

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 0.74% (net of fees) in September versus the benchmark return of 0.51%. The total contribution to local returns from our equity holdings was 0.9%. The main contributors in the period were our holdings in Union Pacific, Chorus and Flughafen Wien. Severn Trent, Spark Infrastructure and Transurban were the main detractors.

PORTFOLIO METRICS

Number of stocks:	18
Cash holding:	8.1 %
Gearing ratio:	42.7 %
Dividend yield:	4.0 %

	PERFORMANCE (%)		
	Fund ¹	Benchmark ²	Excess
1 month	0.7	0.5	0.2
3 months	1.4	2.0	-0.6
12 months	9.4	7.4	2.0
Inception	9.4	7.4	2.0

CONTRIBUTORS (LTM)	(%)
Union Pacific Corporation	2.07
Aeroports de Paris SA	2.05
Norfolk Southern Corporation	1.54

SECTOR (Top 5)	(%)
Electric	41.0
Airport	13.9
Railway	11.9
Water	7.0
Renewable Energy	4.7

HOLDINGS (Top 10)	(%)
Elia System Operator SA	7.7
Getlink SE	7.6
Spark Infrastructure Group Ltd.	7.0
Severn Trent Plc	7.0
Aeroports de Paris SA	4.8
EDP Renovaveis SA	4.7
Chorus Limited	4.7
Flughafen Wien AG	4.7
Redes Energeticas Nacionais SGPS SA	4.6
Edison International	4.5

DETRACTORS (LTM)	(%)
Severn Trent Plc	-0.46
Spark Infrastructure Group Ltd.	-0.20
Transurban Group Ltd.	-0.17

GEOGRAPHY (Top 5)	(%)
United States	23.2
Australia	15.8
France	12.4
Portugal	9.3
Italy	8.8

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:	IE00BF6X3197
Inception:	3-Oct-2017
Share class:	GBP Hedged
Currency:	GBP
Hedging:	Yes
NAV:	0.75m
Total assets:	9.3m
Fees:	1.2 %
Total expense ratio:	1.2 %

ADDITIONAL DETAILS

Application price:	107.5665
Redemption price:	107.5665
Buy/sell spread:	0
Minimum investment:	50,000
Distribution frequency:	Semi-Annual
Latest distribution:	1.3429
Distribution date:	29-Jun-2018

PORTFOLIO POSITIONING & MACRO OUTLOOK

At the end of the month the ATLAS portfolio was 92% invested. The portfolio has a slight positive exposure to GDP, a more hedged position to CPI and long bonds compared with the investment universe. During the month we sold Union Pacific and Bought Ausnet Services which resulted in a reduction in the portfolio GDP exposure and an increase to the inflation and interest rate hedge. The trade has also reduced the portfolio exposure to recession or stagflation risk as measured by our scenario analysis.

MONTHLY STOCK HIGHLIGHT

Norfolk Southern is one of the six major class 1 rail companies in North America. It operates as an effective duopoly in East and Central United States. The ATLAS investment thesis for the US rail companies is that the companies have a number of long term structural sources of incremental returns, especially in the intermodal segment where volumes and prices would benefit from a combination of economic growth, limitations on trucking capacity and the long term policy pressure to shift freight from road to rail to reduce energy usage and emissions. ATLAS analysis also showed that the impact of falling coal demand would be manageable without impairing shareholder returns. Norfolk Southern has undertaken a large investment program to increase capacity and service quality for intermodal which we believe will support volume and margin growth in the future.

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