

# Centuria LifeGoals

## Magellan Infrastructure Fund

**The Fund seeks to achieve attractive risk-adjusted returns over the medium to long term, while reducing the risk of permanent capital loss.**

### Investment Manager

Magellan Asset Management Limited

### Investment Strategy

Magellan believes that an appropriately structured portfolio of 20 to 40 investments can provide sufficient diversification to ensure that investors are not overly correlated to any single company, industry-specific or macroeconomic risk.

Investments that meet such criteria as owning monopoly-like assets that face reliable demand and enjoy predictable cash flows are expected to achieve strong underlying financial performance over medium- to long-term timeframes, which should translate into reliable, inflation-linked investment returns.

### Target Allocation

Global Listed Infrastructure	80-100%
Cash	0-20%

### Performance Returns

Returns to 30/6/2021	1 mth	3 mth	6 mth	1 yr	2 yr
Net Return (%)	-0.61	1.50	3.52	4.44	0.14

Past performance is not a reliable indicator of future performance.

### Performance Graph



A \$10,000 investment in Centuria Magellan Infrastructure Fund made at inception is worth \$10,889 as of 30 June 2021 after all fees and taxes paid within the Investment Option.

### Key Features

APIR Code	OVS0673AU
Minimum Initial Investment	\$500
Minimum Additional Investment Plan	\$100
Minimum Switching Amount	\$500
Minimum Balance	\$500
Contribution Fee	Nil
Annual Management Fee*	1.04%
Performance Fee**	0.16%
Suggested Timeframe	Minimum 5 years

\* Refer to PDS for fee breakdown.

\*\* 10% of the excess return above the higher of the index relative return (S&P Global Infrastructure Index A\$ Hedged Net Total return) and the absolute return hurdle (the 10-year Australian government bonds).

For more information contact Centuria on **1300 50 50 50** or visit [lifegoals.centuria.com.au](http://lifegoals.centuria.com.au) to download the PDS. **Simple Flexible Versatile.**

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## Fund Commentary

The portfolio recorded a positive return in the June quarter when utilities was the only sector of 11 in the MSCI World Index to decline in US dollars. The stocks that contributed the most were the investments in Crown Castle International of the US, American Tower Corp and Transurban of Australia. Crown Castle gained as the owner of 40,000 communications towers and more than 80,000 small cell sites in the US reported solid organic revenue growth of 6.3% for the first quarter, and raised earnings forecasts for the full year due to strong rental revenue and lower borrowing costs. American Tower rose after the company that provides co-location space to wireless carriers across its more than 186,000 communication sites globally announced decent first-quarter earnings and lifted full-year guidance on increased tower use. Transurban climbed after the operator of 21 toll roads in Australia, the US and Canada said that traffic had rebounded to pre-covid-19 levels in areas where pandemic restrictions had been lifted. The stocks that detracted the most were the investments in Eversource Energy and WEC Energy of the US and Sydney Airport. Eversource Energy fell after the Connecticut Public Utility Regulatory Authority slammed the utility that through subsidiaries offers electricity, natural gas and water services for its preparation for and response to

Tropical Storm Isaias that hit in 2020. In a politically charged decision, the authority found that Eversource did not satisfy relevant performance standards, ordered an indefinite reduction of 90 basis points to subsidiary Connecticut Light & Power's authorised return on equity, ordered the opening of a regulatory docket to consider issuing civil penalties against the subsidiary and foreshadowed the disallowance of certain costs that the authority asserts were imprudently incurred were Eversource to seek recovery. Eversource has indicated it will appeal these findings. WEC Energy, which provides electricity and gas across four Midwest states, slid on concerns that utilities were most vulnerable to any rise in interest rates. Sydney Airport declined as Sydney entered its only second city-wide lockdown since the pandemic struck in early 2020. In relative terms, the portfolio outperformed the benchmark index over the quarter despite a strong performance from oilprice-sensitive stocks (that we do not consider infrastructure) because strong performance from communications, toll roads and European utilities more than offset the weakness in US utilities.

Disclaimer: this commentary has been directly sourced from the Magellan Infrastructure Fund's quarterly factsheet available on their website.

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