ATLAS Global Infrastructure UCITS ICAV - Series A USD Unhedged

MONTHLY REPORT - September 2020

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 -2.44% (net of fees) in September versus the benchmark return of 0.81%. The total contribution to local returns from our equity holdings was -0.49%. The main contributors in the period were our holdings in Avangrid, Consolidated Edison and Norfolk Southern. Getlink, SSE and Spark Infrastructure were the main detractors.

PORTFOLIO METRICS

Number of stocks:	19
Cash holding:	6.6 %
EV/Forecast EBITDA	11.1
Forward Dividend Yield	4.3 %

PERFORMANCE (%)

	Fund[1]	Benchmark[2]	Excess
1 month	-2.4	0.8	-3.3
3 months	4.1	1.3	2.8
1 year	-3.6	5.6	-9.2
2 years	5.3	6.1	-0.8
Inception p.a.	5.8	6.5	-0.7

CONTRIBUTORS (LTM)

CONTRIBUTORS (LTM)	(%)
Chorus Limited	2.92
Norfolk Southern Corporation	1.40
Snam S.p.A.	1.07

SECTOR (Top 5)

SECTOR (Top 5)	(%)
Electric	62.5
Airport	11.3
Comms	9.3
Railway	4.0
Gas	3.5

HOLDINGS (Top 10)

HOLDINGS (Top 10)	(%)
Avangrid, Inc.	8.9
Eutelsat Communications SA	7.5
Edison International	7.4
SSE Plc	7.3
Aeroports de Paris SA	7.2
Consolidated Edison, Inc.	4.6
Portland General Electric Company	4.6
ALLETE, Inc.	4.4
Terna S.p.A.	4.4
AusNet Services Limited	4.3

DETRACTORS (LTM)

DETRACTORS (LTM)	(%)
Eutelsat Communications SA	-3.35
Fraport AG	-3.21
Edison International	-2.49

GEOGRAPHY (Top 5)

GEOGRAPHY (Top 5)	(%)
United States	36.4
France	20.1
Australia	11.9
Spain	8.8
Italy	8.4

1. Fund[1] calculated by Northern Trust net of fees and taxes assuming income reinvested.
2. Benchmark[2] 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.

ATLAS INFRASTRUCTURE

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FUND DETAILS

Identifier:	IE00BF6X2W36
Inception:	3-Oct-2017
Share class:	USD Unhedged
Currency:	USD
Hedging:	No
NAV:	7.9m
Total assets:	557.9m
Fees:	1.07 %
Total expense ratio:	1.07 %

ADDITIONAL DETAILS

Application price:	111.6935
Redemption price:	111.6935
Buy/sell spread:	0
Minimum investment:	50,000
Distribution frequency:	Semi-Annual
Latest distribution:	1.6665
Distribution date:	30-Jun-2020

PORTFOLIO POSITIONING & MACRO OUTLOOK

During the month, the Investment Committee made a single position change with Portland General Electric replacing Norfolk Southern. 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

Portland General Electric (PGE) is the largest electric utility in the state of Oregon, USA. Oregon was one of the first US states to mandate an exit from coal generation, as a result, PGE has developed a plan with the state regulator to reduce the life and accelerate depreciation on its legacy coal assets. PGE expects to close its last coal generation facility in Oregon at the end of 2020 and replace this with a combination wind/solar/battery facility. The company was one of the first utilities to commit to an 80% decarbonisation goal in 2018 and we expect that management will update and extend this target in the near future. Two events heavily impacted the Portland share price in 2020 resulting in an attractive entry point for the fund. Firstly, the company was caught exposed to energy market derivatives in August 2020, resulting in a loss of US$130m that would not be recovered from rate payers. Secondly, the West Coast wildfires season extended into Oregon with a large area destroyed and rumours that it had been started by an spark from a transmission wire. We note that the risk to Portland in the case of wildfires is much lower than that faced in California as Oregon does not have strict inverse condemnation laws that make utilities liable irrespective of fault. As such we consider the risk to be similar to other electric utilities and therefore the share price correction provided a sufficient margin of safety for the risk.

Contacts

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