

Magellan Select Infrastructure (AUD Hedged)

AS AT 30 JUNE 2025

PORTFOLIO MANAGERS

BEN MCVICAR, CFA, OFER KARLINER, CFA AND DAVID COSTELLO, CFA

INVESTMENT PHILOSOPHY	OBJECTIVE	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.	Concentrated 20-40 stock portfolio applying MFG Asset Management's proprietary infrastructure classification. Valuation driven benchmark-unaware strategy. Highly defensive, inflation-linked exposure.

MAGELLAN SELECT INFRASTRUCTURE (AUD HEDGED)

TOTAL STRATEGY ASSETS	TOTAL INFRASTRUCTURE ASSETS ¹	INCEPTION DATE
AUD \$6,489.9 million	AUD \$16,393.9 million	01 July 2007

AUD PERFORMANCE²

	3 Months (%)	1 Year (%)	3 Years (% p.a.)	5 Years (% p.a.)	10 Years (% p.a.)	Since Inception (% p.a.)
Composite (Gross)	7.0	21.3	6.8	7.4	8.3	8.5
Composite (Net)	6.8	20.3	6.0	6.6	7.4	7.6
Global Infrastructure Benchmark ³	6.7	23.7	10.0	11.3	6.9	6.1
Excess (Gross)	0.3	-2.4	-3.2	-3.9	1.4	2.4
MSCI World NTR Index (A\$ Hedged)*	9.4	13.4	16.7	13.5	10.4	8.2

CALENDAR YEAR RETURNS ²	CYTD (%)	2024 (%)	2023 (%)	2022 (%)	2021 (%)	2020 (%)	2019 (%)	2018 (%)	2017 (%)	2016 (%)	2015 (%)	2014 (%)	2013 (%)	2012 (%)	2011 (%)
Composite (Gross)	11.9	7.6	4.6	-5.0	16.6	-10.7	26.8	0.6	18.9	7.8	12.6	24.0	19.1	16.8	12.4
Composite (Net)	11.4	6.8	3.8	-5.8	15.7	-11.4	25.8	-0.2	18.0	7.0	11.7	23.0	18.2	15.9	11.5
Global Infrastructure Benchmark ³	10.4	17.6	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
Excess (Gross)	1.5	-10.0	1.2	-6.3	2.9	1.2	1.5	7.3	4.5	-6.3	18.0	1.1	0.6	7.7	7.7
MSCI World NTR Index (A\$ Hedged)*	6.6	20.5	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

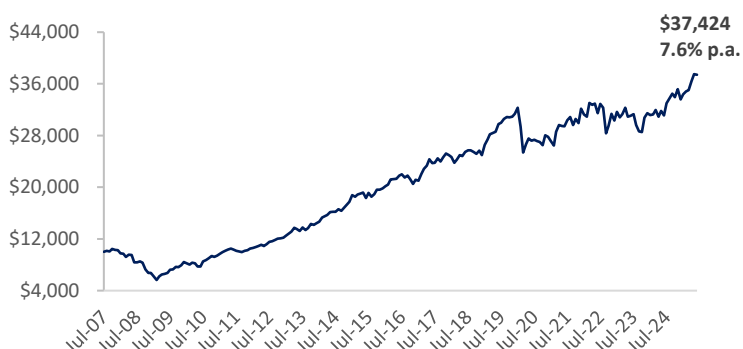
Past performance does not predict future returns.

STRATEGY FUNDAMENTALS⁴

Number of Holdings	29
Dividend Yield (%)	3.9
P/E Ratio (1 year forward)	17
EBITDA multiple (historic)	12.4
EPS Growth (%) (next 3 years)	5.4
Carbon Intensity (CO ₂ t/US\$1m revenue)*	462

* 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 Select 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 1 July 2007. 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 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.

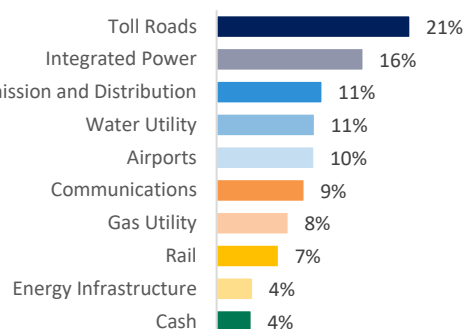
⁴ The data is based on a representative portfolio for the strategy. Refer to the Important Notice below for further information.

* 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/.

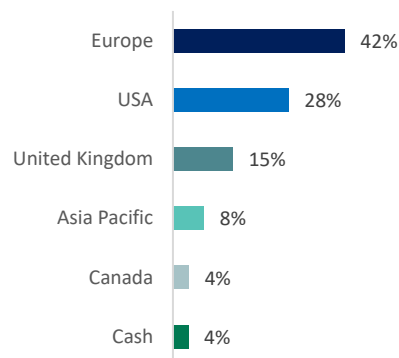
TOP 10 HOLDINGS⁵

STOCK	SECTOR	%
Aena SME SA	Airports	6.7
Severn Trent	Water Utility	5.7
Ferrovial SE	Toll Roads	5.5
Vinci SA	Toll Roads	5.3
Cellnex Telecom SA	Communications	4.9
United Utilities Group Plc	Water Utility	4.8
Italgas SpA	Gas Utility	4.1
Dominion Energy Inc	Integrated Power	4.1
National Grid Plc	Transmission and Distribution	4.1
Transurban Group	Toll Roads	3.9
TOTAL:		49.1

SECTOR EXPOSURE⁵



GEOGRAPHICAL EXPOSURE⁵



CONTRIBUTION HIGHLIGHTS⁶

1 YEAR		5 YEARS		10 YEARS	
TOP 5	CONTRIBUTION (%)	TOP 5	CONTRIBUTION (%)	TOP 5	CONTRIBUTION (%)
Aena	2.6	Aena	6.1	Transurban	10.2
Vinci	2.6	Ferrovial	6.0	Crown Castle	7.7
Ferrovial	2.4	Vinci	5.4	American Water	7.4
Italgas	2.2	Enbridge	4.2	Ferrovial	6.0
Severn Trent	1.7	National Grid	3.7	WEC Energy	6.0
BOTTOM 5	CONTRIBUTION (%)	BOTTOM 5	CONTRIBUTION (%)	BOTTOM 5	CONTRIBUTION (%)
Canadian National Railway	-0.1	FirstEnergy	-0.9	SES	-2.8
CSX	-0.1	Crown Castle	-0.7	FirstEnergy	-1.2
Southern Company	0.0	Vopak	-0.4	Eutelsat Communications	-0.8
Evergy	0.1	Aguas Adinas	-0.3	Fraport	-0.7
Groupe ADP	0.2	APA Group	-0.2	Canadian National Railway	-0.1

SUPPLEMENTARY STATISTICAL MEASURES⁷

	3 Years	5 Years	10 Years	Since Inception
Turnover	18.9%	19.7%	16.9%	12.0%
Beta	1.0	0.9	0.8	0.8
Tracking Error (% p.a.)	4.4%	5.5%	6.0%	7.3%
Standard Deviation - Strategy	13.4%	12.9%	12.1%	12.5%
Information Ratio	-0.9	-0.9	0.1	0.2

⁵ 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.

⁶ The contribution data is actual performance data of a representative portfolio within the Global Select Infrastructure Hedged to AUD Composite that closely reflects the management style of the strategy. Contributions are denoted in AUD and are cumulative for 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.

⁷ Supplementary Statistical Measures are calculated after fees in AUD against the benchmark³

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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 Select Infrastructure Hedged in AUD composite is a concentrated global strategy investing in strictly defined or "pure" infrastructure companies, (typically 20-40). The filtered investment universe is comprised of stocks that 1. generate reliable income streams 2. benefit from inflation protection and 3. 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 portfolios are 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.

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Strategy Commentary

The strategy recorded a positive return in the June quarter as ongoing concerns on erratic US policy decisions, including the potential impact of tariffs on the US and global economies, as well as geopolitical tensions in the Middle East, drove investor demand for high-quality, defensive assets.

Key contributors for the quarter included the investments in United Utilities, Italgas and Ferrovial. UK water utility United Utilities performed strongly amidst a flight to safety in the aftermath of the announcement of the Trump administration's Liberation Day tariffs and as the company guided to FY26 earnings materially ahead of consensus expectations. Shares in Italgas, Italy's largest gas distributor, rose as the company continued to complete its acquisition of 2i Rete Gas with a EUR 1bn rights issue in June 2025. Toll road and airport operator Ferrovial gained on a strong March quarter 2025 earnings report that reflected robust results across its business divisions.

The key detractors for the quarter were WEC Energy, Xcel Energy and Enbridge. For WEC Energy, a major US integrated power company, the stock gave back some of its strong prior gains in 1Q25, as a recovery in markets from mid-April 2025 tempered demand for defensives. Similarly for Xcel Energy, another US integrated power company, rising yields and better market sentiment were headwinds following strong performance in the months prior. Uncertainty on the rollback of renewable energy tax credits was also a net negative for these two stocks, albeit very marginal. Shares in Canadian energy infrastructure company Enbridge also declined in the quarter, dipping following a firm run-up in the March quarter of 2025. The company's higher valuation, coupled with the rise in market risk appetite and Canadian bond yields, weighed on performance.

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

Outlook

Notwithstanding our expectations for greater volatility in the short to medium term driven by rapidly shifting policy from the new US administration and geopolitics with implications for economic growth, interest rates and inflation, 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 believe that share prices in the longer term may reflect the underlying cash flows, potentially 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 at discounts to their assessed intrinsic value. 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 our opinion 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.

Stock Story – WEC Energy

(Iowell Amores - Portfolio Manager)



For those wondering why it's a compelling time to be invested in US regulated utilities, investors should look no further than WEC Energy Group (WEC), a US regulated utility with a track record of strong performance on earnings, efficient capital expenditure and sustainable growth. The Wisconsin-based WEC is undertaking the largest capital program in the company's history, fuelled by three structural investment themes -- grid modernisation, energy transition and digital infrastructure expansion. For the US electricity utility sector, these investment themes are projected to drive nearly \$800 billion of investment over the next five years and underpin long-term earnings growth of more than 5% per annum. WEC is expected to be a major participant in these themes, investing \$28 billion of capital and generating an estimated 7% of annual earnings growth until the end of the decade.

Spotlight: I-94 corridor

The Interstate 94 road corridor that runs through WEC's service territory is just a microcosm of these structural trends currently unfolding across the United States. The stretch of highway between Chicago and Milwaukee has become a hotbed for economic growth in the region. Major global consumer brands, pharmaceutical and technology companies have quickly established a presence in the area, building large industrial and manufacturing facilities. Microsoft is one of those companies, investing \$3.3bn to construct a data centre campus that will expand its cloud and AI capabilities by 2026.

WEC is well-positioned for investment to support a structural change in its business

For a regulated utility, capital investment is an important driver of earnings. Under a regulatory framework, the company can deploy investment to grow its capital base and then earn an agreed rate of return on this base. Looking at the three structural trends expected to fuel capital spending plans, and earnings, for WEC, there are some key drivers behind the shift:

Grid modernisation and reliability. WEC Energy is allocating more than a third of its five-year capital plan to upgrade and modernise its electricity transmission and distribution infrastructure across Wisconsin and its other service territories. Driving this are ageing grid assets that no longer meet modern load demands, increased needs to accommodate distributed energy sources, and swelling demand

from industrial load and data centres. Investments to enhance grid resiliency are also enabling WEC to respond to extreme weather events and growing regulatory emphasis on reliability standards.

Renewable energy and clean power generation. To meet its ESG targets of an 80% reduction in carbon emissions by 2030 and net-zero by 2050, WEC is aggressively expanding utility-scale solar, battery storage and wind generation capacity to replace retiring coal units. Stakeholder interest in clean energy procurement, particularly from large commercial and industrial customers, is expected to drive a quadrupling of WEC's carbon-free generation capacity over the next five years. The company's focus on replacing retiring coal capacity with zero-carbon assets also reflects WEC's prudent, long-term approach to cost-effective decarbonisation, all while preserving fuel diversity and regulatory compliance.

Digital infrastructure expansion. The rapid expansion of digital infrastructure is materially increasing electricity demand across multiple US regions, reversing decades of low utility load growth. WEC's service territories are no exception, with the expansion of data centres and digital services adding a robust and relatively recession-resistant source of demand. These facilities require high reliability, significant capacity and predictable pricing – all of which WEC is well-positioned to deliver due to its regulated utility model and strong grid reliability metrics. Moreover, the company's ability to serve large, power-intensive customers with clean energy offerings also enhances future growth opportunities.

Regulatory stability is important for WEC to deliver and realise these investments

These structural changes are significant, and the expected capital spend is also substantial. As a result, the low-risk nature in which the company generates its earnings is attractive to investors. WEC operates within one of the most constructive and transparent regulatory environments in the US, particularly in Wisconsin, where multi-year rate plans, forward test years and timely cost recovery mechanisms provide a high degree of earnings visibility.

The utility benefits from formulaic rate structures and pre-approved infrastructure programs, such as the System Modernization Program, which enable it to earn regulated returns on capital promptly as projects are completed. This regulatory certainty reduces risk for the execution of large-scale investments and ensures access to low-cost funding. Moreover, WEC has maintained consistent regulatory relationships and has a track record of constructive outcomes.

This regulatory setting should bolster investors' confidence in achieving authorised returns – important for infrastructure investors seeking predictable and attractive risk-adjusted returns. Infrastructure, by Magellan's definition, is characterised by those businesses whose cash flows are underwritten by regulation, long-term contracts and indispensable demand. Regulated utilities such as WEC fit firmly in this framework and are a key component of our Strategy.