

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 -1.13% (net of fees) in October versus the benchmark return of 0.47%. The total contribution to local returns from our equity holdings was -0.9%. The main contributors in the period were our holdings in Ausnet, Spark Infrastructure and Southern. EDPR, Norfolk Southern and Aena were the main detractors.

PORTFOLIO METRICS

Number of stocks:	18
Cash holding:	7.5 %
Gearing ratio:	42.1 %
Dividend yield:	3.9 %

PERFORMANCE	Fund ¹ Benchmark ² Excess (%)		
1 month	-1.1	0.5	-1.6
3 months	-0.5	1.7	-2.3
12 months	9.5	7.5	2.0
Inception p.a.	9.2	7.4	1.9

CONTRIBUTORS (LTM)	(%)
Union Pacific Corporation	2.03
Aeroports de Paris SA	1.53
Norfolk Southern Corporation	1.21

SECTOR (Top 5)	(%)
Electric	41.9
Railway	11.8
Gas	9.9
Airport	8.8
Water	7.1

HOLDINGS (Top 10)	(%)
Elia System Operator SA	7.7
Getlink SE	7.7
Spark Infrastructure Group Ltd.	7.3
Severn Trent Plc	7.1
AltaGas Canada Inc.	5.5
AusNet Services Limited	4.7
Edison International	4.7
Flughafen Wien AG	4.6
Chorus Limited	4.5
Snam S.p.A,	4.5

DETRACTORS (LTM)	(%)
Aena SME SA	-0.27
Severn Trent Plc	-0.23
Avangrid, Inc.	-0.19

GEOGRAPHY (Top 5)	(%)
United States	20.4
Australia	18.2
Italy	8.8
Portugal	8.7
France	7.7

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:	0.64m
Total assets:	17.2m
Fees:	1.2 %
Total expense ratio:	1.2 %

ADDITIONAL DETAILS

Application price:	1.0867
Redemption price:	1.0867
Buy/sell spread:	0
Minimum investment:	50,000
Distribution frequency:	Semi-Annual
Latest distribution:	0.0127
Distribution date:	29-Jun-2018

PORTFOLIO POSITIONING & MACRO OUTLOOK

At the end of the month the ATLAS portfolio was 91% invested. Compared with the investment universe the portfolio has a neutral exposure to GDP and a more hedged position to CPI and long bonds. During the month of October we sold Aeroports de Paris and bought Altagas Canada which decreased our GDP exposure marginally and increased our expected returns on a perpetuity and 10yr IRR horizon.

MONTHLY STOCK HIGHLIGHT

Ausnet is a fully regulated electric & gas distribution and electric transmission company that operates in the Australian state of Victoria. For a number of years the company was not seen to be managing the assets well, resulting in cost overruns on smart meter deployment as well as culpability in the 2009 bushfires in Victoria. Recently management have focussed more on delivering better outcomes for customers as well as investors. This has led to a more sustainable regulatory position as well as further opportunities to deliver growth through supporting distributed generation as well as interconnection projects required to reduce wholesale electricity prices and increase renewable energy generation.

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