albeit with the intention of making longer-term earnings growth more secure.

Some of the largest stock contributors over the period were Public Service Enterprise Group, Southern Company and Aena. Increased investor appetite for US utility Public Service Enterprise Group pushed shares higher as the company pointed to meaningful earnings upside. Management attributed this to higher power prices, the potential for long-term generation power purchase agreements (PPAs) with data centres at premium prices, and constructive regulatory read-throughs for its regulated business. Shares of US utility Southern Company rose after reporting a positive quarterly earnings result. Results were supplemented by the outlook for additional generation load growth opportunities, as well as a de-risked regulatory environment. Spanish airport operator Aena lifted after reporting strong Q1 earnings during the period, which were driven by robust passenger traffic and new duty-free contracts coming into force, as well as good cost control.

12 months

The strategy recorded a negative return for the 12 months ended 30 June, as long-term bond rates rose in several key markets, and political risk escalated following the calling of snap elections in the UK and France.

Some of the largest stock detractors over the year were Cellnex, Transurban and Eversource. Shares of Spanish communications company Cellnex traded down over the period as bond yields in Europe moved higher, also adding to investor concerns about the company's debt levels. Cellnex shares were also negatively affected by the sale of a material stake in the company by a large shareholder. Australian toll road company Transurban fell on the back of higher rates as well as a government-backed review of toll roads in one of its key markets, New South Wales. The review created some uncertainty despite both the NSW Government and the interim report reiterating that existing contracts need to be honoured. Shares of US utility Eversource – in addition to the negative impact of rising US bond yields – were affected by adverse regulatory developments in Connecticut, a jurisdiction accounting for approximately 30% of the company's earnings. This also compounded Eversource's write-downs of its unregulated offshore wind assets, the sale process for which was significantly delayed.

Stocks that contributed most during the period were Ferrovial, Aena and Public Service Enterprise Group. Spain-domiciled road and airport operator Ferrovial rose following the announcement of a higher-than-expected toll increase at its key 407 ETR asset, the sale announcement of most of its stake in Heathrow airport at well above market expectations, and the completion of the company's dual listing in the United States. Meanwhile, shares of Spanish airport operator Aena lifted following robust monthly traffic growth and strong guidance for the 2024 summer season. Increased investor appetite for US utility Public Service Enterprise Group pushed shares higher as the company pointed to meaningful earnings upside. Management attributed this to higher power prices, the potential for long-term generation PPAs with data centres at premium prices, and constructive regulatory read-throughs for its regulated business.

Index movements and stock contributors/detractors are based in local currency terms unless stated otherwise.

Portfolio Positioning

Two companies were added to the strategy during the financial year – Chorus (CNU) and NextEra Energy (NEE). NextEra Energy (US utility) and Chorus (New Zealand-based communications company) were added to the strategy after meeting Magellan's infrastructure earnings test (i.e. that more than 75% of underlying earnings are derived from Magellan-defined infrastructure sources).

Outlook

While the investment performance of the strategy has been affected in recent years by changes in inflation and interest rates the underlying financial performance of the businesses the strategy has invested in remains sound. We are confident that the underlying businesses we have included in our defined universe and in our investment strategy will prove resilient over the longer term. We regard the businesses we invest in to be of high quality and, while short-term movements in share prices reflect issues of the day, we expect that share prices in the longer term will reflect the underlying cash flows leading to investment returns consistent with our expectations.

The strategy seeks to provide investors with attractive risk-adjusted returns from infrastructure securities. It does this by investing in a portfolio of listed infrastructure companies that meet our strict definition of infrastructure. We believe that infrastructure assets, with requisite earnings reliability and a linkage of earnings to inflation, offer attractive, long-term investment propositions. Furthermore, we believe the resilient nature of earnings and the structural linkage of those earnings to inflation means that investment returns typically generated by infrastructure stocks are different from standard asset classes and offer investors diversification when included in an

investment portfolio. In the current uncertain economic and investment climate, the historically reliable financial performance of infrastructure investments makes them attractive, and an investment in listed infrastructure has the potential to reward patient investors with a long-term time frame.