

FUND STRATEGY

The ATLAS Infrastructure Global Strategy aims to provide investors with exposure to a selection of high quality infrastructure equities. The portfolio will be invested in OECD countries only and is a high conviction strategy focussed on investing in infrastructure securities which provide the optimal balance of return and risk. The fund aims to monitor and manage carbon and climate change risk exposures within set tolerances.

COMMENTARY

The ATLAS portfolio returned 3.65% (net of fees) in April versus the benchmark return of 0.68%. The total contribution to local returns from our equity holdings was 3.5%. The main contributors in the period were our holdings in SES, Severn Trent and Pennon. Only Spark Infrastructure and Union Pacific detracted from performance.

PORTFOLIO METRICS

Number of stocks:	18
Cash holding:	9.0 %
Gearing ratio:	41.0 %
Dividend yield:	3.5 %

PERFORMANCE (%)

	Fund ¹	Benchmark ²	Excess
1 month	3.7	0.7	3.0
3 months	7.9	1.8	6.1
12 months	--	--	--
Inception	9.1	4.0	5.1

CONTRIBUTORS (LTM) (%)

Aeroports de Paris SA	1.62
EDP Renovaveis SA	1.02
Union Pacific Corporation	1.00

SECTOR (Top 5) (%)

Electric	32.8
Railway	16.0
Airport	13.0
Water	12.5
Comms	8.5

HOLDINGS (Top 10) (%)

Severn Trent Plc	8.0
EDP Renovaveis SA	7.5
Getlink SE	7.3
Spark Infrastructure Group Ltd.	7.1
Avangrid, Inc.	4.6
Terna S.p.A.	4.6
Elia System Operator SA	4.5
Pennon Group Plc	4.5
Norfolk Southern Corporation	4.4
Edison International	4.4

DETRACTORS (LTM) (%)

Pennon Group Plc	-0.55
SES SA FDR (Class A)	-0.37
Severn Trent Plc	-0.33

GEOGRAPHY (Top 5) (%)

United States	22.7
Australia	15.7
United Kingdom	14.0
France	11.6
Portugal	7.5

1. Fund¹ calculated by Northern Trust net of fees and taxes assuming income reinvested.

2. Benchmark² return is calculated by Northern Trust (G7 Inflation +5%).

3. Contributors and detractors (last twelve months) are reported in their local currency.

FUND DETAILS

Identifier:	PIM6769AU
Inception:	3-Oct-2017
Share class:	AUD Unhedged
Currency:	AUD
Hedging:	No
NAV:	0.11m
Total assets:	15.3m
Fees:	1.2 %
Total expense ratio:	1.2 %

ADDITIONAL DETAILS

Application price:	1.0909
Redemption price:	1.0909
Buy/sell spread:	0
Minimum investment:	50,000
Distribution frequency:	Semi-Annual
Latest distribution:	n/a
Distribution date:	n/a

PORTFOLIO POSITIONING & MACRO OUTLOOK

At the end of the month the ATLAS portfolio was 92% invested. The portfolio has a neutral GDP beta compared with our investment universe, a higher CPI beta and a neutral long bond beta. During the month we sold our position in Macquarie Atlas Roads and invested in Norfolk Southern, this resulted in a higher forward return, similar levels of GDP exposure and slightly lower beta to CPI. Our macro scenario analysis indicated that the portfolio has a positive exposure to a fast transition climate scenario and a negative exposure to delayed action. The portfolio is broadly neutral to global growth and inflation on a real return basis and has a slight positive to a stagnation scenario.

MONTHLY STOCK HIGHLIGHT

Spark Infrastructure jointly owns (49%) two electric distribution businesses, in Victoria and South Australia; and since 2016 part owns (15%) the electric transmission network in New South Wales. All businesses are regulated under Australia's National Energy Market CPI-x rate of return regime. The distribution networks are some of the most efficient in the NEM at a time when regulators are examining social licence breaches from excessive investment and cost pass-through to consumers. TransGrid, purchased in 2016, is in the middle of the NEM and well placed to take advantage of capex opportunities with greater interconnection between states and Renewable Energy Zones. Efficient operations help Spark achieve higher incentive outcomes and outperform its base returns.

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Contacts

If you have any enquiries regarding the Fund you can contact us by telephone on (03) 9046 4057 or email at atlas@unitregistry.com.au. You can also download a copy of the PDS and the RG on the Fund's website at www.atlasinfrastructure.com