

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 portfolio returned 0.39% (net of fees) in July versus the benchmark return of 0.92%. The total contribution to local returns from our equity holdings was 0.57%. The main contributors in the period were our holdings in Edison International, Elia System Operator and Altagas Canada. Red electrica Getlink & Aena were the main detractors.

PORTFOLIO METRICS

Number of stocks:	18
Cash holding:	8.8 %
Gearing ratio:	47.5 %
Dividend yield:	4.5 %

PERFORMANCE

	Fund ¹ Benchmark ² Excess (%)		
1 month	0.4	0.9	-0.5
3 months	4.1	2.5	1.5
12 months	19.6	6.7	12.9
Inception p.a.	16.5	7.1	9.5

CONTRIBUTORS (LTM)

	(%)
AltaGas Canada Inc.	3.15
Elia System Operator SA	2.27
Getlink SE	1.96

SECTOR (Top 5)

	(%)
Electric	49.5
Comms	12.1
Airport	8.7
Railway	8.1
Gas	4.5

HOLDINGS (Top 10)

	(%)
Edison International	9.4
Chorus Limited	7.5
Elia System Operator SA	7.3
SSE Plc	7.1
Hydro One Limited	4.9
Eutelsat Communications SA	4.6
Snam S.p.A.	4.5
Atlas Arteria Limited	4.5
Terna S.p.A.	4.4
Aeroports de Paris SA	4.4

DETRACTORS (LTM)

	(%)
Aeroports de Paris SA	-0.53
EDP Renovaveis SA	-0.35
Red Electrica Corp. SA	-0.34

GEOGRAPHY (Top 5)

	(%)
United States	16.9
Australia	13.1
France	13.0
United Kingdom	11.7
Italy	9.0

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:	0.81m
Total assets:	136.0m
Fees:	1.2 %
Total expense ratio:	1.2 %

ADDITIONAL DETAILS

Application price:	1.2834
Redemption price:	1.2834
Buy/sell spread:	0
Minimum investment:	50,000
Distribution frequency:	Semi-Annual
Latest distribution:	0.0174
Distribution date:	28-Jun-2019

PORTFOLIO POSITIONING & MACRO OUTLOOK

At the end of the month the Global Strategy was 91% invested. During the month we exited Flughafen Wien, Altagas Canada and Fraport and added a positions in Eutelsat, Atlas Arteria and Red Electrica. The net impact has been to increase slightly our portfolio GDP exposure whilst improving our CPI beta and increasing our expected total return. The Global Strategy remains well positioned with respect to stagflation and climate transition scenario risk but has less recession valuation upside compared with the universe. GDP exposure remains in line with the universe whilst CPI and long bond risk exposures are lower.

MONTHLY STOCK HIGHLIGHT

Hydro One is a C\$27bn EV company, a pure electricity transmission and distribution utility operating in the province of Ontario in Canada. The company was IPO'ed in 2015 and the Ontario Province holds a 47% minority stake. Hydro One's growth in regulated asset base will not be encumbered by potentially escalating fuel costs as the company does not own any generation assets. The impact of carbon taxes on purchased power prices is mitigated as more than 93% of electricity generated in Ontario comes from non-GHG emitting resources (nuclear, hydro, wind and solar). Over 2017-2018 Hydro One had attempted to acquire Avista Corp, a \$5bn EV, U.S. utility based in Washington, for an EV/Rate Base multiple of 1.6x. The acquisition was blocked by the Washington regulator in December 2018. Disapproval of the Avista acquisition was overall a positive investment signal for ATLAS. Hydro One was prevented from making a value-dilutive transaction as the multiple to be paid for Avista was higher than Hydro One's trading levels (1.2x-1.3x) and the level of synergies to be extracted from the deal was limited.

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