

Magellan Infrastructure Fund (Currency Hedged) - Active ETF

TICKER: MICH | ARSN: 612 467 580

AS AT 30 JUNE 2026

PORTFOLIO MANAGERS

BEN MCVICAR, CFA AND OFER KARLINER, CFA

INVESTMENT PHILOSOPHY	OBJECTIVE	PORTFOLIO CONSTRUCTION	INVESTMENT RISKS
To prudently invest in outstanding infrastructure and utilities companies at attractive prices that exhibit highly predictable cashflows.	The Fund aims to achieve attractive risk-adjusted returns, after fees, over the medium to long-term, while reducing the risk of permanent capital loss.	Relatively concentrated portfolio of typically 20 to 40 investments. Typical cash and cash equivalents exposure between 0 - 10%.	All investments carry risk, returns are not guaranteed and there is a risk that investors may lose money on any investment they make. The Fund's Product Disclosure Statement (PDS) sets out the significant risks relevant to the Fund. You can view the PDS at www.magellaninvestmentpartners.com

MAGELLAN INFRASTRUCTURE FUND (CURRENCY HEDGED) - ACTIVE ETF: KEY PORTFOLIO INFORMATION

TICKER	FUND SIZE	BUY/SELL SPREAD	MANAGEMENT AND PERFORMANCE FEES ¹	INCEPTION DATE
MICH	AUD \$517.6 million	Nil	1.05%, and performance fee of 10% of dual hurdle excess return [^]	19 July 2016

[^] 10.0% of the excess return of the units of the Fund above the higher of the Index Relative Hurdle (S&P Global Infrastructure Index A\$ Hedged Net Total Return) and the Absolute Return Hurdle (the yield of 10-year Australian Government Bonds). Additionally, the Performance Fees are subject to a high water mark.

PERFORMANCE²

	1 MONTH (%)	3 MONTHS (%)	1 YEAR (%)	3 YEARS (% p.a.)	5 YEARS (% p.a.)	7 YEARS (% p.a.)	Since Inception (% p.a.)
MICH	1.0	3.7	15.2	11.4	7.8	5.3	6.9
S&P Global Infrastructure Index A\$ Hedged Net Total Return	2.7	2.0	17.3	15.4	11.3	7.7	7.9
Excess	-1.7	1.7	-2.1	-4.0	-3.5	-2.4	-1.0

CALENDAR YEAR RETURNS	CYTD (%)	2025 (%)	2024 (%)	2023 (%)	2022 (%)	2021 (%)	2020 (%)	2019 (%)	2018 (%)	2017 (%)	2016 (part year)
MICH	10.3	16.3	6.5	3.7	-6.0	15.2	-11.2	25.5	-0.4	17.5	-2.8
S&P Global Infrastructure Index A\$ Hedged Net Total Return	10.6	17.2	17.6	3.4	1.3	13.7	-11.9	25.3	-6.7	14.4	-0.4
Excess	-0.3	-0.9	-11.1	0.3	-7.3	1.5	0.7	0.2	6.3	3.1	-2.4

Past performance is not a reliable indicator of future performance.

PERFORMANCE CHART GROWTH OF AUD \$10,000²



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¹ Transaction costs may also apply – refer to the Product Disclosure Statement. All fees are inclusive of the net effect of GST.

² Calculations are based on NAV prices with distributions reinvested, after ongoing fees and expenses but excluding individual tax, member fees and entry fees (if applicable). Returns denoted in AUD.

TOP 10 HOLDINGS

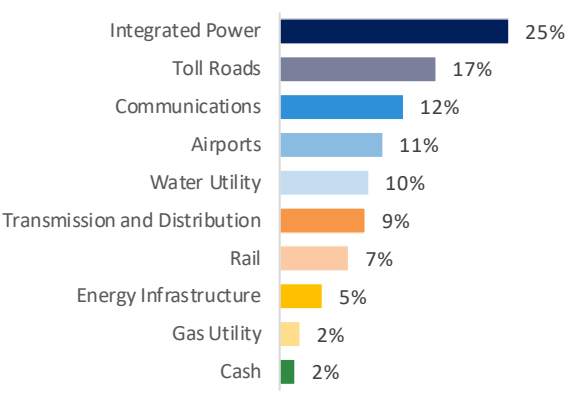
STOCK	SECTOR ³	%
Aena	Airports	7.1
United Utilities	Water Utility	4.9
Cellnex Telecom	Communications	4.8
Severn Trent	Water Utility	4.7
Vinci	Toll Roads	4.3
Crown Castle	Communications	4.2
CMS Energy	Integrated Power	4.1
Xcel Energy	Integrated Power	4.1
Eergy	Integrated Power	4.1
National Grid	Transmission and Distribution	3.9
TOTAL:		46.2

TOP CONTRIBUTORS/DETRACTORS 1 YEAR⁴

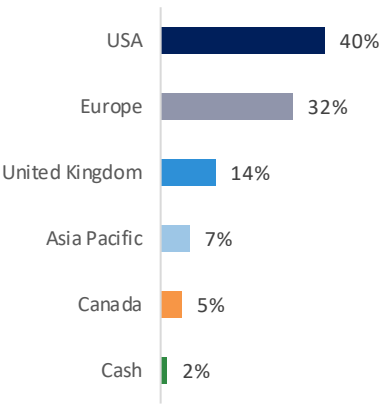
TOP 3 CONTRIBUTORS	CONTRIBUTION TO RETURN (%)
Italgas	1.4
Ferrovial	1.3
Aena	0.9

TOP 3 DETRACTORS	CONTRIBUTION TO RETURN (%)
Cellnex Telecom	-1.5
Crown Castle	-1.1
American Tower	-0.8

SECTOR EXPOSURE³



GEOGRAPHICAL EXPOSURE³



³ Sectors are internally defined. Geographical exposures are by domicile of listing. Exposures may not sum to 100% due to rounding.
⁴ Shows how much the stock has contributed to the fund’s gross return for the period in AUD. Excludes non-disclosed positions established in the latest quarter.

Fund Commentary

The fund recorded positive performance overall in the June quarter of 2026. The US war with Iran drove ructions in markets, with initial fears of demand disruptions and outright energy shortages that would affect the infrastructure asset class. Risks of higher oil prices, higher inflation and higher rates also drove near-term headwinds for long duration assets, including listed infrastructure. A US-Iran ceasefire later in the quarter saw a reset in market expectations, which was positive for risk appetite but also proved to be a reprieve from higher yields. For infrastructure, signs of normalisation in demand and the structural tailwinds for these assets were also supportive of performance.

The key contributors to returns were Atlas Arteria, Aena and Canadian National Rail. Australian-domiciled toll road operator Atlas Arteria gained as investor IFM launched a takeover bid for the company at a premium to the existing share price. Spanish airport operator Aena gained in the quarter, with the company demonstrating resilience in the face of major disruptions to global air travel due to the US war with Iran. The company continued to print firm traffic figures and indicated to the market that fuel supply remained uninterrupted across its network. Though the company reported mixed March quarter earnings, with costs rising faster than anticipated, there was nonetheless a solid underlying earnings trend in the results. Canadian National Rail rose, supported by a firm March quarter earnings report and 2Q volumes that materially outperformed management's expectations.

The key detractors were Cellnex, Crown Castle and Sempra. Spanish telecommunications infrastructure company Cellnex declined, with negative market sentiment on news in the quarter of European telco industry consolidation a headwind for the stock. The company also completed its buyback, which reduced demand for the stock. US telecommunications infrastructure company Crown Castle declined also. We suspect this is due to a sentiment shift towards riskier assets, and the market is concerned over the potential disruption of terrestrial wireless service following the SpaceX IPO. At the same time, rising bond yields were a headwind for the stock. US integrated power company Sempra declined despite its release of a solid March quarter result that indicated solid underlying growth in earnings, demand and capex. High market expectations, along with rising energy prices and yield pressures, weighed on the stock for much of the quarter.

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 current 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.

View from the Investment Team

The US war with Iran and accompanying historic dislocations in global energy markets shaped the June quarter of CY2026. As the outlook turned down for economic activity, the expectation for higher inflation increased in the major economies in which we invest. This dynamic saw interest rates move higher; in the first instance through higher long-term government bond yields, and ultimately through central bank rate hikes in some regions. While the risk of higher real interest rates loomed large over listed infrastructure throughout the quarter, the actual realisation of this risk was muted. Contained real interest rates, an economy muddling through and heightened geopolitical uncertainty created an overall supportive environment for listed infrastructure. However, a ceasefire agreement late in the quarter saw the market rotate back towards higher-risk companies, which weighed on sector returns.

From its outset, the risk we saw was the Middle East conflict could drive near-term pain in transport infrastructure investments (airports, toll roads), as an energy price shock, outright fuel shortage concerns and safety concerns (in the case of air travel) disrupted activity. While assets have been affected, the impacts have not been uniform and the hit was shallower than we had expected.

Also noteworthy in the quarter has been the drag on performance from US regulated utilities, including integrated power companies. Higher inflation, AI concerns, regulatory noise and very high market expectations for earnings likely weighed on these stocks in April-May. We see regulated utilities as relatively insulated from the ructions in markets, with dependable demand and regulated returns. These companies also have robust capex plans, fuelled in part by AI-driven demand for data centres and hence power. In our view, the underlying fundamentals of these businesses remain strong, with the structural growth component of these businesses offering an opportunity to investors beyond healthy yield. Their rebound in June 2026 reinforces this view. UK water companies are another example where we've experienced weaker near-term performance but remain positive on the outlook and have confidence in performance as conditions normalise. In this case, rising UK government bond yields, reflecting inflation risks and also political uncertainty, were impactful this quarter, but we continue to see the underlying quality of these businesses as strong.

At this juncture, with a tentative peace deal in place between the US and Iran, the outlook for 2H26 is one of greater stability, with conditions starting to normalise in energy markets and the economy. As the conflict unwinds, our expectation is for better growth prospects, while we expect inflation to remain elevated as the impacts of the war work their way through the system. A cyclical upturn, along with high market optimism for AI, suggests those infrastructure sub-sectors with positive leverage to these trends should do well. Airports and toll roads are well-positioned. US regulated utilities and North American rails could benefit.

On the contrary, should the peace deal fall flat, and energy markets backslide into higher pricing and rising growth and inflation worries, we would continue to expect listed infrastructure to be relatively well-positioned as a defensive asset class with some inflation pass-through. Infrastructure would also be relatively supported should there be jitters in AI, such as another DeepSeek moment. This includes those utilities with AI exposure that have a regulated return on capex to date. Higher real interest rates, should inflation expectations move up significantly, would be a risk to this outlook, and something we are monitoring.

We continue to look for those third-order, or less obvious, impacts from the unwind to the energy market shock, so that we can best-position the portfolio. At the same time, the exogenous nature of the energy market shock serves to clarify the importance of investing in quality companies. As a result, trend identification along with our core focus on definition will be at the centre of what we do in the years ahead as we look to generate durable returns for our clients.

Stock Story – Evergy Energy

(Fiona Wu – Investment Analyst)



With AI a key narrative in markets, the common conception is that infrastructure stocks sit outside of this major growth driver. However, this is not the case. One example is Evergy (EVRG), which offers a regulated channel to capture the US electricity demand upcycle across Kansas and Missouri. The company has exposure to growing power demand across the US, as data centres come online. The investment case has strengthened as demand has moved from pipeline opportunities to signed electricity service agreements (ESAs), supported by large-load tariff protections that reduce the risk of existing customers subsidising new data-centre infrastructure. Together with traditional replacement investment, this makes Evergy's growth opportunity look increasingly transformative rather than merely incremental.

Company snapshot

Evergy is a US regulated electricity utility headquartered in Kansas City, Missouri, with generation, transmission and distribution assets. The company was formed in 2018 through the merger of Great Plains Energy and Westar Energy. Evergy operates primarily through Evergy Kansas Central, Evergy Metro and Evergy Missouri West, serving approximately 1.7 million customers across Kansas and Missouri.

The company's growth outlook has improved materially, driven by large-load demand and grid investment. Importantly, the management team has a track record of disciplined capital allocation, consistent earnings delivery and constructive regulatory engagement, positioning Evergy well to execute through this once-in-a-decade capex cycle.

Demand surge: from pipeline to signed load

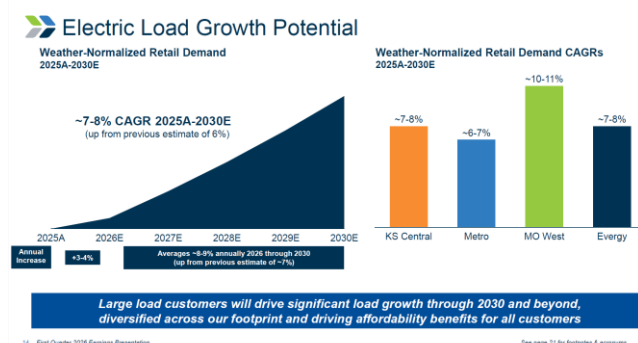
Evergy has become one of the clearer mid-cap regulated utility beneficiaries of the US data-centre demand cycle. The opportunity is increasingly supported by signed large-load ESAs rather than only customer enquiries.

The demand outlook has been upgraded rapidly over the past 12 months. In 3Q25, Evergy was still framing demand growth mainly as upside: its base forecast was 2–3% demand growth until 2029, with potential to lift total retail sales growth to 4–5% if finalising agreements converted.

By 4Q25, the opportunity had started to crystallise. Evergy announced four large-customer ESAs, shifting the story from pipeline to contracted load. Management lifted its long-term demand outlook to ~6% weather-normalised retail demand CAGR for 2025A–2030E, with expected large-customer peak demand of ~2.4 GW.

The story improved again in 1Q26. Evergy signed a fifth ESA with a premier developer and amended two of the original four ESAs, adding incremental contracted load. Management raised its 2025A–2030E weather-normalised retail demand CAGR forecast to ~7–8%, while expected peak large-load demand increased to ~3.0 GW. Beyond the signed ESAs, expansion opportunities and projects in advanced discussions could add a further ~2.5–4.5 GW, providing additional upside to the current demand forecast.

This is meaningful relative to Evergy's current system peak demand of approximately 10.6 GW. A ~3.0 GW large-load opportunity is equivalent to roughly 28% of today's system peak. Demand growth is also broad across the footprint.



Source: Evergy Earnings Presentation 2026

The investment implication is significant. Higher load requires new generation, transmission and distribution investment, supporting Evergy's updated 2026E–2030E capital plan of \$21.6 billion, up 24% from the prior five-year plan. The company expects this capex plan to support ~11.5% rate-base CAGR from 2025E to 2030E, with the customer pipeline and future ESAs potentially driving further investment beyond the current plan. Accordingly, management has upgraded its adjusted EPS (earnings per share) growth outlook to 6–8%+ through to 2030, with more than 8% annual growth expected from 2028, compared with the prior 5–7% target in recent years. For context, a 1 percentage point upgrade is meaningful in the US regulated utility sector.

Regulatory backdrop: improving in Kansas and Missouri

Importantly, the quality of this demand opportunity is strengthened by improving regulatory frameworks in Kansas and Missouri. Both Kansas and Missouri are introducing tools that support investment in new generation, grid upgrades and large-load growth, while still protecting customers from excessive bill pressure.

Kansas has become a more constructive jurisdiction. HB 2527 provides utilities with stronger cost-recovery tools and mechanisms to reduce regulatory lag, supporting the potential for higher earned returns over time. The Kansas Corporation Commission has already applied these tools by approving recovery treatment for Evergy's planned gas plants and solar project.

Missouri has historically been a more mixed jurisdiction, but the regulatory backdrop is improving. SB 4, signed in 2025, introduced supportive tools including timely recovery for new gas generation, expanded infrastructure recovery mechanisms and large-load tariff requirements. Together, these changes should reduce regulatory lag and improve Evergy's ability to earn its authorised returns over time.

The commissions in Kansas and Missouri are also supportive of economic development and have maintained constructive engagement with utilities. Both states have approved Evergy's large-load tariff structures for customers above 75 MW, with long-term contracts, minimum-bill requirements, collateral and termination protections. These provisions improve the quality of the data-centre opportunity by requiring durable customer commitments and reducing stranded-cost and cross-subsidy risk for existing customers.

Overall, Evergy's data-centre story has three attractive features: signed customer agreements, regulated tariff protections and a direct link to generation and grid investment.

The key risk is execution. Evergy still needs to deliver the required capacity, obtain regulatory approvals and manage customer affordability. However, the progression from 3Q25 to 1Q26 shows a clear positive inflection: demand growth has become a core driver of Evergy's multi-year growth plan.

IMPORTANT INFORMATION

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