

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 -0.08% (net of fees) in August versus the benchmark return of 0.41%. The total contribution to local returns from our equity holdings was -0.60%. The main contributors in the period were our holdings in ADP, Aena and Norfolk Southern. Pinnacle West, Edison and Allele were the main detractors.

PORTFOLIO METRICS

Number of stocks:	19
Cash holding:	4.5 %
Yield	5.1 %
EV/Forecast EBITDA	11.4

PERFORMANCE

	Fund ¹ Benchmark ² Excess (%)		
1 month	-0.1	0.4	-0.5
3 months	1.1	0.7	0.4
1 year	-3.9	5.2	-9.1
2 years	7.2	5.9	1.3
Inception p.a.	8.4	6.4	2.0

CONTRIBUTORS (LTM)

	(%)
Chorus Limited	3.00
Norfolk Southern Corporation	1.34
Snam S.p.A.	1.02

SECTOR (Top 5)

	(%)
Electric	57.0
Airport	11.7
Comms	11.5
Railway	9.1
Gas	3.5

HOLDINGS (Top 10)

	(%)
Avangrid, Inc.	8.3
SSE Plc	7.7
Eutelsat Communications SA	7.6
Aeroports de Paris SA	7.4
Edison International	6.9
Spark Infrastructure Group	4.7
Norfolk Southern Corporation	4.6
Getlink SE	4.5
Terna S.p.A.	4.4
Aena S.M.E. SA	4.3

DETRACTORS (LTM)

	(%)
Fraport AG	-3.22
Eutelsat Communications SA	-2.95
Edison International	-2.00

GEOGRAPHY (Top 5)

	(%)
United States	33.7
France	20.4
Australia	12.2
Spain	8.8
Italy	8.2

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:	1.1897
Redemption price:	1.1897
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 IC did not make any portfolio trades, as a result, portfolio risk exposures were stable during the month as was total expected return. The portfolio remains well positioned with regards to stagflation and fast transition, GDP beta and recession risk are now close to neutral compared to the universe whereas CPI beta and long bond beta are better.

MONTHLY STOCK HIGHLIGHT

Pinnacle West is the owner and operator of Arizona Public Service (APS) which is the electric utility provider to the majority of the state of Arizona. The company operates both electric networks and generation assets including both nuclear (25%) and legacy coal generation (22%). The company has had a mixed record of commitment to climate change and social contract, having previously spent material amounts of money on both lobbying against a state clean energy referendum and on supporting the election campaigns of utility regulators. However a change of CEO at the end of 2019 has meant that the company has now committed to both carbon free generation by 2050 as well as a commitment not to participate or attempt to financially influence the election of state regulators. Our analysis shows that Arizona is well positioned to take advantage of low cost wind and solar which should enable the company to meet its climate transition goals whilst keeping bills reasonable. The recent market volatility around both Covid 19 and the upcoming election have led to the company trading on a relatively modest premium to asset base and this, alongside our assessment of the climate transition plans and costs, led ATLAS to take a position in the company during Q2 2020.

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