Magellan
Global Listed Infrastructure

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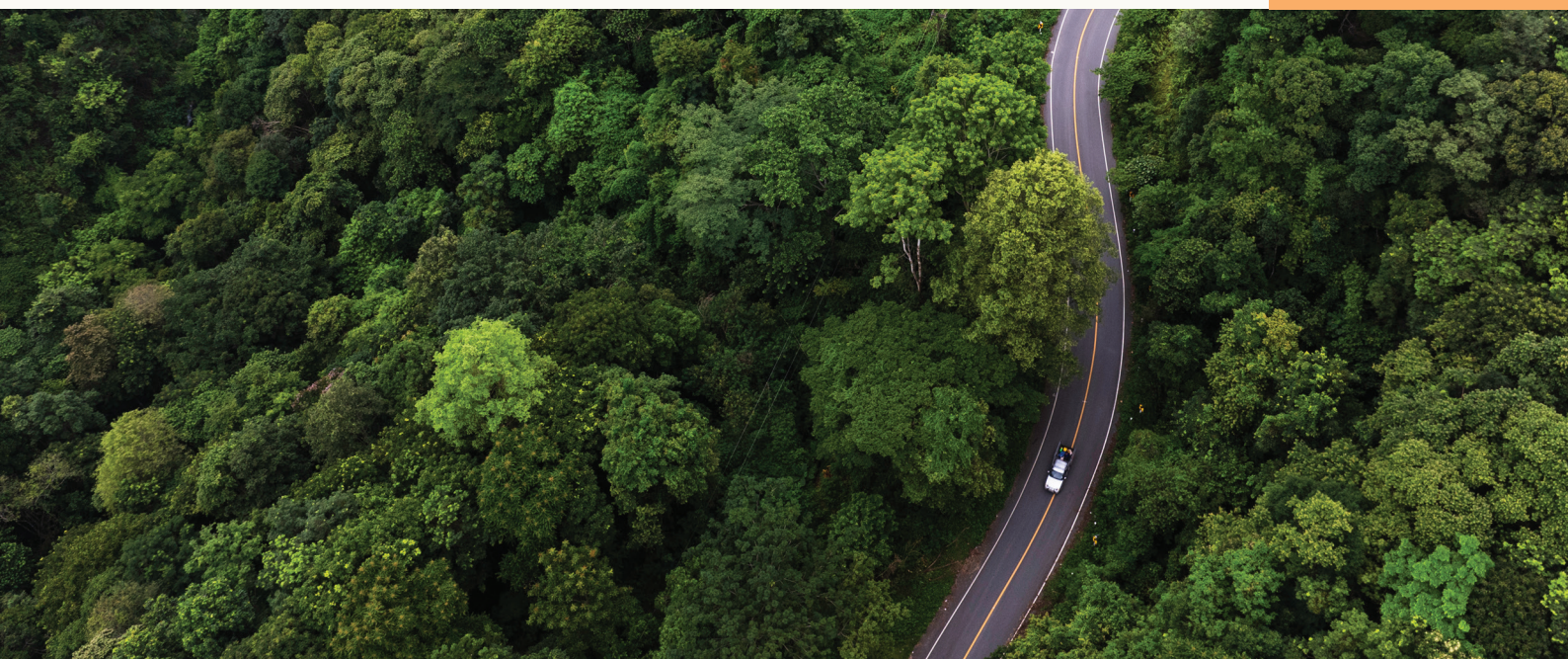


Stewardship Report 2026

Core Infrastructure

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Dear Investor,

We are pleased to provide an update on our proxy voting and engagement activities in relation to the Magellan Core Listed Infrastructure Strategy for the year to 30 June 2026. This year we have updated our Stewardship report to include our approach to market-wide & systemic risk and moved our engagement process into a separate policy document, as guided by the 2026 UK Stewardship Code.

We are committed to responsible investment. Our philosophy is to focus on the financial materiality of environmental, social and governance (ESG) factors over the long term. We believe that successful investing is about identifying quality companies and investing for the long term. The ESG team sits alongside the investment team, working with the analysts and portfolio managers who cover each company. This allows for deep analysis and engagement concentrated on the ESG factors most material to future cash flows.

Over the year we held more than 200 meetings with companies in the Strategy, raising ESG matters 475 times. Direct engagement with boards and management allows us to test the credibility of company commitments and press for improvement.

We continued to engage on our governance expectations, tracking progress against our Voting Principles, and were pleased to see stronger shareholder rights and enhanced board independence. Where companies did not improve remuneration or board structures, or rotate their auditor, we voted against the relevant resolutions under our escalation process. Across the year we voted on 1,224 resolutions, voting against the company's recommendation on 8% of them.

We continue to embed our Climate Stewardship Strategy, built on our proprietary SAFE framework and net zero alignment assessment. This year we deepened our analysis of companies' capital allocation to low-carbon initiatives and the credibility of their climate strategy. Our analysis considered stranded-asset risk, physical resilience and the growing electricity demand from AI and data centres. At a group level, we published the MFG Climate Report available on our website.

We continue to broaden our research on climate, human rights and nature through industry groups including the Responsible Investment Association Australasia (RIAA) and the Investor Group on Climate Change (IGCC).

During the year our stewardship activities contributed to several tangible outcomes, alongside the voices of other stakeholders such as customers and fellow shareholders.

On board composition and accountability, following multi-year engagement and voting escalation at Eversource, the company rotated the long-tenured chair of a key board committee and strengthened its incentive framework. Cellnex moved to annual committee appointments and Ferrovial proposed an auditor rotation, both supporting greater independence.

Our cyber security engagements also produced results at board and remuneration level: Terna formalised digital, cyber and AI capabilities within its board skills framework, and Italgas introduced a digitalisation & reskilling metric into its long-term incentive plan.

Progress remains ongoing on weakened or insufficiently validated climate targets.

In the year ahead our engagement will stay focused on the issues most connected to long-term cash flows, including transition plan credibility and the capital allocation behind it, safety, cyber and AI governance, physical climate resilience and board composition. We welcome the opportunity to discuss any of these matters with you further.

Kind regards,

The Magellan Global Listed Infrastructure and ESG team

Responsible Investment website

esg-team@magellanfinancialgroup.com

October 2026

Meet the team

Portfolio Managers



Ben McVicar, CFA

Co-Head of Infrastructure and Portfolio Manager



Ofer Karliner, CFA

Co-Head of Infrastructure and Portfolio Manager



Rebecca Hiscock-Croft

Investment Director

ESG Team



Amy Krizanovic

Head of ESG



Tamara Shadbolt

ESG Analyst



Jacqueline Stokes

ESG Analyst

ESG Philosophy

The Magellan Core Infrastructure Strategy seeks to identify businesses engaged in the provision of essential services, whose earnings exhibit limited sensitivity to competition, commodity price movements and sovereign risk, supporting reliable cash flow generation. As part of the stock selection process, we seek to consider all ESG opportunities and risk that could materially influence cash flow generation.

ESG issues are considered as part of our investment process, gaining a robust understanding of these is a key part to assessing the outlook for future cash flow generation, and the risks and opportunities facing investors. Our investment process seeks to identify high quality companies and consider material risks that could impact future cash flows.

Our ESG team is responsible for oversight of the implementation of stewardship execution. For further information on our policies:

- ESG policy
- Proxy voting policy
- Climate stewardship strategy.

Stewardship highlights for FY26

65%
Company meetings with at least one vote against the company[1]

39%
Shareholder proposals voted against the company

475
ESG topics discussed

Magellan's PRI Assessment Summary Scorecard

We continue to enhance our ESG integration, stewardship, and client communication, which has been recognised by the Principles for Responsible Investment (PRI) in our most recent 2025 assessment.

	Module Score and Star Score	
Policy Governance and Strategy	88	★★★★☆
Direct - Listed equity - Active fundamental	93	★★★★★
Confidence building measures	89	★★★★☆



[1] Includes votes against company at AGM (excluding SGMs).

Industry recognition and initiatives

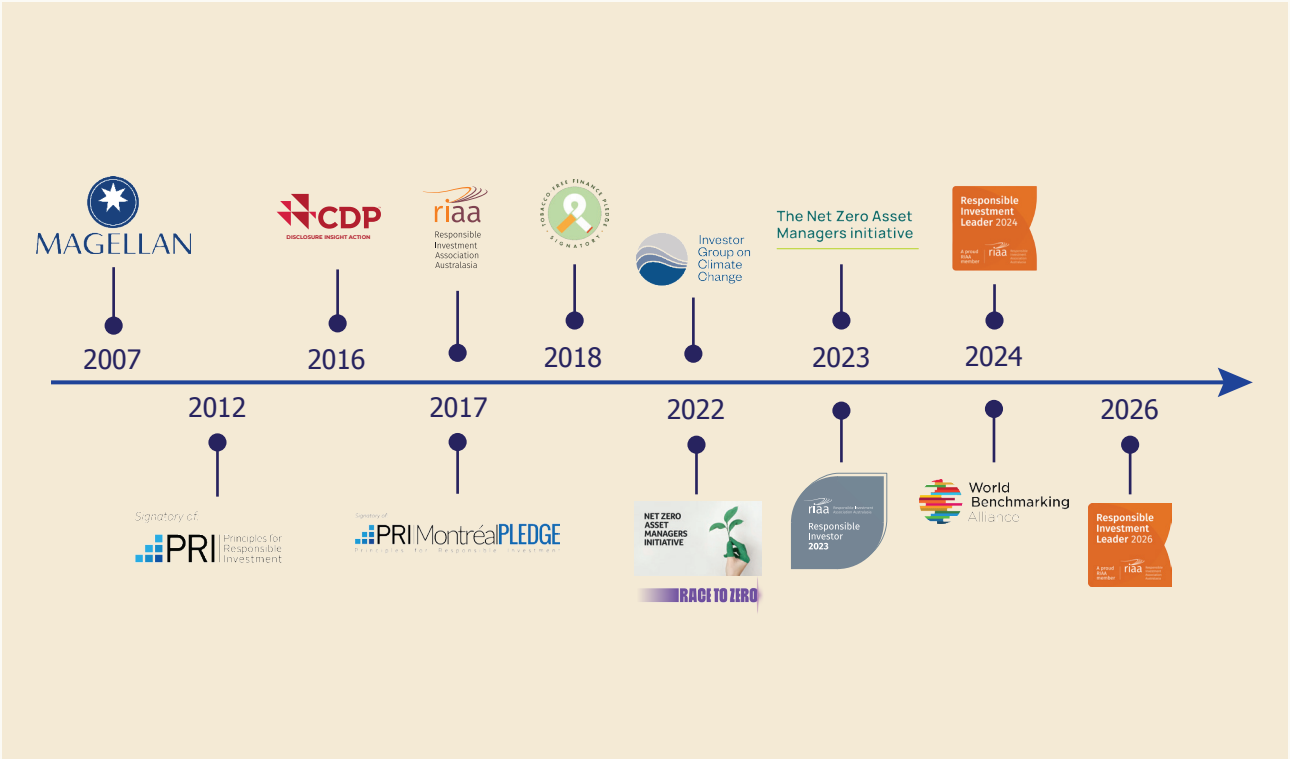
We are a signatory to a number of industry initiatives and associations that support our commitment to responsible investment, transparency to stakeholders and our ability to elevate key company and industry issues such as human rights, climate change and nature.

In the last year, we:

- received RIAA recognition as a Responsible Leader for the second consecutive survey and participated in a panel discussion at the 2026 RIAA conference on the importance of active stewardship and integration within an asset manager.
- contributed to industry discussions on responsible AI which contributed to a discussion paper with Oxford University.
- presented to the NZ Stewardship Code on integrating responsible AI risk assessment and stewardship into the investment process.
- played a lead role in hosting an industry roundtable on AI and Human rights with RIAA.
- remained an active member of the RIAA Human Rights Working Group, which informs and enhances the assessment of human rights, including modern slavery, across our internally managed funds.
- participated in RIAA's Nature Working Group, which continues to strengthen our assessment of nature-related dependencies and impacts across high-impact sectors and reinforces our priorities to further develop our nature and climate frameworks.
- participated in collaborative engagement through the World Benchmarking Alliance Collective Impact Coalition for Ethical AI.

By contributing to these industry initiatives, our company and industry research is enhanced, our clients benefit from broader stakeholder perspectives, and our voice is made louder by joining with others that have similar long-term objectives.

Best Practice: Leadership and Collaboration



Market-wide and systemic risks



Some risks can affect the operating environment across companies, industries and markets. For the Core Infrastructure Strategy, we seek to understand where market-wide and systemic ESG risks are financially material to specific holdings and sectors, and how they may affect the durability of demand, long-term cash flows and business resilience.

Our approach combines bottom-up company analysis of material ESG factors with top-down thematic assessment, supported by proprietary frameworks. As the Core Infrastructure Strategy is a rules-based strategy, companies must first meet Magellan's infrastructure definition and continue to pass the quarterly constituent review.

Where relevant, we respond through company engagement, proxy voting, participation in relevant policy, standard setting and industry initiatives, and ongoing monitoring of company eligibility within the investable universe.

Key market-wide and systemic themes

The themes below are not exhaustive and reflect current areas of focus where we have identified potential market-wide and systemic risks.



Climate change

Physical and transition risks can affect asset values, operating costs, capital expenditure and long-term demand. It can also create opportunities in electrification, renewable generation and network investment.

Our response: SAFE Transition framework, Net Zero Alignment Assessment, physical climate risk analysis, company engagement and voting.



Human rights & modern slavery

Global supply chains can expose companies to human rights and modern slavery risks, with operational, legal and reputational consequences.

Our response: modern slavery assessment, company engagement and participation in the RIAA Human Rights Working Group.



Cyber security, data privacy & AI

Digitisation and AI adoption can improve productivity and create growth opportunities, while increasing exposure to cyber-attacks, and new governance challenges. Critical infrastructure is particularly exposed, while growing AI adoption is also driving demand for data centres, digital infrastructure and raising broader social licence considerations.

Our response: assessment of governance, board capabilities, policies, incident management and resilience, supported by engagement where material.



Nature & biodiversity

Nature-related dependencies and impacts can affect companies through regulation, resource availability, operating costs and stakeholder expectations.

Our response: sector and company research, supported by participation in RIAA's Nature Working Group.

Our approach

1. Identify | **2. Assess** | **3. Respond** | **4. Monitor**

1. Identify

Investment analysts and the ESG team identify material risks and opportunities through company research, engagement, ESG data, regulatory developments and industry initiatives.

2. Assess

We incorporate the risks into our proprietary assessment considering the materiality of a risk and the quality of its management. Below are our frameworks for the systemic risks most relevant to our portfolio:



Climate assessment

Net zero alignment and SAFE assessment



Modern slavery assessment

Portfolio-wide modern slavery scoring



Core constituent review

Detailed review of company disclosures and third-party ESG data

3. Respond

Findings can inform:

- **System-level activity.** Participation in industry working groups, consultations and market participants.
- **Company engagement.** Targeted objectives addressing material risks, with progress monitored against defined milestones.
- **Portfolio construction.** The Strategy uses a rules-based constituent review with pass/fail Environmental, Social and Governance criteria, while material risks are actively monitored and may result in removal from the investable universe or divestment.

4. Monitor

We continue to monitor industry research and company progress on these issues. Where progress on a material issue is limited, our response may escalate to increased frequency of engagement, or proxy voting.

Example: climate transition risk in practice

Identification | **Respond** | **Outcome**

Our SAFE framework classifies sectors by exposure to a low-carbon transition. The table below shows beneficiaries, such as Transmission & Distribution, and at-risk sectors, such as contracted energy infrastructure.

Sector	Transmission & Distribution	Integrated Power	Airports	Gas		Energy Infrastructure	Merchant Generation (excluded)
				Distribution	Transmission		
Impact	Clear beneficiary	Clear beneficiary	Resilient	Resilient	Generally resilient	At risk beyond this decade	At risk now

Toll roads, communications and water utilities low impact

We read this alongside our NZIF-guided net zero alignment assessment to show where the transition creates opportunity and where engagement is most warranted.

Identification | **Respond** | **Outcome**

Where exposure is elevated, we act on three levels:

- **Companies:** we prioritise engagement with higher-risk holdings on the credibility of their transition plans, interim targets and capital allocation.
- **Escalation:** where engagement does not progress, we may escalate through voting, including support for shareholder proposals seeking additional climate reporting.
- **Portfolio:** sectors assessed as at risk inform our assessment including a stranded-asset risk assessment, while beneficiaries and resilient sectors support conviction. We monitor these risks and opportunities through the quarterly constituent review process to ensure companies continue to meet Core Infrastructure's eligibility criteria.

Identification	Respond	Outcome

Engagement moved several companies along our milestone scale toward stronger transition disclosure, and our involvement in industry working groups fed into evolving market standards on financed-emissions reporting. Many engagements remain ongoing, and we continue to track progress and escalate where credible plans do not emerge.

Contributing beyond individual companies

Some market-wide and systemic risks cannot be addressed through company engagement alone. We therefore participate in relevant industry initiatives and engage with market participants where collaboration can strengthen our understanding of risks, improve market practices or support better investment decision-making.

During the year, this included participation in the RIAA Human Rights and Nature Working Groups, IGCC climate-related working groups and workshops, the World Benchmarking Alliance, and other industry forums. These initiatives provide opportunities to share investor perspectives, develop approaches to emerging systemic risks and contribute to the evolution of market practice.



Climate transition risk assessment

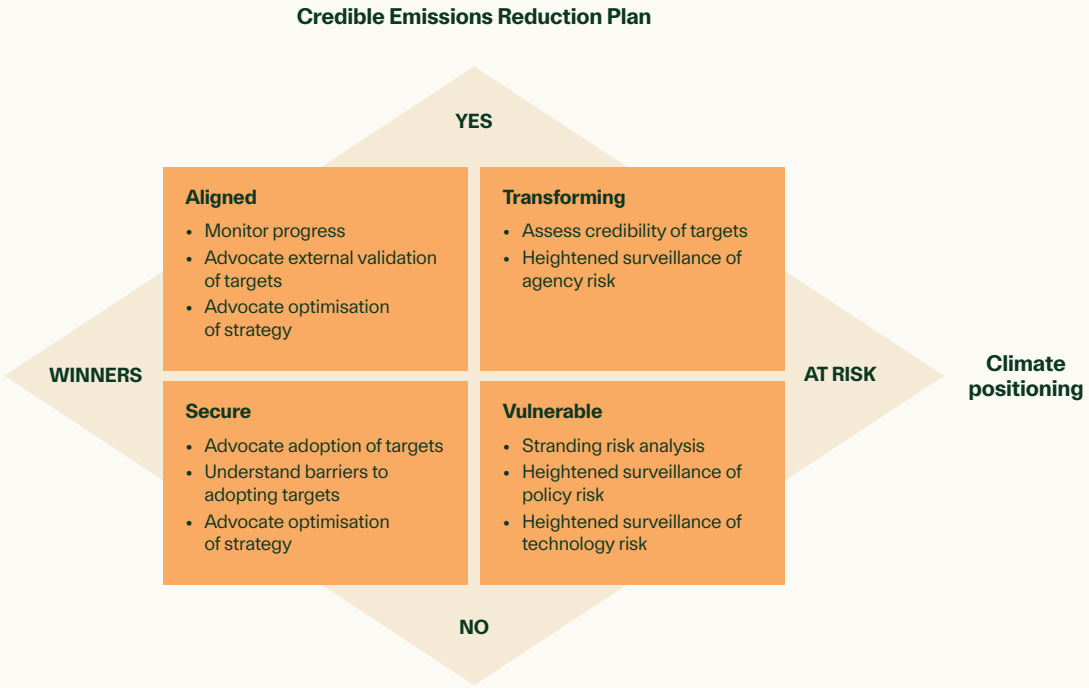
SAFE Transition framework

All companies in the Core Infrastructure Strategy are assessed under the proprietary SAFE Transition framework (Situational Analysis, Forecasting, and Engagement). Under the SAFE framework the investment team assesses whether the company is a beneficiary from the transition to a net zero emission economy or whether it faces additional risks, and whether the company's climate transition plan is credible.

For those companies assessed as disadvantaged by the transition to net zero, we embark upon a staged engagement program with the invested companies. We continued to prioritise engagement with companies that we perceive face prominent long-term climate transition risks under our SAFE Transition framework during the last 12 months, driving increased interactions with portfolio companies.

Best Practice: Magellan Infrastructure's SAFE Transition Methodology

A complex transition calls for Situational Analysis, Forecasting and Engagement



Net zero alignment assessment

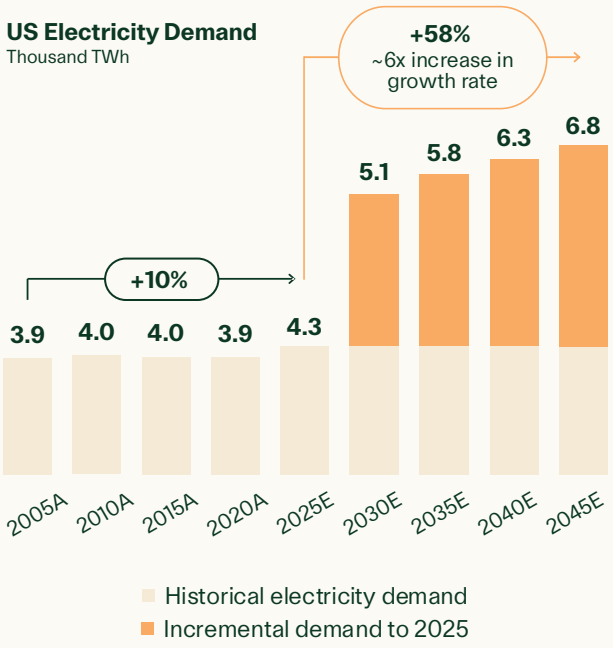
Our net zero alignment assessment is also applied to the Core Infrastructure Strategy guided by the Net Zero Investment Framework (NZIF).

	Net zero target	Interim science-based target	Progress	Disclosure	Strategy*	Capex alignment*	Credibility
Achieving net zero	✓	✓	✓	✓	✓	✓	✓
Aligned to a net zero pathway	✓	✓	✓	✓	✓	✓	✓
Aligning to a net zero pathway *(*high impact sectors require additional factors)*	✓	✓		✓	✓		✓
Committed to aligning	✓						✓
Not aligned							
			Analyst assessment[2]				**Analyst assessment[2]**

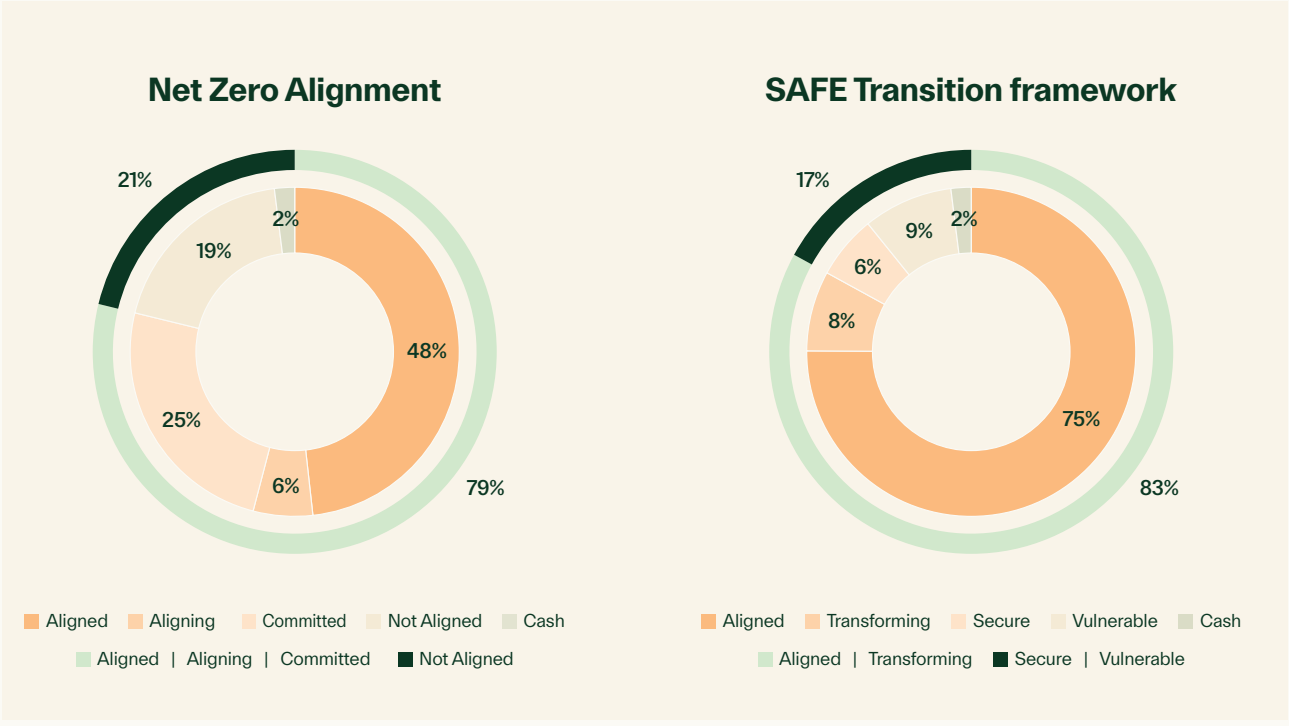
[2] The analysis incorporates insights and the investment team's proprietary view of a company's progress toward its stated climate targets, as well as the credibility of its initiatives and strategy to achieve those targets.

Climate stewardship

The rapid growth of artificial intelligence and data centres is creating a material opportunity for utilities. Industry forecasts indicate that US electricity demand could increase from approximately 4.3 thousand TWh in 2025 to 6.8 thousand TWh by 2045, an increase of 58%, with demand growing at around six times the historical rate.[3] Data centres are expected to account for approximately 43% of US power-demand growth between 2025 and 2032.[4] This creates significant opportunities for regulated utilities to invest in generation, transmission, distribution and storage while supporting greater renewable-energy integration and grid reliability.



Higher demand can, however, complicate decarbonisation by delaying coal retirements, requiring additional gas generation and increasing affordability and reliability constraints. Assessing the credibility of company climate strategies is therefore as important as identifying the opportunity. We apply both our net zero alignment assessment, guided by NZIF 2.0, and our proprietary SAFE Transition framework. As at 30 June 2026, approximately 79% of the Core Infrastructure Strategy was assessed as Aligned, Aligning or Committed under the net zero alignment assessment, while 83% was rated Aligned or Transforming under SAFE. Around 81% of the Strategy was invested in companies we assessed as Aligned and Secure which are positioned as economic beneficiaries or are neutrally affected by the energy transition.



As at 30 June 2026

[3] NextEra Energy, 2025 Investor Conference, p. 10. Underlying sources: ISO/RTO forecasts, North American Electric Reliability Corporation Electricity Supply & Demand data, utility integrated resource plans and ICF. Historical demand is based on NERC data from 2000 to 2023, with 2024 representing the NERC forecast; the Q1 2025 forecast represents ICF demand projections from 2025 to 2050.

[4] NextEra Energy, 2025 Investor Conference, p. 11. Underlying source: IHS, Long-term North American Electricity Forecast, May 2025.

Assessing credibility

To improve consistency across analyst assessments, credibility is determined holistically from the ambition and coverage of targets, science-based or external validation, delivery through actions rather than offsets, progress, capital allocation, governance and disclosure; a strategy may remain credible without a formal net zero or near-term target where the pathway and supporting actions are sufficiently robust, and the conclusion changes only when new evidence warrants it.

Changes in the 2026 assessments reflected this disciplined application of the frameworks. Ratings were downgraded where companies removed or narrowed targets, demonstrated insufficient progress as target dates approached, relied heavily on offsets or presented aspirational targets without clear implementation plans. Ratings were upgraded where new evidence increased confidence in science-based alignment, progress, external validation or the credibility of portfolio-level strategies.

These assessments directly inform our stewardship. We engage with companies to test assumptions, understand changes in targets and assess whether capital expenditure supports stated ambitions. Where progress is insufficient, we may escalate through voting—for example, by supporting proposals seeking independent target evaluation or voting against responsible directors. This integrated approach helps distinguish between changes in target language and changes in underlying strategy, supporting a thoughtful assessment of both climate-transition risk and the opportunities arising from increasing electricity demand.

Further information is available in our 2026 Climate Report on our website.



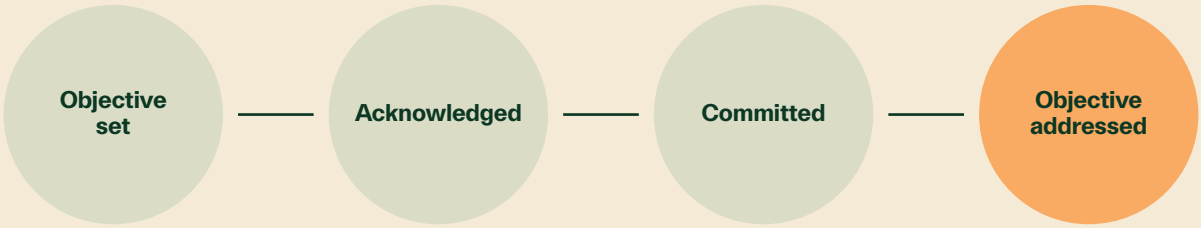
Company engagement



Over the financial year, the investment team engaged with a range of stakeholders relevant to our investable universe. This included companies within the portfolio, potential new investments, companies within industries of interest, industry experts and regulators.

These discussions typically encompassed company strategies, risks and growth factors interlinked with ESG topics such as climate change, diversity, equity and inclusion, data privacy and security as well as governance issues such as executive remuneration.

Engagement progress tracking



The success of an engagement is measured by defined milestones. An ESG objective is set prior to engagement, and the progress towards the defined objective is tracked against milestones, ‘acknowledgment’, ‘committed’, ‘addressed’.

Of the more than 280 engagements undertaken during the last year, 233 specifically addressed ESG.

Across our investable universe[5]

>280	15	100	59	>815
Engagements	With the Board	With C-Suite	With industry stakeholders	ESG topics discussed

While the investment team do engage with the broader investable universe, the key focus is on companies that are held in the Magellan Core Infrastructure Strategy with most companies in the portfolio subject to engagement across more than 200 meetings in FY26. Most interactions were with the senior leadership team, including the CEO, CFO, other executives, corporate responsibility officers and other relevant senior team members. However, where companies had not made progress on a particular ESG topic, we escalated the issue to the Board of Directors.

2026 Engagement by Theme and Focus Areas

Core Infrastructure Strategy – Companies held in the portfolio in FY26

>200	14	89	100	475
Engagements	With the Board	With C-Suite	With senior management	ESG topics discussed

ESG Topics

Our FY26 engagements focused on the following ESG topics:

Environmental – 18%

- 30% Climate (transition risk)
- 29% Climate (physical risk)
- 29% Other E (incl circular economy)
- 12% Nature

Social – 29%

- 32% Social license
- 20% Other S (incl modern slavery)
- 16% Labour management
- 10% Safety
- 9% Diversity, equity and inclusion
- 8% Responsible AI
- 5% Content and data privacy

Governance – 53%

- 41% Capital allocation
- 27% Other G (incl shareholder rights)
- 12% Board
- 10% Management and Board structure
- 10% Remuneration

[5] During FY26

Climate Change

Climate Change is both a risk and an opportunity. We consider exposure of the company to risks and opportunities as a result of the transition of the global economy towards a low carbon economy.



We look for commitment to:

- Net zero targets
- External validation of targets
- Credible strategy to meet targets

Case Study: Emera

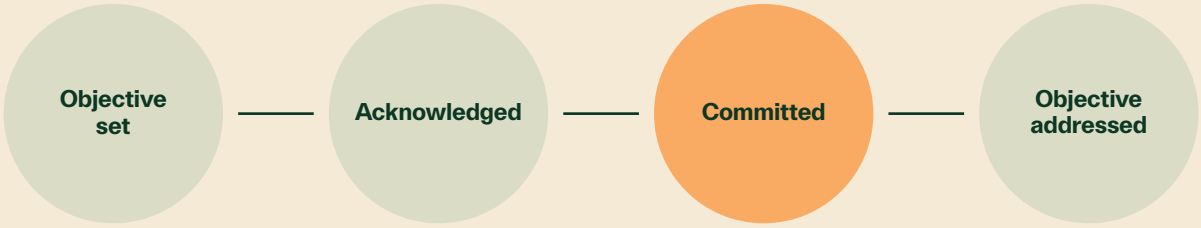
Industry: Integrated Utilities

Objective: Assess Emera's transition strategy following the removal of some of its climate targets and engaged directly with the company.

In 2026, Emera removed climate targets set in 2021, citing changing energy demand, affordability, energy security and regulation. We followed up directly to understand the implications for its decarbonisation ambition. Emera explained that it had shifted from a target-led framework to a project-based roadmap focused on near- and medium-term actions.

These actions include exiting coal in Nova Scotia by 2030, supported by synchronous condensers and batteries; transitioning Nova Scotia Power towards a predominantly poles and wires business; and investing in solar generation in Florida. Progress is supported by management incentives which we will be monitoring. With 83% of its continuing rate base in electricity, Emera has positive leverage to the energy transition. It's Florida gas exposure presents risk under a disorderly transition, although we consider stranded asset risk and the probability of this scenario as low.

Outcome: Despite the removal of targets, we continue to assess Emera as having a credible emissions plan and as Aligned under our SAFE and NZIF climate transition frameworks. This demonstrates our active approach to climate transition risk assessment and direct company engagement.



Link to Investment Case: As many countries have committed to transition their economies to net zero by 2050 and expectations from stakeholders, including investors, regulators and governments increase, we want to ensure that companies in our portfolios remain resilient and take advantage of opportunities.

Physical climate risk

As the frequency and severity of extreme weather events increase, driven by climate change, the resilience of infrastructure and operations is critical to long-term value.



We look for:

- Physical climate risk assessment
- Adaptation, mitigation and resilience planning

Case Study: Groupe ADP

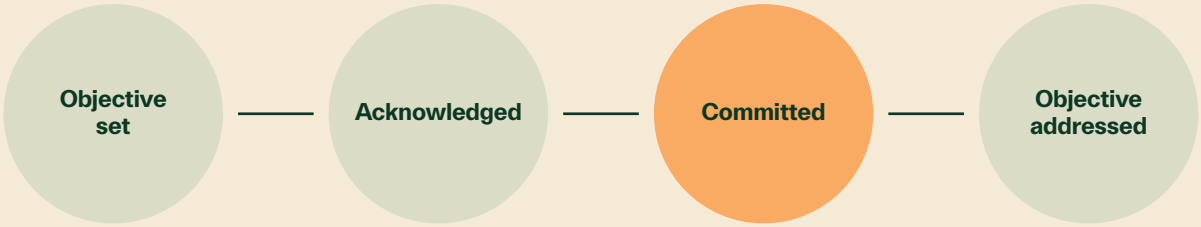
Industry: Airports

Objective: Assess the financial materiality of Groupe ADP's exposure to physical climate risks and whether its adaptation planning, capital expenditure and accountability mechanisms are sufficient to protect operational continuity and long-term cash flows.

Groupe ADP is exposed to physical climate hazards including high winds, flooding and heat stress. These hazards may disrupt airport operations, reduce aeronautical and commercial revenue while fixed costs remain, affect passenger safety and service quality, and increase operating and capital costs.

We reviewed ADP's physical climate risk disclosures, including its 2025 assessment of all Group assets and detailed work on the Paris airports and selected international airports. We engaged with the CEO and CFO on the airports and hazards presenting the greatest financial risk and cost-recovery mechanisms.

Outcome: Management confirmed that the Group-wide assessment is complete and that risks differ between France and the international portfolio. For Paris, the focus is maintaining operational capacity. Management said adaptation expenditure was not material and was incorporated into maintenance and refurbishment programs. The proposed French economic regulatory agreement also includes an adjustment factor linked to environmental targets, and ADP maintains a climate-related measure in CEO remuneration.



Link to Investment Case: Physical climate events may interrupt airport operations and reduce aeronautical and commercial revenue while much of ADP's fixed-cost base remains. The scale, timing and recoverability of adaptation expenditure may also affect free cash flow and regulated returns. Site-level exposure, operational resilience and residual risk are therefore relevant to the durability of ADP's cash flows and long-term shareholder value.

Diversity, equity and inclusion

Diversity, equity and inclusion can improve decision making and innovation and broaden the labour pool.



We look for commitment to:

- Diversity at the Board, management and company level
- Pay equity
- Culture that supports all employees to speak up

Case Study: National Grid

Industry: Electricity and Gas Utilities

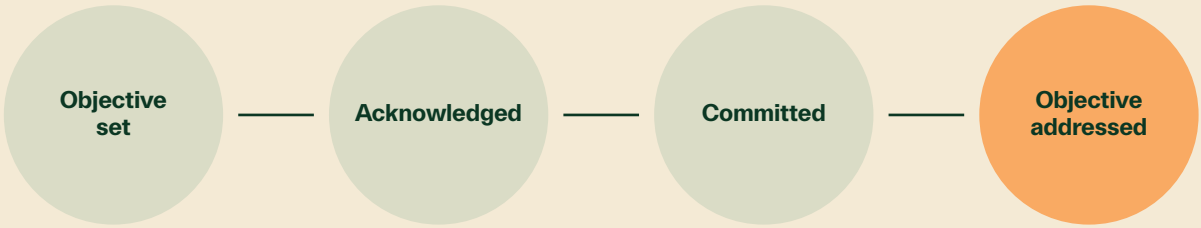
Objective: Assess National Grid's progress against Magellan Voting Principle 2.1, which expects at least 40% representation of each gender on the Board.

National Grid's Board previously had 36% female representation, below the expectation in Magellan Voting Principle 2.1 that Boards comprise at least 40% female and at least 40% male directors. We monitored the company's progress through our 2026 AGM analysis.

The Board proposed for election at the 2026 AGM was 50% female, bringing National Grid into alignment with our expectation and demonstrating progress in Board composition.

The company's disclosures also show 44% female representation in senior management and 25% across the company. National Grid reviews gender and ethnicity pay gaps annually and reports that its UK base gender pay gap remains minimal. Its 2025-26 employee survey recorded a 73% 'Safe-to-Say' score, indicating whether employees feel empowered to speak up.

Outcome: The increase in female Board representation from 36% to 50% is a positive outcome, bringing National Grid into alignment with Voting Principle 2.1 and addressing our objective. Continued monitoring will focus on sustaining balanced Board representation and progress across management, pay equity and inclusive culture.



Link to Investment Case: Diversity of thought can lead to innovation and better risk management. A 2019 McKinsey study[6] highlights that companies in the top quartile of gender diversity on executive teams were 25% more likely to experience above average profitability than peer companies in the 4th quartile.

[6] How diversity, equity, and inclusion (DE&I) matter | McKinsey

Governance

A well-governed company with an independent Board can make decisions in the best interests of all stakeholders. Compensation should align with shareholder experience and support delivery of the strategy.



We look for:

- Chair and CEO separation; Chair and Board independence
- Shareholder alignment
- Remuneration structure and performance-linked incentives

Case Study: Eversource

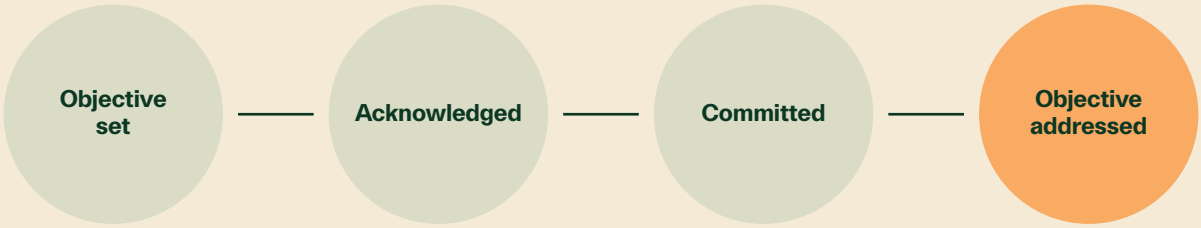
Industry: Electric and Gas Utilities

Objective: Improve executive remuneration and strengthen the independence of Board sub-committee leadership.

Over three years, Magellan engaged with Eversource and shared its updated Voting Principles. In 2024, we welcomed the appointment of a Lead Independent Trustee with less than 10 years' tenure, consistent with Principles 3.1.1 and 3.1.2 where the Chair and CEO roles remain combined. However, we continued to seek stronger incentive hurdles and rotation of the long-tenured Governance Committee Chair. We followed up with a formal letter to the Compensation Committee Chair.

In 2025, as progress remained insufficient, we escalated by voting against executive compensation and the Governance Committee Chair. At the 2026 AGM, Eversource had rotated committee leadership to an independent trustee and strengthened remuneration through a more formulaic short-term incentive scorecard with threshold, target and maximum levels, plus a cap limiting performance-share payouts to 100% of target when absolute TSR is negative.

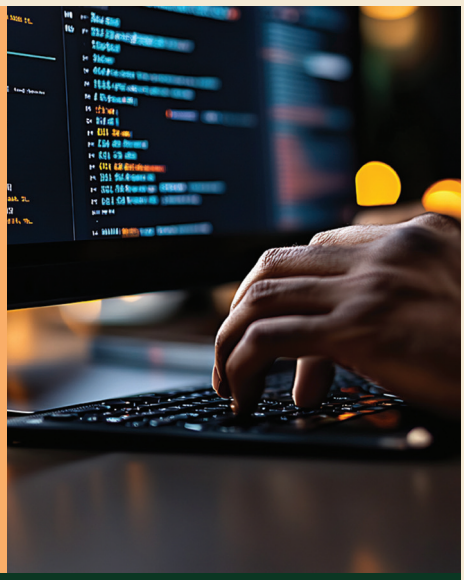
Outcome: These changes addressed our remuneration and committee-independence objectives. We changed our votes to support executive compensation and all trustees in 2026, while continuing to support the shareholder proposal for Chair/CEO separation. We will monitor Board refreshment, incentive stretch and time-based equity.



Link to Investment Case: Independent Boards with separation of Chair and CEO support separation of powers, improved risk management and representation of minority shareholder interests. Balanced compensation, with an emphasis on risk mitigation and management incentivisation, can support company strategy and the creation of long-term shareholder value.

Cyber security

Cyber security has become an increasingly material ESG risk, with AI and other advanced technologies heightening the potential for sophisticated cyberattacks. Companies are expected to demonstrate strong governance and resilience measures.



We look for commitment to:

- Skills and Board experience
- Board fluency on cyber security and emerging AI trends
- Appropriate disclosure following cyber-related events or attacks
- Policies, procedures and oversight of cyber risk

Case Study: Terna and Italgas

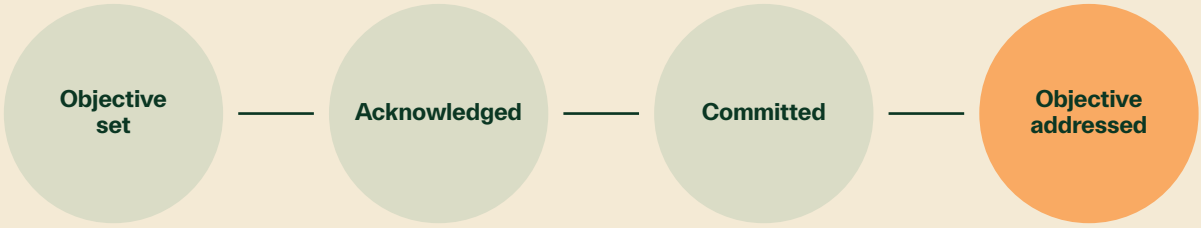
Industry: Electricity and Gas Infrastructure

Objective: Assess whether infrastructure company Boards have appropriate cyber and AI capability and whether cyber priorities are embedded in remuneration and strategic oversight.

Terna - Board capability: We engaged with Terna on Board composition and oversight, seeking the skills required to monitor cyberattacks and the risks and opportunities arising from digitalisation, artificial intelligence and innovation. Terna's 2025 Board guidelines introduced a formal, forward-looking skills framework explicitly covering digital, cyber security, AI and innovation. This positive outcome strengthened alignment between Board composition and the company's evolving risk profile.

Italgas - Remuneration: We separately engaged with Italgas on incorporating cyber and technology risks into remuneration. At the 2026 AGM, its 2026-2028 LTI introduced a 'Digitalization & Reskilling' metric covering digital and innovation projects and training in AI, energy management and cyber security. The fully performance-linked plan represented a positive evolution in oversight of emerging operational risks and supported our vote for the LTI.

Outcome: The Terna and Italgas engagements had distinct objectives and company-specific outcomes. Both demonstrated improved governance of cyber risk, and both objectives were addressed.



Link to Investment Case: Cyber security directly affects operational resilience, service continuity and regulatory confidence, all of which can influence infrastructure cash flows. Companies that embed cyber priorities into Board oversight, strategic planning and remuneration are better positioned to manage disruption, protect critical assets and support sustainable long-term value creation.

Ongoing engagement



We set engagement objectives on material ESG topics with clear milestones for the company.
The following examples outline topics where objectives have been set and engagement is ongoing.

Objective set — **Acknowledged** — **Committed** — **Objective addressed**

Environment



Climate

- Engagement to encourage commitment to long-term, net zero emission targets.
- Prioritisation of companies in high-impact material sectors to ensure alignment with net zero emissions by 2050 and progress towards interim targets.

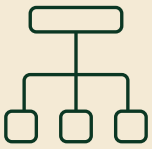
Social



Diversity, Equity and Inclusion

- Encouraging companies to improve disclosure, report on initiatives and where appropriate link targets to remuneration. Transparent disclosure of diversity data helps identify the reasons for gaps and ultimately incentivise companies to promote, train and recruit diverse candidates into more technical or managerial roles.

Governance



Board Structure

- Continuing to engage with companies to improve Board structure encouraging improved independence overall, an independent Chair or a lead independent director at a minimum. We supported shareholder proposals to encourage the separation of Chair and CEO.
- We continued our engagement with companies to ensure boards maintain the appropriate skills and expertise to address emerging topics and risks, including cyber security and AI.

Executive Remuneration



Continuing to engage regarding

- Remuneration structures to increase performance hurdles that appear insufficiently challenging and ensure alignment to sustainable growth.
- Structure of remuneration, including the balance between performance-linked incentives vs time-based incentives and options.
- The inclusion of meaningful incentive targets related to emissions reduction or social initiatives where relevant.

Proxy voting outcomes



Annual General Meetings (AGMs) give our investee companies the opportunity to present their performance and give shareholders the opportunity to vote on ballots, which are particularly comprised of both company proposals and shareholder proposals. This year we supported more shareholder proposals where the ask of the resolution was aligned with our engagement objectives.

Company proposals are generally routine in nature; for example, auditor approval, guides on compensation and voting to reappoint directors. In contrast, shareholder proposals tend to be more contentious and often include topics related to ESG.

Shareholder meetings (100)	
Proposals (1,224)	
Company Proposals (1,206) **Votes against company recommendation** (8% of ballots)	**Shareholder Proposals** (18) **Votes against company recommendation** (39% of ballots)
Voted against company (8% of ballots; 65% of meetings[7])	

[7] Includes votes against company at AGM (excluding SGMs).

Proxy voting statistics in detail – FY26

The Core Infrastructure Strategy voted 1,224 proposals during the year. We voted against the company's recommendations on 8% of all proposals and cast a vote against the company's recommendations on at least one proposal item at 65%[8] of shareholder meetings.

During the year, we voted against several management proposals on auditor rotation and executive compensation where the structure was not aligned with our Voting Principles. For companies with ongoing engagement that failed to improve their remuneration structure, we voted against the incumbent members of the compensation committee, in line with our escalation process.

Category	Number of proposals	With the company	Against the company
Company Proposals	**1,206**	**92%**	**8%**
• Board Related	731	95%	5%
• Compensation	163	94%	6%
• Audit/Financials	163	74%	26%
• Capital Management	65	98%	2%
• Other	84	90%	10%
Shareholder Proposals	**18**	**61%**	**39%**
• Environmental	4	75%	25%
• Social	2	100%	0%
• Governance	12	50%	50%
Total Proposals	**1,224**	**92%**	**8%**



[8] Includes votes against company at AGM (excluding SGMs).

Governance and updated voting principles



We continued to engage with companies on our governance expectations, highlighting the standards outlined in our Voting Principles. Throughout the year, we monitored where improvements could be made and tracked company progress against these expectations. We were pleased to see improvements in several areas, including stronger shareholder rights and enhanced board independence. Where progress was not made, we escalated through voting.

For more information, please refer to our Voting Principles.

Lead independent director:

A principle we have long advocated for is our preference for a governance structure separating the roles of Chair and CEO.

We view it as best practice for the lead independent director to have a tenure of less than 10 years to maintain genuine independence. **We voted against a board related resolution on this topic for 12 companies.**

We were pleased to see orderly separation of Chair and CEO as well as the rotation of the lead independent director at Vinci. See the case study on the next page.

Audit firm rotation:

A well-governed company with effective audit oversight can make decisions in the best interests of all stakeholders. Audit committee independence, relevant financial expertise and regular external auditor rotation support transparent financial reporting, independent assurance and shareholder confidence.

We consider:

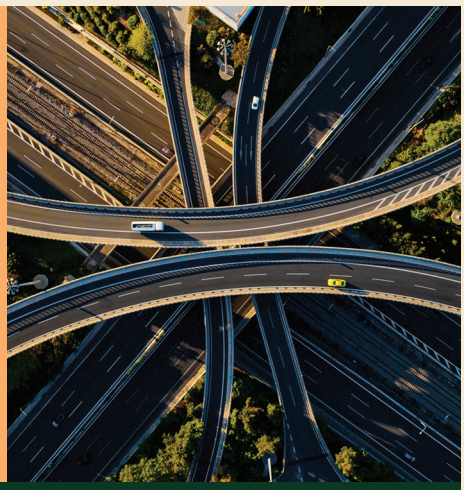
- Audit firm rotation (Principle 3.4.1)
- Independent sub-committee Chairs and audit committee independence (Principle 3.1.4)
- Financial expertise on the Audit Committee (Principle 3.4.1)

Our engagement and voting efforts intensified over the past 12 months, with votes against auditor ratification increasing compared to prior years.

An example of best practice was evident for Vopak, where the company proposed appointing PwC as external auditor and assurance provider for sustainability reporting for FY2027, replacing Deloitte. We viewed this as a positive governance outcome and supported the appointment. Vopak's Audit Committee also includes financially experienced directors and meets our preferred independence threshold, supporting confidence in the independence and quality of financial reporting and sustainability assurance.

Governance

A well-governed company with an independent board can make decisions in the best interests of all stakeholders. Board structures should support accountability, effective oversight and alignment with shareholders.



We consider:

- Chair and CEO separation; Chair and board independence (Principles 3.1.1 and 3.1.2)
- Lead Independent Director tenure and rotation (Principle 3.1.3)
- Shareholder alignment and Board accountability

Case Study: Vinci

Industry: Infrastructure and concessions

Objective: Encourage orderly leadership succession, separation of the Chair and CEO roles, and rotation of the Lead Independent Director.

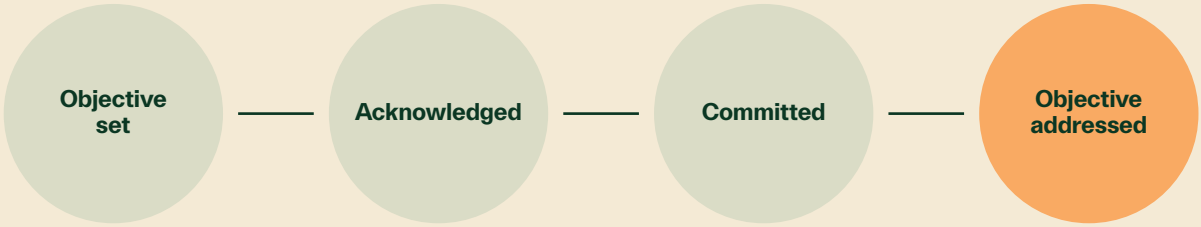
Magellan engaged with Vinci on Board governance and succession planning, including separation of the Chair and CEO roles and rotation of the Lead Independent Director. Our Voting Principles support separation of Chair and CEO to strengthen independence, accountability and separation of powers. Where the Chair is not independent, we expect a Lead Independent Director to support governance and represent minority shareholders.

In 2025, Vinci appointed Pierre Anjolras as CEO, with Xavier Huillard stepping down from the CEO role and remaining as Chair. We viewed this as a positive and orderly succession outcome. We also engaged with the Lead Independent Director on Chair and CEO succession. While her tenure was longer than our preferred threshold, we considered it reasonable for her to remain during the transition, noting her commitment to identify a successor.

In 2026, Vinci appointed Annette Messemer as Lead Independent Director, replacing Yannick Assouad. This aligned with our prior engagement encouraging rotation of the role and improved alignment with our Voting Principles on director independence and tenure.

We also engaged with the Board in March 2026 on Chair succession. Vinci indicated that Mr Huillard's current term as Chair would be his last and would be used for succession planning. We will continue to communicate our preference that the Chair and CEO roles remain separate and that an independent Chair be appointed following Mr Huillard's tenure.

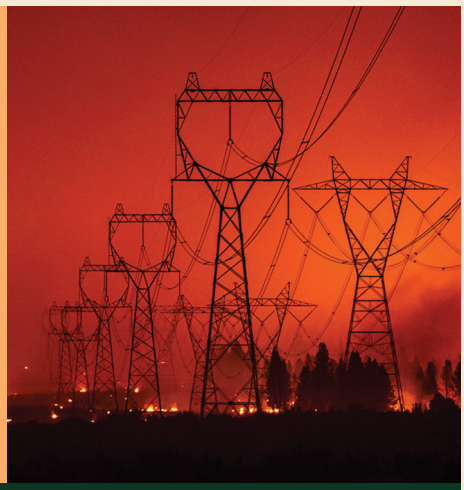
Outcome: Vinci separated the Chair and CEO roles and rotated the Lead Independent Director. This was a positive governance outcome from engagement, strengthening Board accountability and improving alignment with Magellan's Voting Principles. We will continue to monitor Chair succession and the ongoing independence of Board leadership.



Link to Investment Case: Board governance and orderly succession planning are material to Vinci's long-term investment case given the scale, complexity and long duration of its infrastructure and concessions businesses. Clear separation of Chair and CEO responsibilities, effective independent oversight and rotation of key governance roles support better risk management, minority shareholder representation and durable execution of corporate strategy, which is important to the sustainability of future cash flows.

Climate Change

Climate Change is both a risk and an opportunity. We consider exposure of the company to risks and opportunities as a result of the transition of the global economy towards low carbon.



We look for commitment to:

- Net zero targets
- External validation of targets
- Credible strategy to meet targets

Case Study: NextEra Energy Inc

Industry: Utilities

Objective: Assess the credibility of NextEra's climate transition strategy and progress against its Real Zero target.

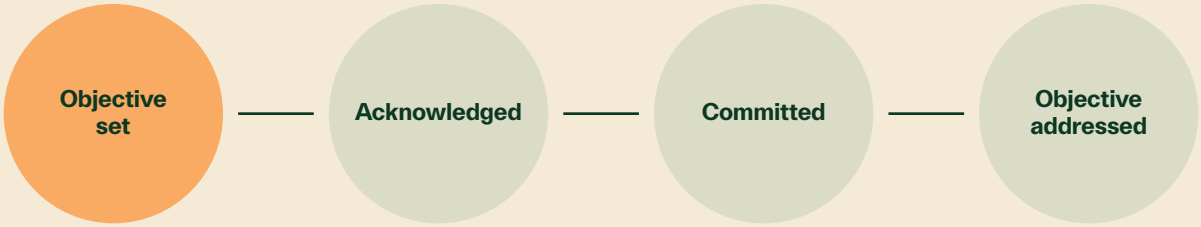
NextEra Energy is one of North America's largest electric power and energy infrastructure companies. Its Real Zero target aims to eliminate Scope 1 and 2 emissions from operations by 2045 without offsets, supported by five-year interim emissions intensity targets and substantial capital commitments to renewables, battery storage and grid hardening.

Our review of the company's decarbonisation pathway found capital allocation broadly aligned with the energy transition, but confidence in the achievability of Real Zero has reduced. Progress against interim targets has slowed, and the company has indicated it sees challenges to achieve actual zero-carbon emissions by 2045.

NextEra was downgraded from Aligned to Aligning under our Net Zero Investment Framework. The change reflects reduced confidence in the credibility of the emissions reduction plan rather than a withdrawal of the target; the company remains Aligned under our SAFE framework and a beneficiary of data centre growth.

In May 2026, NextEra agreed to combine with Dominion Energy in a transaction valued at approximately US$67 billion, targeted to complete in the second half of 2027 and subject to federal and state regulatory approvals. The enlarged regulated footprint will be a further consideration in our assessment of the deliverability of Real Zero.

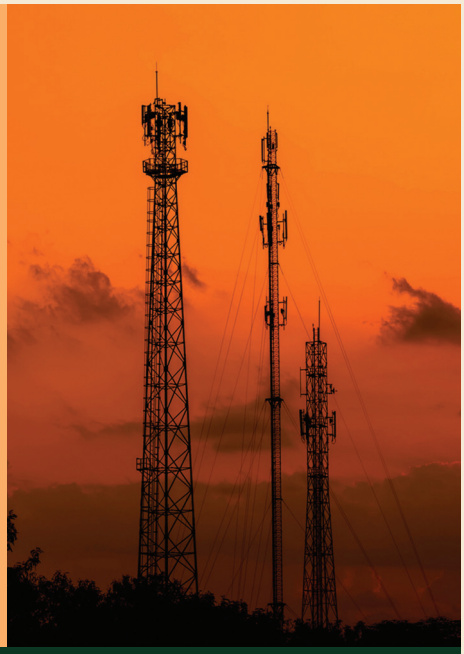
Outcome: We escalated through voting, supporting the shareholder proposal on Paris Agreement alignment against the Board's recommendation. Engagement continues to test the credibility of the pathway.



Link to Investment Case: Climate transition risk is financially material for utilities and energy infrastructure companies given the scale of capital investment required, regulatory oversight of customer costs, and the long asset lives of generation and grid infrastructure. Companies with credible, transparent and financially disciplined transition strategies are better positioned to manage regulatory risk, preserve customer affordability, and protect long-term shareholder value.

Governance

A well-governed company with an independent board can make decisions in the best interests of all stakeholders. Board structures should support accountability, effective oversight and alignment with shareholders.



We consider:

- Shareholder rights
- Board independence and annual director elections (Principle 3.1.3)

Case Study: Cellnex

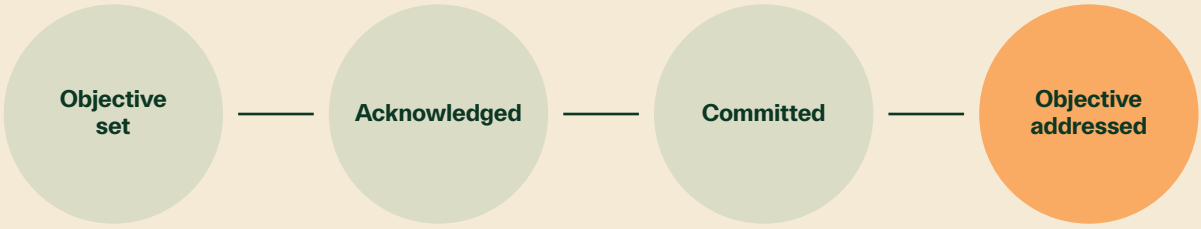
Industry: Telecommunications infrastructure

Objective: Improve director accountability by encouraging Cellnex to move from three-year director terms to annual director elections.

Magellan engaged with Cellnex regarding the length of director appointment terms under its Board governance arrangements. We communicated our preference for annual director elections, consistent with Magellan Voting Principle 3.1.3, which views annual election of directors as best practice to provide shareholders with a vote each year and strengthen accountability to minority shareholders.

Following the engagement, Cellnex proposed an amendment to its Bylaws so that directors are appointed for a term of one year and may be re-elected by the General Shareholders' Meeting for further one-year terms. This replaced the previous three-year election cycle.

Outcome: Cellnex amended its director election framework from three-year terms to annual elections. This was a positive governance outcome, increasing the frequency of shareholder votes on directors and strengthening Board accountability.

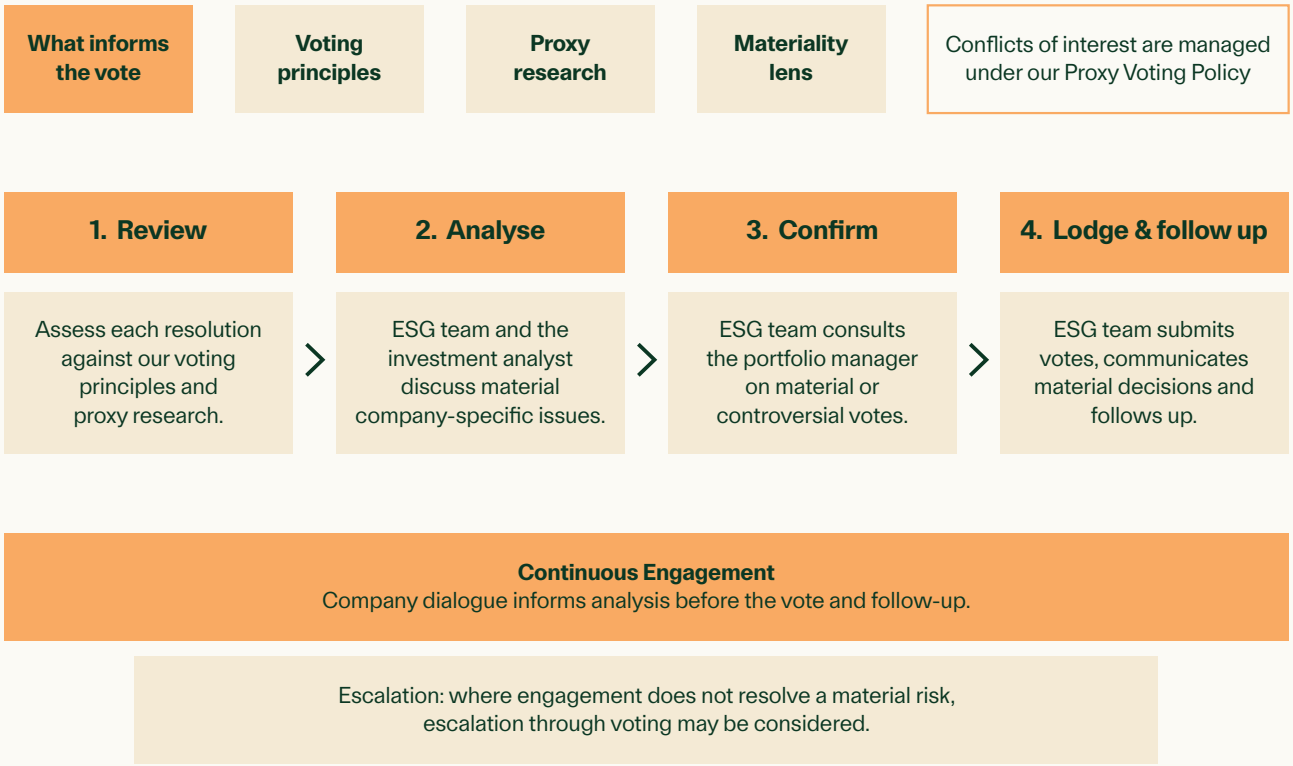


Link to Investment Case: Annual director elections support shareholder rights and Board accountability. Strong governance practices help protect minority shareholder interests, improve oversight and support the long-term execution of corporate strategy, which is important to the durability of future cash flows.

Proxy voting process

Engagement with portfolio companies is undertaken throughout this voting process to better understand shareholder proposals and managements' perspectives on how they are managing the risks and opportunities being considered within the proposals with a materiality lens.

Company engagement informs how we assess proposals, determine votes and follow up on material issues.



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Global Listed Infrastructure

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