31 December 2024 - Factsheet

Magellan Infrastructure Fund

Centuria

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

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.

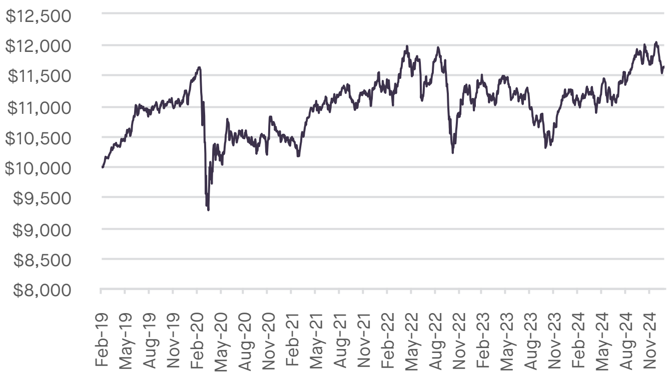
Target Allocation

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

Performance Returns

RETURNS TO 31/12/2024	1 MTH	3 MTH	6 MTH	1 YR	2YR[1]	3YR[1]
Net returns (%)[2]	-3.16%	-1.87%	5.31%	3.97%	2.76%	0.17%

Performance Graph



A $10,000 investment in Centuria Magellan Infrastructure Fund made at inception is worth $11,639 as of 31 December 2024 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[3]	1.04%
Performance Fee[4]	0.16%
Suggested Timeframe	7 years

1. Periods greater than 1 year are expressed in annualised terms.
2. Past performance is not a reliable indicator of future performance.
3. Refer to PDS for fee breakdown.
4. 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** to download the PDS.
Simple Flexible Versatile.

Fund commentary

Market Outlook: Notwithstanding our expectations for greater volatility in the short to medium term driven by inflation and interest rates, 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 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 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.

Portfolio Outlook: The portfolio recorded a negative return in the December quarter as long-term bond rates rose in a number of key markets – including in the US, France and the UK. In the US, the election of the more protectionist Donald Trump increased the risk of more persistent inflation, and Federal Reserve Chairman Jerome Powell expressed the need to be cautious over future rate cuts. In France, political instability caused by the collapse of the minority Barnier government saw French rates spike while concerns about increased spending, borrowing and taxes in the leadup to and following the UK budget pushed rates up.

Key detractors in the quarter were Crown Castle, American Tower and Eversource Energy. US tower companies Crown Castle and American Tower fell on rising rates and higher inflation expectations. Crown Castle was also affected by rumours it may sell its fibre business for a price below market expectations, while American Tower was also affected by a rising US dollar, which reduced the USD valuation of its offshore assets. US transmission and distribution company Eversource fell as it cut full-year earnings guidance on the back of higher-than-expected interest costs, despite maintaining long-term guidance, executing the sale of its interests in offshore wind projects and delivering improvements in its credit metrics.

The key contributors over the quarter were Enbridge, Ferrovial and Xcel Energy. Energy infrastructure company Enbridge lifted as the pro-fossil-fuel Donald Trump was elected in the US, which the market assessed would reduce risk and potentially provide opportunities for the company, and as the third-quarter results and FY25 guidance both came in ahead of consensus expectations. Ferrovial rose as it announced greater-than-expected price increases on its key asset, the 407 ETR in Toronto. US integrated power utility Xcel Energy's share price rose as it lifted long-term EPS guidance backed by capex to meet increasing load growth demands. (Stock contributors/detractors are based in local currency terms unless stated otherwise.)

Disclaimer: This commentary has been directly sourced from Magellan's factsheet available on their website.

Contact Information

Sean Cole

Relationship Manager
Email: sean.cole@centuria.com.au

Jeremy Drake

Distribution Manager
Email: jeremy.drake@centuria.com.au

Paul Roach

Distribution Manager
Email: paul.roach@centuria.com.au

Paul Wilson

Relationship Manager
Email: paul.wilson@centuria.com.au

Centuria Investor Services | 1300 50 50 50 | enquiries@centuria.com.au | **centuria.com.au**