

**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 3.96% (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 <sup>1</sup>	Benchmark <sup>2</sup>	Excess
1 month	4.0	0.5	3.5
3 months	6.7	2.0	4.7
12 months	--	--	--
Inception	12.3	5.3	7.0

	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. Fund<sup>1</sup> calculated by Northern Trust net of fees and taxes assuming income reinvested.

2. Benchmark<sup>2</sup> 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:	15.8m
Fees:	1.2 %
Total expense ratio:	1.2 %

#### ADDITIONAL DETAILS

Application price:	1.1228
Redemption price:	1.1228
Buy/sell spread:	0
Minimum investment:	50,000
Distribution frequency:	Semi-Annual
Latest distribution:	.0151
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.

#### Disclaimer

This document is issued by The Trust Company (RE Services) Limited ABN 45 003 278 831, AFSL 235150, (TTCRESL) as responsible entity of, and issuer of units in, the ATLAS Infrastructure Australian Feeder Fund ARSN 621 075 465. The Investment Manager of the Fund is ATLAS Infrastructure (Australia) Pty Ltd ABN 37 613 657 131 (ATLAS). ATLAS is the holder of an Australian Financial Services (AFS) licence, number 497475 under the Corporations Act 2001 (Cth) in respect of the financial services it provides. This document is provided for general information purposes only, and is not to be construed as solicitation of an offer to buy or sell any financial product. Accordingly, reliance should not be placed on this document as the basis for making an investment, financial or other decisions. This information does not take into account your investment objectives, particular needs or financial situation. Whilst every effort is taken to ensure the information in this document is accurate, its accuracy, reliability or completeness is not guaranteed. A product disclosure statement (PDS) and a reference guide (RG) issued by TTCRESL are available for the Fund. You should obtain and consider the PDS and RG before deciding whether to acquire, or continue to hold, an interest in the Fund. Initial applications for units in the Fund can only be made pursuant to the application form accompanied by the PDS. Performance figures assume reinvestment of income. Past performance is not a reliable indicator of future performance. Neither TTCRESL or ATLAS guarantee repayment of capital or any particular rate of return from the Fund. Statements of fact in this document have been obtained from and are based upon sources that TTCRESL and ATLAS believe to be reliable. Neither TTCRESL or ATLAS give any representation or warranty as to the reliability or accuracy of the information contained in this document. All opinions and estimates included in this document constitute judgements of TTCRESL and ATLAS as at the date of this document and are subject to change without notice.

#### 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](mailto: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](http://www.atlasinfrastructure.com)