

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 2.14% (net of fees) in June versus the benchmark return of 0.50%. The total contribution to local returns from our equity holdings was 2.48%. The main contributors in the period were our holdings in Aeroports de Paris, EDP Renovaveis & Southern. AENA and Elia System Operator were the main detractors.

PORTFOLIO METRICS

| | |
|-------------------|--------|
| Number of stocks: | 18 |
| Cash holding: | 9.6 % |
| Gearing ratio: | 42.0 % |
| Dividend yield: | 3.7 % |

| | PERFORMANCE (%) | | |
|-----------|-------------------|------------------------|--------|
| | Fund ¹ | Benchmark ² | Excess |
| 1 month | 2.1 | 0.5 | 1.6 |
| 3 months | 7.1 | 2.0 | 5.2 |
| 12 months | -- | -- | -- |
| Inception | 9.3 | 5.3 | 4.0 |

| | CONTRIBUTORS (LTM) (%) |
|---------------------------|------------------------|
| Aeroports de Paris SA | 2.01 |
| EDP Renovaveis SA | 1.55 |
| Union Pacific Corporation | 1.33 |

| | SECTOR (Top 5) (%) |
|------------------|--------------------|
| Electric | 36.5 |
| Railway | 16.1 |
| Airport | 12.1 |
| Water | 8.0 |
| Renewable Energy | 5.0 |

| | HOLDINGS (Top 10) (%) |
|-------------------------------------|-----------------------|
| Severn Trent Plc | 8.0 |
| Elia System Operator SA | 7.5 |
| Getlink SE | 7.0 |
| Spark Infrastructure Group Ltd. | 6.7 |
| EDP Renovaveis SA | 5.0 |
| Southern Company | 4.8 |
| Avangrid, Inc. | 4.7 |
| Norfolk Southern Corporation | 4.6 |
| Redes Energeticas Nacionais SGPS SA | 4.5 |
| Union Pacific Corporation | 4.5 |

| | DETRACTORS (LTM) (%) |
|---------------------------------|----------------------|
| Flughafen Wien AG | -0.31 |
| Spark Infrastructure Group Ltd. | -0.30 |

| | GEOGRAPHY (Top 5) (%) |
|----------------|-----------------------|
| United States | 29.8 |
| Australia | 12.6 |
| France | 11.4 |
| United Kingdom | 10.3 |
| Portugal | 9.4 |

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: | PIM9253AU |
| Inception: | 3-Oct-2017 |
| Share class: | AUD Hedged |
| Currency: | AUD |
| Hedging: | Yes |
| NAV: | 0.27m |
| Total assets: | 15.8m |
| Fees: | 1.2 % |
| Total expense ratio: | 1.2 % |

ADDITIONAL DETAILS

| | |
|-------------------------|-------------|
| Application price: | 1.0935 |
| Redemption price: | 1.0935 |
| Buy/sell spread: | 0 |
| Minimum investment: | 50,000 |
| Distribution frequency: | Semi-Annual |
| Latest distribution: | .0127 |
| Distribution date: | 29-Jun-2018 |

PORTFOLIO POSITIONING & MACRO OUTLOOK

At the end of the month the ATLAS portfolio was 90% invested. The portfolio has a slight positive exposure to GDP, a lower beta to CPI and a neutral long bond exposure compared with the investment universe. During the month we sold Pennon and SES and bought Southern and Redes Energeticas based on expected forward returns. 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

Southern Company is a vertically integrated energy utility which supplies electric services in the states of Alabama, Georgia, and Mississippi, as well as natural gas distribution facilities in the states of Illinois, Georgia, Virginia, Tennessee, and Maryland. Southern operates 3 nuclear power facilities, the first opening in 1975. In 2006, Southern embarked on the construction of 2 new nuclear reactor units at one of its plants, Vogtle, which are now running substantially over budget. Given the uncertainty around how Southern will recoup its costs from the project, the market has discounted Southern stock to a point which ATLAS believes compensates investors for the uncertainty inherent around the Vogtle plant with a margin of safety. Southern has also recently embarked on a number of asset sales including gas power plants, gas distribution businesses and some other renewable energy plants, receiving large multiples which Southern will then reinvest in its own business as equity, creating strong returns for shareholders.

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Contacts

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