

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 -0.50% (net of fees) in December versus the benchmark return of 0.46%. The total contribution to local returns from our equity holdings was -0.44%. The main contributors in the period were our holdings in Altagas Canada, Transurban and Getlink. Norfolk Southern, Spark and Southern were the main detractors.

PORTFOLIO METRICS

Number of stocks:	18
Cash holding:	7.9 %
Gearing ratio:	45.3 %
Dividend yield:	4.0 %

PERFORMANCE

	Fund ¹			Benchmark ²			Excess		
1 month	-0.5			0.5			-1.0		
3 months	-0.3			1.6			-1.9		
12 months	8.6			7.1			1.5		
Inception p.a.	8.6			7.3			1.4		

CONTRIBUTORS (LTM)

	(%)
Elia System Operator SA	1.10
Union Pacific Corporation	1.10
Getlink SE	1.04

SECTOR (Top 5)

	(%)
Electric	42.0
Airport	12.1
Railway	11.7
Gas	9.0
Water	4.3

HOLDINGS (Top 10)

	(%)
Elia System Operator SA	8.1
Getlink SE	8.1
Aena S.M.E. SA	7.5
Spark Infrastructure Group Ltd.	6.9
Edison International	4.7
Terna S.p.A.	4.7
Snam S.p.A.	4.7
Avangrid, Inc.	4.6
Redes Energeticas Nacionais SGPS SA	4.6
Flughafen Wien AG	4.6

DETRACTORS (LTM)

	(%)
Aena SME SA	-0.81
Severn Trent Plc	-0.42
Williams Companies, Inc.	-0.38

GEOGRAPHY (Top 5)

	(%)
United States	22.1
Australia	15.6
Italy	9.4
Portugal	8.8
Belgium	8.1

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:	19.2m
Fees:	1.2 %
Total expense ratio:	1.2 %

ADDITIONAL DETAILS

Application price:	1.0903
Redemption price:	1.0903
Buy/sell spread:	0
Minimum investment:	50,000
Distribution frequency:	Semi-Annual
Latest distribution:	0.0055
Distribution date:	31-Dec-2018

PORTFOLIO POSITIONING & MACRO OUTLOOK

At the end of the month the ATLAS portfolio was 93% invested. Compared with the investment universe the portfolio has a neutral exposure to GDP and a more hedged position to CPI and long bonds. The portfolio has a defensive positioning compared to the universe in the event of a stagflation scenario, a small negative impact in a recession scenario. The portfolio has a small positive exposure to fast transition compared with an overall negative exposure in the universe.

MONTHLY STOCK HIGHLIGHT

GetLink owns the concession for the channel tunnel rail link and the 'le shuttle' car and truck rail service. The channel tunnel concession is one of the longest in the infrastructure sector and runs until 2086. The majority of the asset cashflows derive from capacity payments for tunnel access from Eurostar passenger services although the profitability of the 'le shuttle' truck service has increased dramatically over the past years as demand for shorter transit times and guaranteed availability has increased the value of the shuttle service. Although there are short term risks associated with potential changes to customs arrangements between UK and France, longer term structural drivers will continue to favour high speed rail over air travel and freight and truck shuttles over trucks and ferries. As such Getlink is expected to be a beneficiary from a fast transition to a low carbon economy.

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