Infinity Property & Infrastructure Portfolio — May 2024

Market Commentary

Financial markets rebounded through May with both major bond and equity markets higher, although performance was volatile over the course of the month as investors continued to digest variable inflation data as central banks continued to reiterate a higher-for-longer stance on cash rates. While the ECB and BoE positioned a more dovish outlook over the course of the month, with expectations that the ECB will look to cut rates (f'cst -0.25% to 4.25%) at its June meeting, the BoE sought to distance itself from earlier comments post higher than forecast inflation data. However, while CPI data out of the US was weaker than market estimates, several US Fed governors also continued to take a cautious tone as to any rate cuts as well as the number though the 2h24. Given this backdrop we remain cautious on adding any further exposure to duration based fixed income investments in the near term and have actively shifted some capital back towards varying credit positions across our portfolios. Domestically, the monthly inflation print was again stronger than market estimates, leading to some commentators suggesting that the RBA may still need to raise cash rates. We believe there is (virtually) zero probability of the RBA increasing cash rates and we believe that the next move will be down. The Australian economy is only growing at an anaemic pace, and much slower than its global peers with f'cst 1q24 GDP is set to be only 0.2% q/q (1.1% y/y). With consumers continuing to be challenged by ongoing rising costs across key areas such as rent food, utilities, insurance, other financial services and fuel, we see little room for the RBA to be increasing cash rates. In our view, it will crater the domestic economy without achieving any material gains in reducing inflation in the near term. Overall, with inflationary pressures remaining elevated cash rates are likely to remain higher for longer. While this likely to see ongoing gyrations across financial markets, we continue to see opportunities across both 'growth' and 'defensive' sectors. To this end, we continue to maintain a broad-based investment strategy across the entirety of our portfolios, but with a view to modifying individual portfolio risk exposures as market dynamics evolve.

Portfolio Commentary

The Property and Infrastructure sectors staged a strong recovery in May after a difficult April. The portfolio delivered a healthy return of 2.34%, slightly behind the blended benchmark.

Listed infrastructure outperformed the domestic and overseas listed property sectors over the month. It therefore shouldn't be a surprise that one of the best performing managers was our listed infrastructure manager ClearBridge RARE Infrastructure Value Fund (+3.44%). ClearBridge's positions in US electric utility NextEra Energy and US communications company American Tower were the most significant positive contributors. On the global property side, Principal Global Property Securities Fund (+3.89%) took the top spot for performance.

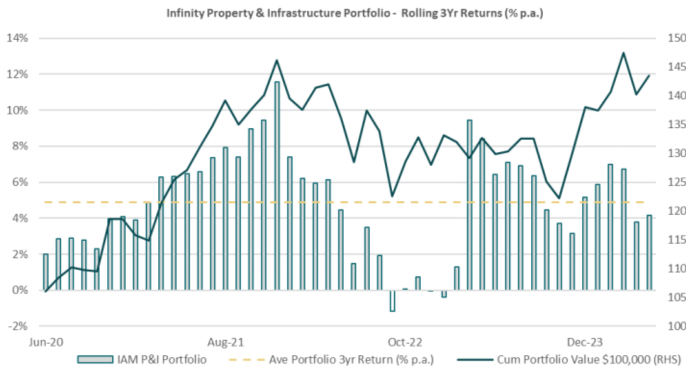
The weaker performers for May were those with unlisted exposures. Spire Multifamily Growth and Income Fund (+0.46%) and CBRE Global Real Assets Fund (+0.55%) lagged the public market managers but still delivered reasonable returns. Spire's performance over the last 18 months has been challenged due to capitalisation rate expansion and an increase in supply of units in the multifamily segment. CBRE's unlisted sleeve suffered a modest decline due to unfavourable currency moves, while the listed portion appreciated.

Performance

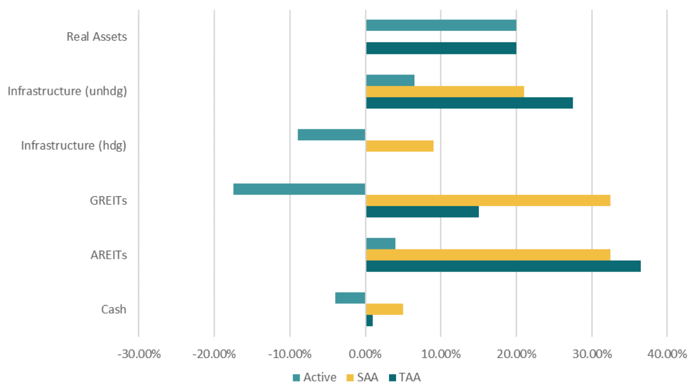
Period	Portfolio (%)	Growth (%)	Income (%)
1mth	2.34%	2.34%	0.00%
3mths	2.05%	1.78%	0.27%
6mths	10.26%	9.68%	0.57%
1yr p.a.)	10.52%	7.96%	2.56%
3yrs (p.a.)	4.14%	0.41%	3.73%
5yrs (p.a.)	3.75%	0.56%	3.19%

Source: FE Analytics. Since inception July 2017. Past performance is not indicative of future performance.

Cumulative Portfolio Value ($)



Asset Allocation



Portfolio Characteristics

Characteristic	Portfolio
3yr Risk (std dev %)	13.4%
Sharpe Ratio	0.0
Risk/Return Ratio	0.3
Mthly OPR ratio (%)	56.6%
Tracking Error (%)	4.4%
Information Ratio	0.0

Source: Financial Express Analytics, Infinity Asset Mgt.

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Portfolio Changes:

There was a meaningful change made to the manager line up in May. Macquarie True Index AREIT Fund, Ironbark Paladin Property Securities Fund, and Principal Global Property Securities Fund were replaced by Macquarie Opportunistic REIT Fund. This decision consolidates our AREIT and GREIT exposures into a single position, managed by Macquarie Assets Management (MAM). Importantly, this change will still allow us to reflect our asset allocation views as we will provide the asset allocation overlay to MAM. Another benefit will be the ability to manage the hedge ratio for the GREIT exposure to better represent our currency views on the overseas exposures. Previously, the GREIT exposure was fully hedged to AUD, limiting the flexibility. The neutral position for AREIT/GREIT is 50%/50% with a neutral currency position of 50% for the GREIT portion. Based on our current asset allocation view, the initial allocation is 62.5% AREIT and 37.5% GREIT with a 75% hedge ratio. MAM boast a high-quality team of experienced investors in Sydney, Hong Kong, Tokyo, London, and Chicago and have built a strong track record in the listed property space.

Despite these changes, the portfolio continues to have overweight positions in Real Assets, Unhedged Infrastructure, and AREITs, which is offset by an underweight positions in Hedged Infrastructure and GREITs. The balanced, patient approach is working well, with the portfolio outperforming its blended index a 5-year period.

The table below provides a snapshot of the major positions in the portfolio at the end of May.

Manager	Sector	Asset Class	%
Macquarie AM	A-G REIT	Property & Infrastructure	54.00%
Clear Bridge	Infrastructure	Property & Infrastructure	25.00%
CBRE Inv Mgt	Real Assets	Property & Infrastructure	10.00%
Spire Capital	Real Assets	Property & Infrastructure	10.00%
MP Cash Inv	Cash	Cash	1.00%

Portfolio Overview:

Product Code:	**Panorama:** DAM6067AU	**Hub:** INF012	**NWL:** MAC000384
Asset Class:	Property & Infrastructure		
Style:	Active		
B'chmk Index:	Composite of underlying indices. Refer PDS for details		
Min. Inv Horizon:	3 to 5 years		
Min Inv Amt:	A$25,000		
Inv Mgt Fee:	0.3596% p.a.		

Investment Objective:

To deliver outperformance of the benchmark over a rolling three year period.

Designed for Investors who:

Seek exposure to a diversified mix of domestic and global listed real estate securities as well as global listed infrastructure investments with a focus on capital appreciation over the longer term. Investors need to be able to tolerate a higher level of investment risk that includes the potential for negative returns in any single year.