

LF Macquarie Global Listed Infrastructure Securities Fund

- April 2023

LWM FUND SPOTLIGHT

LF MACQUARIE GLOBAL LISTED INFRASTRUCTURE SECURITIES FUND

INVESTMENT OBJECTIVE

To achieve a total return (the combination of income and capital growth), over a typical market cycle (which the Investment Manager defines as five years), after all costs and charges have been taken. To invest directly, at least 80% of its scheme property by value worldwide (including emerging markets) in the shares of infrastructure companies. These are companies that own and operate physical infrastructure assets such as toll roads, airports, railways, electric and gas transmission and distribution, water and sewage.

| | |
|-----------------------|---|
| INCEPTION DATE | 4 th June 2007 |
| FUND FACTSHEET | https://www.trustnet.com/factsheets/O/aba9/lf-macquarie-global-infrastructure-securities/ |

MANAGEMENT

| | |
|---------------------|-------------------------------|
| Manager Name | Start Date |
| Bradford Frishberg | 31 st October 2011 |

RATIO DATA (3-years)

| Alpha | Beta | Max Drawdown | Max Gain | Max Loss | Negative Periods | Positive Periods | Tracking Error |
|-------|------|--------------|----------|----------|------------------|------------------|----------------|
| 5.39 | 1.10 | -9.85 | 12.68 | -7.15 | 64 | 92 | 5.39 |

OTHER DATA

| | |
|------------------|---------------------------|
| Benchmark | S&P Global Infrastructure |
| Fund Size | £71.63 million |
| Fees | 1.18% |

| BULL POINTS (PRO) | BEAR POINTS (CONS) |
|---|---|
| <ul style="list-style-type: none">• Strong recent performance.• Specialist infrastructure team.• Focus on listed infrastructure.• Optional sustainable fund. | <ul style="list-style-type: none">• Crowded market. |

LF Macquarie Global Listed Infrastructure Securities Fund – April 2023

FUND PERFORMANCE

Performance from 31st October 2011 – 31st March 2023

Pricing Spread: Bid-Bid • Data Frequency: Daily • Currency: Pounds Sterling



31/10/2011 - 31/03/2023 Data from FE fundinfo 2023

Cumulative Performance (GBX)

| | 3 Months | 6 Months | 1 Year | 3 Years | 5 Years |
|--------------------|----------|----------|--------|---------|---------|
| Fund | 1.17% | 10.15% | 6.20% | 51.29% | 60.41% |
| Sector | -2.00% | 3.89% | -4.39% | 27.22% | 44.08% |
| Relative to Sector | 3.23% | 6.03% | 11.09% | 18.92% | 11.33% |
| Rank in Sector | 1 / 19 | 1 / 19 | 1 / 18 | 1 / 15 | 4 / 12 |
| Fund Quartile | 1 | 1 | 1 | 1 | 2 |

Performance by Calendar Year in (GBX)

| | YTD | 2022 | 2021 | 2020 | 2019 |
|--------------------|--------|--------|--------|---------|--------|
| Fund | 3.59% | 15.96% | 13.53% | -5.14% | 20.95% |
| Sector | -0.53% | 1.38% | 11.58% | -0.19% | 22.70% |
| Relative to Sector | 4.14% | 14.38% | 1.75% | -4.96% | -1.42% |
| Rank in Sector | 1 / 19 | 1 / 16 | 7 / 15 | 11 / 15 | 7 / 14 |
| Fund Quartile | 1 | 1 | 2 | 3 | 2 |

Discrete Annual Performance to Last Quarter End (GBX)

| | 0-12m | 12m-24m | 24m-36m | 36m-48m | 48m-60m |
|--------------------|--------|---------|---------|---------|---------|
| Fund | 5.09% | 22.38% | 20.74% | -10.65% | 16.22% |
| Sector | -5.49% | 15.37% | 19.82% | -5.25% | 17.06% |
| Relative to Sector | 11.20% | 6.08% | 0.76% | -5.70% | -0.71% |
| Rank in Sector | 1 / 18 | 2 / 16 | 6 / 15 | 11 / 14 | 8 / 10 |
| Fund Quartile | 1 | 1 | 2 | 4 | 4 |

Fund Price Movement (GBX)

| | | | |
|---------------|----------------|--------------|----------------|
| 12 Month High | 314.50 (Pence) | 12 Month Low | 275.78 (Pence) |
|---------------|----------------|--------------|----------------|

Annualised Ratios Over 36 Months

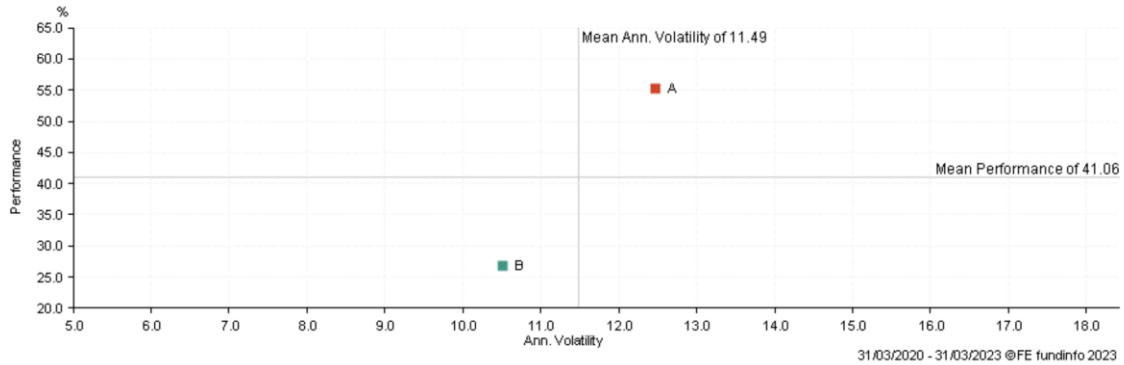
| | Alpha | Beta | Sharpe | r ² | Volatility |
|---------------|-------|------|--------|----------------|------------|
| Fund | 4.98 | 1.12 | 0.99 | 0.84 | 12.47 |
| Fund Quartile | 1 | 2 | 1 | 1 | 3 |

Please note that past performance is not a reliable indicator of future returns, and the value of your investments can fall as well as rise. The total return reflects performance without sales charges or the effects of taxation but is adjusted to reflect all on-going fund expenses and assumes reinvestment of dividends and capital gains. If adjusted for sales charges and the effects of taxation, the performance quoted would be reduced.

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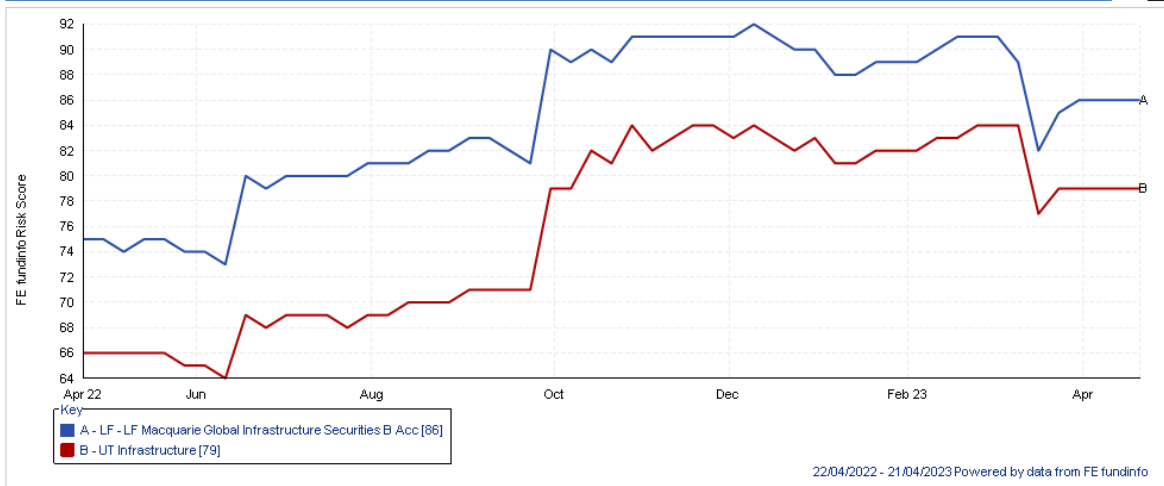
VOLATILITY

Pricing Spread: Bid-Bid • Currency: Pounds Sterling



| Key | Name | Performance | Annualised Volatility |
|-----|---|-------------|-----------------------|
| A | LF - Macquarie Global Infrastructure Securities B Acc in GB | 55.28 | 12.47 |
| B | MSCI World Infrastructure TR in GB | 26.84 | 10.51 |

FE fundinfo Risk Score Chart Over 1 Year

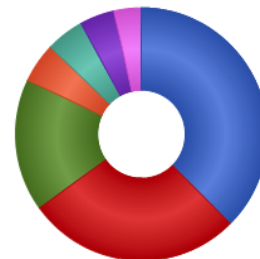


SECTOR WEIGHTINGS

Sector Weightings as at March 31, 2023

| Rank | Change | Name | % |
|------|--------|-----------------------------|-------|
| 1 | ▲ | UTILITIES | 37.51 |
| 2 | ▼ | TELECOM, MEDIA & TECHNOLOGY | 27.53 |
| 3 | ■ | BASIC MATERIALS | 17.00 |
| 4 | ▲ | WATER | 5.08 |
| 5 | ▲ | MONEY MARKET | 4.92 |
| 6 | ▼ | TRANSPORT | 4.45 |
| 7 | ▼ | ELECTRICITY SUPPLY | 3.51 |

▼ Faller ▲ Riser ► No Change ■ New Entry



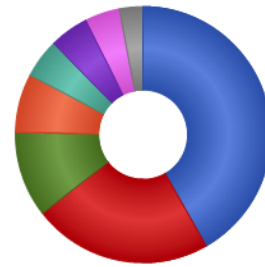
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REGION WEIGHTINGS

Region Weightings as at March 31, 2023

| Rank | Change | Name | % |
|------|--------|---------------|-------|
| 1 | ► | NORTH AMERICA | 41.75 |
| 2 | ► | EUROPE EX UK | 22.71 |
| 3 | ► | UK | 10.85 |
| 4 | ► | AUSTRALASIA | 7.41 |
| 5 | ► | AMERICAS | 4.92 |
| 6 | ▲ | MONEY MARKET | 4.92 |
| 7 | ▼ | JAPAN | 4.45 |
| 8 | ► | PACIFIC BASIN | 2.98 |

▼ Faller ▲ Riser ► No Change ■ New Entry



TOP TEN HOLDINGS

Top 10 Holdings as at March 31, 2023

| Rank | Change | Name | % | Sector Ranking* |
|--------------|--------|--------------------------------|--------------|-----------------|
| 1 | ► | AENA S.M.E. SA | 5.52 | n/a |
| 2 | ► | NEXTERA ENERGY INC | 5.19 | n/a |
| 3 | ► | ENBRIDGE INC. | 4.73 | n/a |
| 4 | ► | TRANSURBAN GROUP | 4.00 | n/a |
| 5 | ► | AMERICAN ELECTRIC POWER CO INC | 3.92 | n/a |
| 6 | ▲ | NATIONAL GRID PLC | 3.73 | n/a |
| 7 | ▼ | ENAV S.P.A. | 3.47 | n/a |
| 8 | ▲ | KINDER MORGAN INC DELAWARE | 3.17 | n/a |
| 9 | ▼ | SSE PLC | 3.07 | n/a |
| 10 | ► | SEVERN TRENT PLC | 3.00 | n/a |
| Total | | | 39.80 | |

* This is the holding ranking within the fund sector composite portfolio (calculated from all available concurrent full portfolios of funds within the sector).

[Click here for full portfolio holdings as at 28/02/2023](#)

▼ Faller ▲ Riser ► No Change ■ New Entry



FACTOR PROFILE

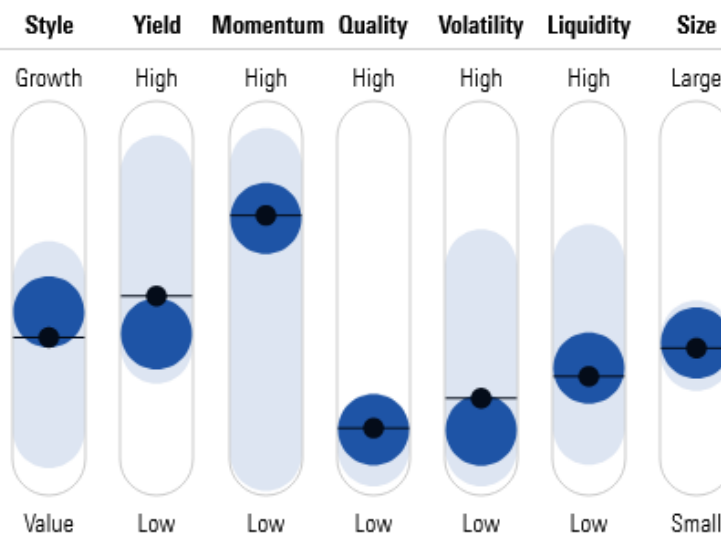
Factor Profile

1-Yr

3-Yr

5-Yr

vs. Category ▼



● LF Macquarie Global Infrs Secs B Acc
● 5-Yr Historical Range
● Category Average

Investment as of 28 Feb 2023 | Category: Sector Equity Infrastructure as of 31 Jan 2023

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STYLE MEASURES (MARKET CAP)

Style Measures

Measures

Market Cap

Avg Market Cap

18.53 Bil

Category Avg Market Cap

23.29 Bil

Index Avg Market Cap

27.70 Bil

| Size | Investment % | Cat. Average % | Index % |
|-------|--------------|----------------|---------|
| Giant | 8.60 | 6.37 | 9.36 |
| Large | 54.94 | 44.84 | 56.54 |
| Mid | 31.38 | 34.04 | 28.31 |
| Small | 5.09 | 4.81 | 5.56 |
| Micro | 0.00 | 0.24 | 0.07 |

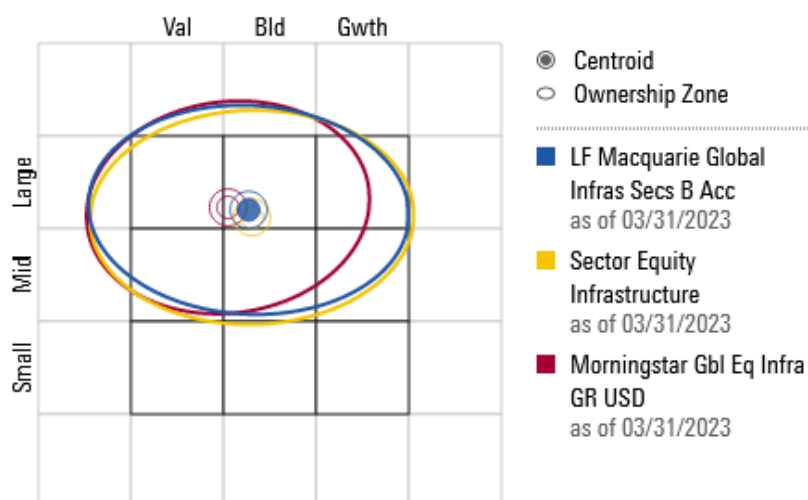
GBP | As of 31 Mar 2023 | Category: Sector Equity Infrastructure | Index: Morningstar Gbl Eq Infra GR USD | Data is based on the long position of the equity holdings.

Stock Style

Map

Weight

Historical









LF Macquarie Global Listed Infrastructure Securities Fund – April 2023

LWM FUND ANALYSIS

Macquarie are a global financial group based in Australia. Although this strategy is not a sustainable option, Macquarie are a signatory of the Principles for Responsible Investment (PRI).

They list the opportunities within the space as follows:

| | |
|--|--|
|  <p>Net Zero in Focus Countries accounting for 70% of global emissions have set net zero pledges. Infrastructure is expected to have the largest single impact on decarbonisation.</p> |  <p>Energy Security of Supply Europe is embarking on a material program to secure primary energy independence.</p> |
|  <p>Value Opportunities Retracement in share prices in certain markets provide material value opportunities. Potential for private side activity in listed markets.</p> |  <p>Global Investment Historical under-investment in infrastructure is leading to a cycle of renewal in developed countries</p> |
|  <p>Inflation and Energy Prices Direct passthrough of inflation into higher revenues a key tenet of infrastructure asset class. We avoid direct commodity price exposure.</p> |  <p>Market Volatility infrastructure assets are seen as relative safe havens during periods of market volatility due to their essential service nature and regulated or contracted revenues.</p> |

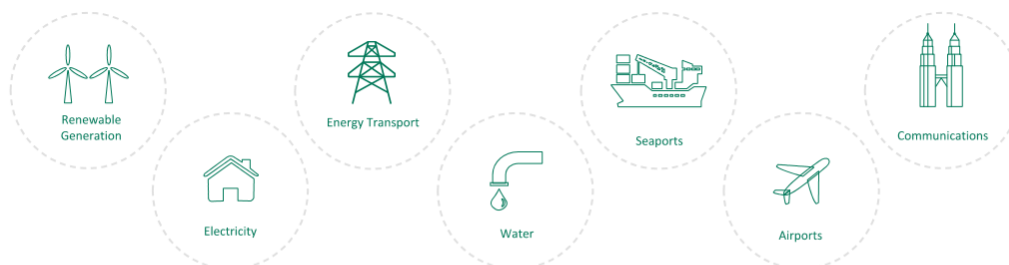
Many of these are inflation proof assets via the contracts the companies have in place. There are effectively three routes for inflation linking:

- Concession agreements that allow for inflation to be passed through to end users,
- Regulation that allows a real return to be earned on the company's asset base, or
- Fees negotiated through contracts are adjusted for inflation.




64% of the holdings have investments with inflation linkage.

The strategy aims to provide a globally diversified mix of assets across countries and sectors. The main sectors include transportation, utilities, energy infrastructure and digital infrastructure. The strategy will only invest in listed securities; it does not hold listed investment companies or unlisted assets.

They look to invest in physical structures and networks that provide services essential to our daily lives and economic growth.



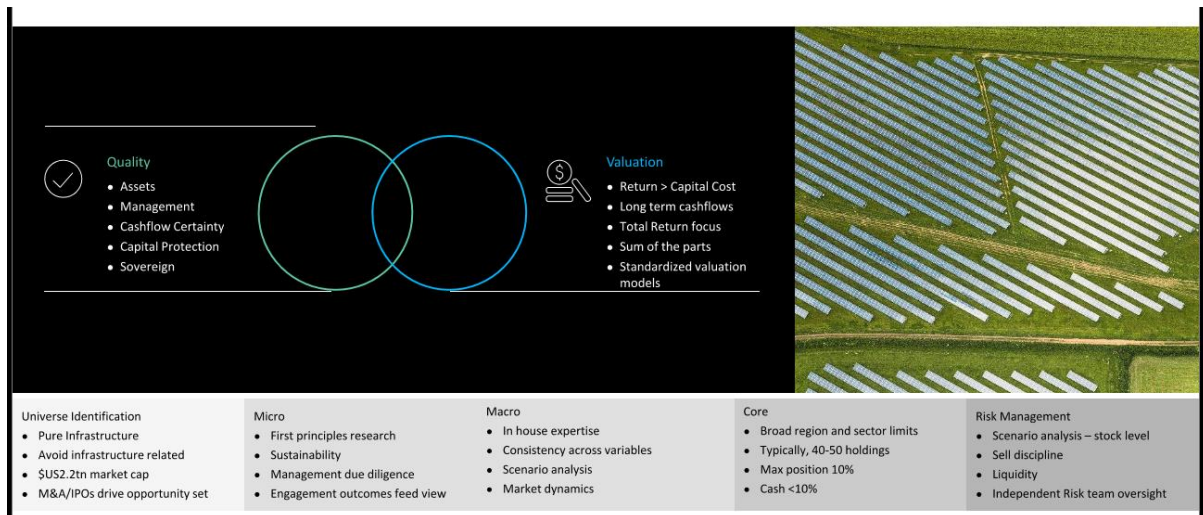
...and have special characteristics

| | | |
|---|--|---|
| Strong strategic position  <ul style="list-style-type: none"> • High barriers exist creating an “economic moat” that dampens competitive pressures | Stable & predictable cash flows  <ul style="list-style-type: none"> • Special characteristics have historically led to more stable cash flow generation | Inflation-linkage  <ul style="list-style-type: none"> • Contractual, formulaic relationship to inflation |
|---|--|---|

Areas they avoid include construction, raw materials, engineering firms and companies with direct links to commodity price volatility.

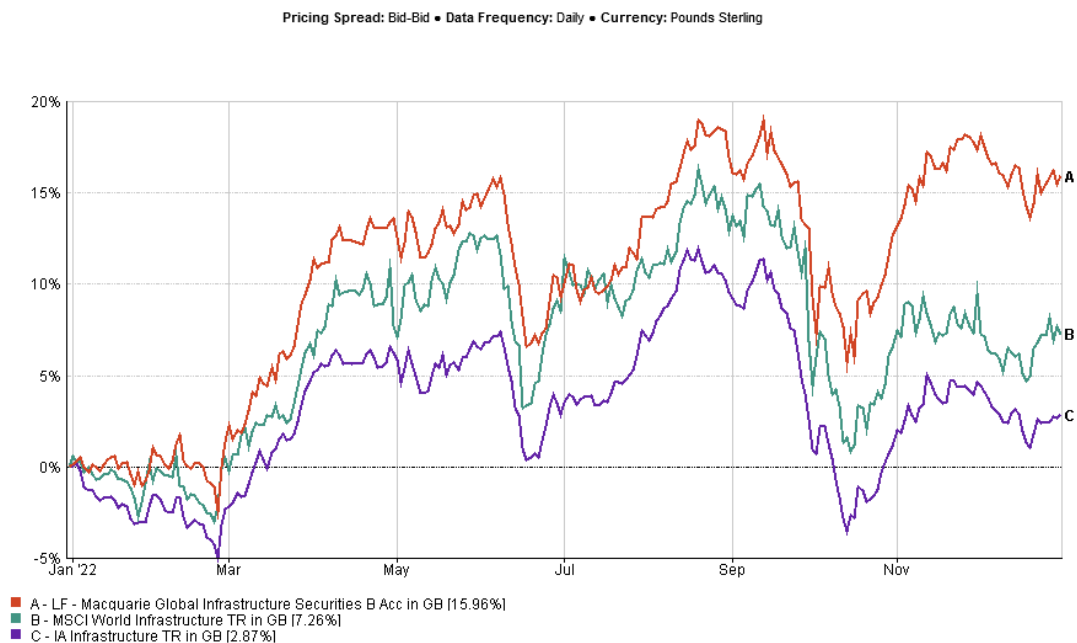
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The investment process is shown below:



One example holding they discussed was Transurban, who build and operate toll roads in Melbourne, Sydney, and Brisbane as well as in Greater Washington, United States and Montreal, Canada. They have strong free cash flows projected into the future and have a track record of paying out nearly 100% of free cash flows as dividends.

This strategy has been able to blend styles and therefore it was able to perform well in 2022 where other strategies struggled.



31/12/2021 - 30/12/2022 Data from FE fundinfo2023

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They also discussed a previous holding, PLUS Expressways, who are the largest toll road operator in South-East Asia. Under the contract with the Government, they could increase the tolls by 10% every three years until 2038. They had a clause which would provide them with compensation at a material premium to the market value if anything changed. The Government froze the tolls and had to compensate the company, which was then eventually taken over.

This is an example of understanding the asset and the protection they have in place. More recently they had sold Sydney Airport. With COVID they were able to buy back in at \$5. They were not making a macro but more a view that things would change in the future. The airport was taken over and they received \$8.75 for each share.

Fundamentally, they are looking to buy quality assets and understand the risk / reward profile.

Below is a snapshot of the strategy:

Portfolio Overview – Core (January 2023)

| Region | Country | Portfolio (%) | Index (%) | Tilt (%) |
|-------------------------|----------------|---------------|-------------|-------------|
| North America | | 42.1 | 50.0 | -7.9 |
| | Canada | 9.3 | 10.2 | -1.0 |
| | United States | 32.8 | 39.8 | -6.9 |
| Europe | | 34.2 | 21.1 | 13.1 |
| | United Kingdom | 10.3 | 2.0 | 8.3 |
| | Italy | 9.3 | 2.4 | 6.9 |
| | Spain | 10.6 | 7.7 | 2.9 |
| | Denmark | 1.0 | 0.0 | 1.0 |
| | Netherlands | 1.0 | 0.0 | 1.0 |
| | Belgium | 0.0 | 0.1 | -0.1 |
| | Switzerland | 0.0 | 1.5 | -1.5 |
| | Germany | 0.0 | 2.3 | -2.3 |
| | France | 2.0 | 5.1 | -3.1 |
| Asia Pacific | | 12.6 | 16.0 | -3.2 |
| | Japan | 4.4 | 2.2 | 2.3 |
| | Singapore | 0.0 | 0.9 | -0.9 |
| | New Zealand | 1.0 | 3.0 | -1.9 |
| | Australia | 7.2 | 9.9 | -2.7 |
| Emerging Markets | | 8.4 | 12.9 | -4.5 |
| | Brazil | 0.6 | 0.8 | -0.2 |
| | Mexico | 4.6 | 6.2 | -1.6 |
| | China | 3.2 | 5.9 | -2.7 |
| Cash | Cash | 2.7 | | |

| | Portfolio | Index |
|--|-----------|-------|
| Weighted Average Market Cap (USD bn) | 36.0 | 37.0 |
| Weighted Average Dividend Yield ² | 4.1% | 4.1% |
| Number of Positions | 44 | 74 |
| Beta (to S&P Global Infrastructure Index) ² | 1.0 | |
| Tracking Error (ex ante) ² | 3.3% | |
| % of Portfolio in MSCI ESG BBB or above | 96 | 86 |

¹Sector classification based on Macquarie-defined sectors. ²One year forward looking estimates calculated by Bloomberg. Source: Macquarie, Bloomberg. All data is of 31 January 2023. Totals of weightings may not equate to exactly 100% due to rounding. Index shown is the S&P Global Infrastructure Index. Actual portfolio composition may vary. Holdings and characteristics are based on a representative portfolio.

Global Listed Infrastructure 22Q3
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| Group | Sector ¹ | Portfolio (%) | Index (%) | Tilt (%) |
|--------------------------|----------------------------------|---------------|-------------|-------------|
| Regulated Utility | | 45.0 | 39.0 | 5.9 |
| | Electric Utility | 33.1 | 29.1 | 4.0 |
| | Water | 4.5 | 1.4 | 3.0 |
| | Electricity Transmission | 2.6 | 0.0 | 2.6 |
| | Electricity Generation | 1.0 | 1.6 | -0.6 |
| | Electricity And Gas Distribution | 3.8 | 6.9 | -3.1 |
| User Demand | | 31.2 | 37.1 | -6.0 |
| | Toll Roads | 13.5 | 9.8 | 3.7 |
| | Rail / Other Transportation | 4.4 | 3.0 | 1.4 |
| | Seaports | 1.0 | 2.3 | -1.4 |
| | Airports | 12.3 | 22.0 | -9.7 |
| Energy Infra | Energy Infrastructure | 17.9 | 19.7 | -1.8 |
| Other | | 3.2 | 4.2 | -1.0 |
| | Communications Infrastructure | 3.2 | 0.0 | 3.2 |
| | Other | 0.0 | 4.2 | -4.2 |
| Cash | Cash | 2.7 | | |

| Top 5 Overweight Positions | | | |
|----------------------------|-----|-----|-----|
| Enav SpA | 3.6 | 0.5 | 3.1 |
| SSE Plc | 3.1 | 0.0 | 3.1 |
| Severn Trent Plc | 3.0 | 0.0 | 3.0 |
| Aleatica SAB de CV | 2.8 | 0.0 | 2.8 |
| PPL Corp | 2.7 | 0.0 | 2.7 |

| Top 5 Underweight Positions | | | |
|-----------------------------|-----|-----|------|
| Duke Energy Corp | 0.0 | 3.2 | -3.2 |
| Getlink SE | 0.0 | 3.0 | -3.0 |
| Southern Co/The | 0.0 | 2.9 | -2.9 |
| Grupo Aeroportuario SUR-ADR | 0.0 | 2.8 | -2.8 |
| Williams Cos Inc | 0.0 | 2.4 | -2.4 |

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– April 2023

In summary, this strategy may appeal to those who want some exposure to green infrastructure but don't want the restrictions of a full sustainable strategy. Where other strategies have struggled due to different styles being in favour, this has managed to perform strongly due to its blended approach, and reflects the aim to provide an all weather option for investors.

The source of information in this note has been provided by Macquarie and is correct as of April 2023. These are notes from meeting the fund manager or representative and should not be seen as a recommendation to purchase any fund mentioned. Any reference to shares is not a recommendation to buy or sell. Should you wish to make a decision based on these notes we cannot take responsibility for this, and you should carry out your own research before making a decision. We would also recommend that you receive advice before following up on any decision.

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