

GLOBAL INVESTING, INFRASTRUCTURE

August 2026

Andrew Maple-Brown and GLOBAL HEALTHCARE INVESTING

Victor Windeyer

Following his introduction by Geoff McWilliam, Andrew spoke about investing in global infrastructure in the following terms:

What is infrastructure?

Infrastructure investments are defined as assets that:

- Provide essential services used by large numbers of people.
- Hold strong strategic positions, often as monopolies or duopolies.
- Generate predictable, stable long-term cash flows.

With examples including:

- Regulated electricity, gas and water utilities.
- Toll roads.
- Airports.
- Rail networks.
- Pipelines.
- Telecommunication towers.

Andrew distinguished these from the associated operating businesses such as stevedoring companies and rail freight companies which may appear to be infrastructure but have more competitive and cyclical business models. Interestingly, Andrew regards data centres as being in this latter category.

Why invest in infrastructure?

Infrastructure provides several attractive features:

- Stable and defensive earnings.
- Higher dividend yields than broader equity markets.
- Inflation-linked revenues.
- Diversification within investment portfolios.
- Exposure to structural growth themes including Decarbonisation, Digitalisation and US Electricity Demand.

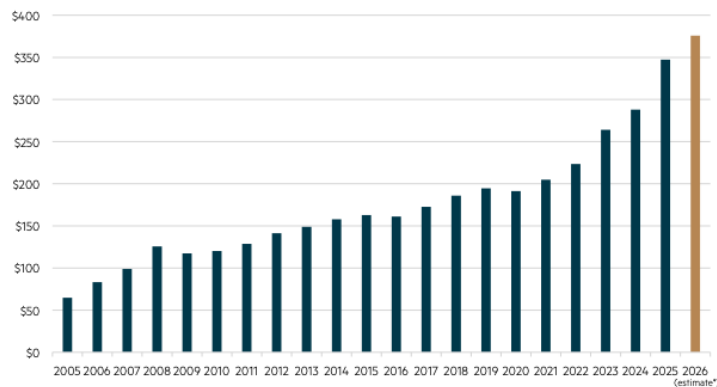
Listed versus private infrastructure

While many investors associate infrastructure with private equity, Andrew argued that:

- Most infrastructure assets are also publicly listed.
- Listed markets provide better liquidity.
- Private infrastructure is currently trading at substantial valuation premiums, making listed infrastructure comparatively more attractive.

Significant ongoing capital expenditure to drive growth

Total capex for Focus List (US\$bn)



Source: Bloomberg, MBA calculations. As at 31 December 2025.
*excludes M&A activity.

Plenty of organic growth opportunities for listed infrastructure

- Aggregate capex by Focus List companies forecast to be more than **US\$375bn**
- Spending approximately **13% of current market capitalisation**
- We favour rate base investments, and organic expansions of existing networks

Major investment themes -

US electricity utilities (currently growing at around 7%pa in the US)

Data centres are creating unprecedented demand for electricity.

Utilities are investing heavily in electricity generation, transmission and distribution infrastructure.

Andrew highlighted Entergy as an example, noting that investments supporting Meta's new data centre are comparable to the value of the company's whole existing regulated assets in Louisiana.

Water and gas utilities

Water utilities are an attractive long-term investment because they have very low business risk, benefit from regulated returns and require decades of future infrastructure upgrading and replacement due to ageing and stricter environmental standards.

Businesses with long term contracts

Examples include renewables assets, pipelines and telecommunication towers.

Transport sector (including in Europe)

Examples are airports, toll roads and railway track, including particularly in Europe.

Andrew's concluding remarks included:

- Infrastructure investments typically comprise 5-15% of major investment portfolios.
- We should expect infrastructure investments to generate high single digit returns.
- Infrastructure investments are more defensive than other assets including property.
- While they correlate to global equities, they offer the benefits of diversification.
- Global listed infrastructure investments at around \$7 trillion are significantly higher than the \$2 trillion invested in the private market.
- Investments in the listed market are more liquid and typically lower cost.
- Current infrastructure valuations appear reasonable.
- Relative to broader global equities, infrastructure looks attractive.
- Long-term growth in global infrastructure investments is supported by the forecast increased investment worldwide in essential infrastructure.

GLOBAL HEALTHCARE INVESTING

Victor Windeyer, CEO Perennial Future of Healthcare Fund

Victor spoke of the global healthcare investment market in the following terms:

Long-term drivers:

Ageing

Australia and many developed countries are experiencing rapid growth in the population aged over 85, creating sustained demand for healthcare services.

Innovation

Dramatic advances have occurred in the following areas in particular - genome sequencing, precision medicine, cancer therapies, robotic surgery and medical devices. These innovations improve patient outcomes while creating attractive investment opportunities.

Why invest globally?

Victor emphasised that healthcare is a global industry and the major Australian participants, CSL, Cochlear, ResMed, Sonic Healthcare and Ramsay, represent a very small proportion (around 1%) of the global market.

Global investors gain the benefit of much wider global exposure.

Investment philosophy

The central investment principle of Victor's fund is:

Better clinical outcomes ultimately drive better financial returns.

Companies with superior treatments typically achieve:

- Strong demand.
- Pricing power.
- High margins.
- Sustainable earnings growth.

Pharmaceutical pricing

A significant portion of Victor's presentation focused on US pharmaceuticals policy including the potential impact of:

- "Most Favoured Nation" drug pricing.
- US tariffs.
- Pharmaceutical manufacturing returning to America.

A key implication is that Australia will eventually have to pay substantially higher prices for new medicines or risk delayed access.

Key investment themes

GLP-1 weight-loss drugs

Companies such as:

- Eli Lilly
- Novo Nordisk

were highlighted as examples of businesses benefiting from breakthrough obesity treatments.

Biotechnology

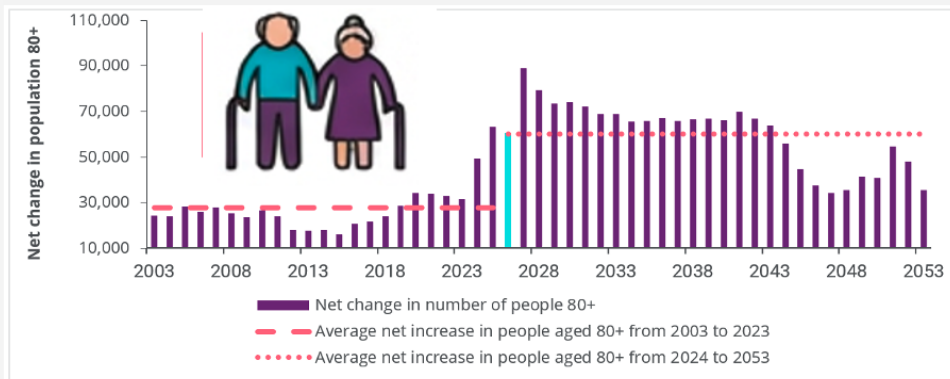
Examples include:

- Revolution Medicines
- Vertex Pharmaceuticals

These companies are developing treatments for cancers, cystic fibrosis, diabetes and other serious diseases.

Victor stressed that successful innovation can create enormous long-term shareholder value.

• Demographic Drivers Underpin Demand



Source: Data compiled from Australian Bureau of Statistics, Population Projections, Australia and Australian Bureau of Statistics National, state and territory population data

Q & A and Vote of Thanks

Members' questions included:

Infrastructure

- Risks associated with rapid utility expansion. Much of the risks are taken on by the major IT companies like Meta who enter long term contracts.
- Nuclear energy project risks. The US has built only one new nuclear plant in the last 20 years, and it was way over budget on time of construction and cost.
- Potential space-based data centres. Perhaps. Musk has very smart people working on the idea.
- Privatisation of water utilities. Andrew expects more privatisations to occur but doesn't advocate on the subject.

Healthcare

- Whether Chinese and European companies compete with US firms. China is very active in medical R&D. However, because ownership of intellectual property can be difficult to determine in China, Victor prefers to consider businesses and assets that have been sold to buyers outside China.
- Whether Australian governments could absorb higher pharmaceutical costs. Recent developments in US policy mean that if we want to gain early access to US developed drugs, we are going to have to pay higher prices for them.
- The implications of changing US drug pricing policy. As above.
- Future access to expensive new medicines. As above.

Ted Brogan commended both speakers and conveyed members' thanks.

Alan Locke