

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 -0.38% (net of fees) in May versus the benchmark return of 0.74%. The total contribution to local returns from our equity holdings was -0.18%. The main contributors in the period were our holdings in Altagas Canada, Elia System Operator & Hydro One. ADP, Edison and SSE were the main detractors.

PORTFOLIO METRICS

Number of stocks:	18
Cash holding:	8.6 %
Gearing ratio:	44.9 %
Dividend yield:	4.1 %

	PERFORMANCE (%)		
	Fund ¹	Benchmark ²	Excess
1 month	-0.4	0.7	-1.1
3 months	4.6	1.2	3.3
12 months	18.2	6.2	12.0
Inception p.a.	15.3	6.7	8.6

	CONTRIBUTORS (LTM) (%)
Chorus Limited	2.18
AltaGas Canada Inc.	2.08
Getlink SE	1.92

	SECTOR (Top 5) (%)
Electric	43.1
Airport	20.9
Railway	8.7
Pipelines and Storage	5.2
Gas	4.8

	HOLDINGS (Top 10) (%)
Aena S.M.E. SA	8.0
Spark Infrastructure Group	7.2
SSE Plc	7.0
Elia System Operator SA	6.8
AltaGas Canada Inc.	5.2
Hydro One Limited	4.9
Snam S.p.A.	4.8
Fraport AG Frankfurt Airport Services Wor...	4.6
Terna S.p.A.	4.6
Transurban Group Ltd.	4.6

	DETRACTORS (LTM) (%)
SSE plc	-0.63
Avangrid, Inc.	-0.31
Aeroports de Paris SA	-0.21

	GEOGRAPHY (Top 5) (%)
Australia	16.1
United States	15.8
United Kingdom	11.9
Canada	10.2
Italy	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:	0.73m
Total assets:	26.8m
Fees:	1.2 %
Total expense ratio:	1.2 %

ADDITIONAL DETAILS

Application price:	1.2448
Redemption price:	1.2448
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 92% 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, and a small negative relative impact in a Recession scenario. The portfolio has a small positive exposure to Fast Transition climate policy compared with an overall negative exposure in the universe and is similar to the universe in a Delayed Action scenario.

MONTHLY STOCK HIGHLIGHT

Fraport is the owner and operator of Frankfurt Airport in Germany as well as a portfolio of global airport holdings. Frankfurt Airport is the largest hub for Lufthansa in Europe and the 4th busiest airport in Europe. Frankfurt has recently added a third parallel runway and therefore has substantial growth capacity compared with many other European airports. The airport has been undergoing a large redevelopment of both existing terminals and the creation of a new terminal to serve increasing demand as well as to improve the security experience and retail service offering to passengers. ATLAS expects that Frankfurt will improve returns through modest overall growth supported by increasing operational efficiencies and improved retail services to clients. Fraport has been active in acquiring airports internationally, recently acquiring the Greek Island airport group. Fraport management expects that it can materially improve airside operations, passenger growth and retail spending in the group due to its knowledge of airport operations internationally.

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