

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 2.78% (net of fees) in July versus the benchmark return of 0.03%. The total contribution to local returns from our equity holdings was 2.90%. The main contributors in the period were our holdings in Avangrid, Pinnacle West and Norfolk Southern. ADP, Aena and SSE were the main detractors.

PORTFOLIO METRICS

Number of stocks:	19
Cash holding:	4.3 %
Yield	4.7 %
EV/Forecast EBITDA	11.3

PERFORMANCE (%)

	Fund ¹	Benchmark ²	Excess
1 month	2.8	0.0	2.7
3 months	3.7	0.9	2.8
1 year	-4.1	5.4	-9.5
2 years	7.1	6.1	1.0
Inception p.a.	8.7	6.5	2.3

CONTRIBUTORS (LTM) (%)

Chorus Limited	1.92
SSE plc	1.41
Snam S.p.A.	1.36

SECTOR (Top 5) (%)

Electric	58.7
Comms	11.1
Airport	10.5
Railway	9.0
Gas	3.6

HOLDINGS (Top 10) (%)

Avangrid, Inc.	8.6
SSE Plc	7.9
Eutelsat Communications SA	7.7
Edison International	7.1
Aeroports de Paris SA	6.7
Norfolk Southern Corporation	4.6
Spark Infrastructure Group	4.6
Pinnacle West Capital Corporation	4.6
Terna S.p.A.	4.6
Consolidated Edison, Inc.	4.5

DETRACTORS (LTM) (%)

Fraport AG	-3.24
Eutelsat Communications SA	-3.21
Aena SME SA	-2.13

GEOGRAPHY (Top 5) (%)

United States	35.4
France	19.7
Australia	11.9
Italy	8.5
Spain	8.3

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.

4. Dividend yield is a look-through forward looking dividend yield, gross of fees, gross of withholding tax and does not account for portfolio level cash allocations. Individual investors will receive less than the gross yield.

FUND DETAILS

Identifier:	PIM9253AU
Inception:	3-Oct-2017
Share class:	AUD Hedged
Currency:	AUD
Hedging:	Yes
NAV:	6.3m
Total assets:	707.7m
Fees:	1.2 %
Total expense ratio:	1.2 %

ADDITIONAL DETAILS

Application price:	1.1906
Redemption price:	1.1906
Buy/sell spread:	0
Minimum investment:	50,000
Distribution frequency:	Semi-Annual
Latest distribution:	0.0198
Distribution date:	30-Jun-2020

PORTFOLIO POSITIONING & MACRO OUTLOOK

During the month, the Investment Committee (IC) resolved to increase the position in ADP, as well as to increase the position in Eutelsat. As a result of these trades, portfolio total expected return increased slightly during the month and stress risk of loss and recession risk were stable. The portfolio remains well positioned with regards to stagflation and fast transition, GDP beta is now close to neutral compared to the universe whereas CPI beta and long bond beta are better.

MONTHLY STOCK HIGHLIGHT

Aéroports de Paris owns and operates the three airports in Île-de-France, including the international hub airport, Charles de Gaulle. It also owns a number of other airports and airport groups internationally, including stakes in TAV, Amsterdam Schiphol and India's GMR. ADP's primary French assets are regulated under a hybrid-till structure, with retailing and some real estate omitted from economic regulation, allowing it to earn competitive returns on these assets. Like most airports globally, ADP has been strongly affected by the outbreak of COVID-19, with passenger demand at its core airports remaining below 90% of 2019 levels until July. However, ADP benefits from specific characteristics which are not common amongst all airports. Most importantly, ADP has a strong destination-focussed traffic profile and is not beholden to competing with other hub airports for traffic. Secondly, ADP operates under a regulated structure where long term returns are maintained by tariff changes calculated by the regulator. Ultimately traffic will take time to recover to 'trend' levels, however ATLAS believes ADP provides investors with a strong margin of safety, even in a worst-case COVID scenario (ATLAS deemed 'stress case'). We increased our holding in ADP in the month of July.

Disclaimer

This document is issued by The Trust Company (RE Services) Limited ABN 45 003 278 831, AFSL 235150, (TTCRESL) as responsible entity of, and issuer of units in, the ATLAS Infrastructure Australian Feeder Fund ARSN 621 075 465. The Investment Manager of the Fund is ATLAS Infrastructure (Australia) Pty Ltd ABN 37 613 657 131 (ATLAS). ATLAS is the holder of an Australian Financial Services (AFS) licence, number 497475 under the Corporations Act 2001 (Cth) in respect of the financial services it provides. This document is provided for general information purposes only, and is not to be construed as solicitation of an offer to buy or sell any financial product. Accordingly, reliance should not be placed on this document as the basis for making an investment, financial or other decisions. This information does not take into account your investment objectives, particular needs or financial situation. Whilst every effort is taken to ensure the information in this document is accurate, its accuracy, reliability or completeness is not guaranteed. A product disclosure statement (PDS) and a reference guide (RG) issued by TTCRESL are available for the Fund. You should obtain and consider the PDS and RG before deciding whether to acquire, or continue to hold, an interest in the Fund. Initial applications for units in the Fund can only be made pursuant to the application form accompanied by the PDS. Performance figures assume reinvestment of income. Past performance is not a reliable indicator of future performance. Neither TTCRESL or ATLAS guarantee repayment of capital or any particular rate of return from the Fund. Statements of fact in this document have been obtained from and are based upon sources that TTCRESL and ATLAS believe to be reliable. Neither TTCRESL or ATLAS give any representation or warranty as to the reliability or accuracy of the information contained in this document. All opinions and estimates included in this document constitute judgements of TTCRESL and ATLAS as at the date of this document and are subject to change without notice.

Contacts

If you have any enquiries regarding the Fund you can contact us by telephone on (03) 9046 4057 or email at atlas@unitregistry.com.au. You can also download a copy of the PDS and the RG on the Fund's website at www.atlasinfrastructure.com