

# FUND MONTHLY REPORT

## ATLAS INFRASTRUCTURE




### INVESTMENT PERFORMANCE

Rolling Return	Since inception <sup>1</sup> % p.a.	5 years % p.a.	3 years %	1 year % p.a.	3 months %	1 month %
AIAFF AUD Hedged	8.95	9.01	4.50	0.93	(7.11)	8.42
AIAFF AUD Unhedged	10.06	9.65	4.40	7.14	(1.12)	10.38
G7 CPI + 5%	8.31	8.37	9.24	13.03	3.40	0.62
FTSE Developed Core 50/50 Infrastructure	4.46	4.05	0.72	(2.79)	(9.68)	3.30

Calendar Year Return	2021 %	2020 %	2019 %	2018 %
AIAFF AUD Hedged	14.86	(1.66)	27.71	8.59
AIAFF AUD Unhedged	16.83	(6.89)	27.28	13.00

<sup>1</sup> inception date - 3 October 2017; Source: ATLAS Infrastructure. Fund returns are calculated net of management fees and assume all distributions are reinvested. Past performance is not an indication of future performance.

### INVESTMENT OBJECTIVE

The ATLAS Infrastructure Australian Feeder Fund (AIAFF) aims to deliver a combination of capital appreciation and income over the medium to longer term.

### KEY FEATURES

- Provides investors with real, long term returns in excess of inflation through investment in a high conviction portfolio of the highest quality listed infrastructure companies across developed markets.
- Access to one of the largest investment teams specialising in listed infrastructure – globally.
- Robust and rigorous investment process delivering a high conviction, concentrated, index agnostic portfolio.
- An investment process that incorporates the impact of ESG factors on the cash flow of the companies it researches.

### MONTHLY COMMENTARY

In Australian dollar terms, the hedged portfolio rose 8.42% over the month of October, while the unhedged portfolio increased 10.38% (net of fees).

The largest contributions to the absolute portfolio return came from SES SA FDR (+1.4%), PG&E Corporation (+0.8%) and Eutelsat Communications (+0.7%). The main detractor was Avangrid (-0.1%).

On a relative basis, the portfolio's overweight to Europe (71% portfolio versus 19% benchmark)<sup>1</sup> contributed 0.6% to returns and the lower allocation to the North American sector (21% portfolio versus 66% benchmark)<sup>1</sup> contributed 0.1%. We also benefited from stock selection in European Communications (+1.5% due to our holdings in SES and Eutelsat), European Electric (+0.7% due to our holdings in Enel and Terna) and North American Electric Utilities (+1.2% with holdings in PG&E and Allete).

On a company level we would note the following key developments during October:

- **Severn Trent** (UK Water Utilities) and **United Utilities** (UK Water Utilities) will be entitled to receive £62.9 million and £24.1 million respectively via customer bills in the 2023-24 financial year for having outperformed their targets, whilst the industry regulator, Ofwat, has instructed 11 other water companies who missed their targets, many pollution related, to cut £150 million from customer bills over the same period. Although these rewards are in line with expectations, ATLAS notes that this highlights that even in a 'tougher' regulatory environment, good performing companies will be allowed to generate positive incentives.

- **Eiffage** (European toll road) announced the acquisition of a 13.7% stake in Getlink from TCI, which adds to the 5.1% stake it acquired in late 2018. Eiffage will become Getlink's largest shareholder, however, has announced no immediate plans to launch a tender offer. The acquisition allows Eiffage to diversify its concession portfolio and increase the average contract life, with the Getlink concession expires in 2086, giving long free cash flow visibility and increasing the average life of the concession portfolio to 29.2 years, from 22.4 years.
- **AENA** (European Airport) and **ADP** (European Airport) have both raised full year guidance, highlighting the continuation of the buoyant travel market heading into Q4, with ADP announcing traffic is expected to recover between 77%-83% of 2019 levels (up from 70-80% initially announced in Q1 2022 and 74%-84% announced in Q2). AENA is now estimating that traffic will be an estimated 85% of 2019 levels, which is above the upper end of the range announced in June 2022 (75%-85%) and significantly higher than the 68% guidance provided in Q1 2022. Further, AENA has announced the winter airline schedule (November to March inclusive) exceeds what was operated in the 2019/20 season, with +5.3% more seats being offered. Although medium term traffic trends remain uncertain due to fuel prices and lower economic growth, ATLAS notes that the current traffic strength represents a return of demand lost during Covid and therefore there is still additional demand, particularly from Asia, to be added before volumes revert to normal economic levels.

<sup>1</sup>FTSE Developed Core 50/50 Infrastructure (local)

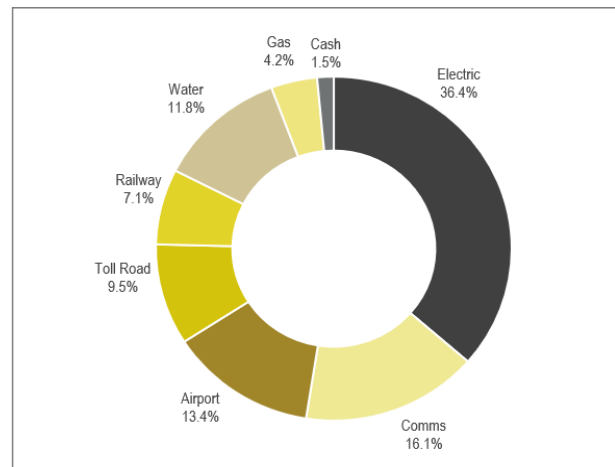
## FUND HOLDINGS

The Fund's top 10 holdings are shown in the following table:

Stock	Fund %
Enel	7.4
SES	7.4
United Utilities	7.4
Norfolk	4.7
Aena	4.7
ALLETE	4.7
Terna	4.6
Aeroports de Paris	4.5
E.ON	4.5
Cellnex	4.4
<b>Total</b>	<b>54.3</b>
Number of stocks held	22

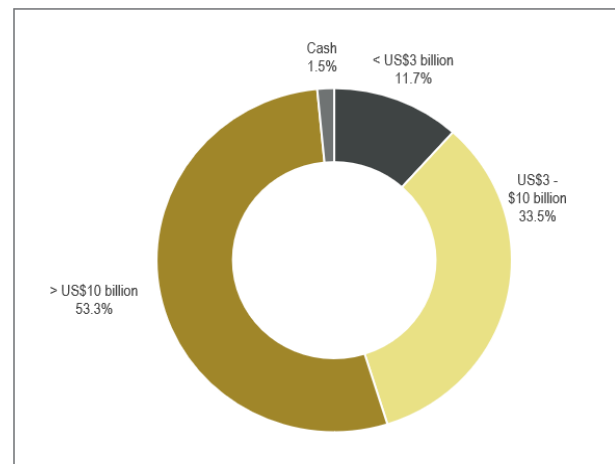
Source: ATLAS Infrastructure

## SECTOR ALLOCATION



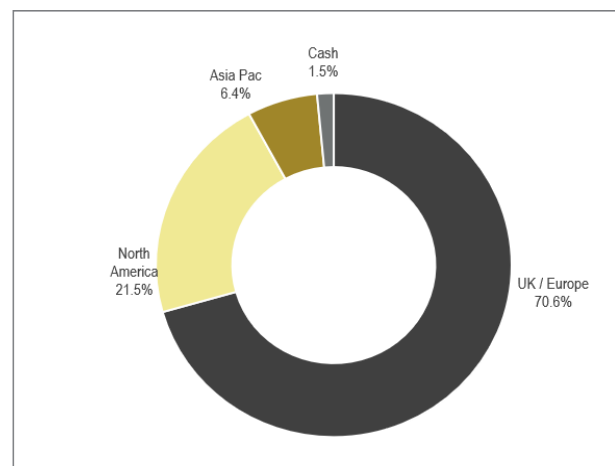
Source: ATLAS Infrastructure

## MARKET CAPITALISATION



Source: ATLAS Infrastructure

## REGIONAL ALLOCATION



Source: ATLAS Infrastructure

“The firm’s objective is to bring to the listed market the same rigorous research and focus on cash flow analysis as a best-in-class private market investor.”

Matt Lorback, Partner,  
ATLAS Infrastructure

### FUND ATTRIBUTION

The top contributors to and detractors from the Fund over the past rolling year are shown in the table below:

Top 3 Contributors
Getlink
Atlas Arteria
Aeroports de Paris
Top 3 Detractors
Enel
Fraport
Avangrid

\*Given the benchmark unaware nature of the Fund, absolute contribution rather than relative attribution is used.  
Source: ATLAS Infrastructure, FactSet.

### CONTACTS

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### RESEARCH OPINIONS

The Fund has been assessed by key research houses and has received the following ratings for both the hedged and unhedged Fund options as at 31 October 2022:

#### Qualitative Ratings



## IMPORTANT INFORMATION

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ATLAS Infrastructure Australian Feeder Fund's Target Market Determination is available at <https://documents.feprecisionplus.com/Tmd/PCT/TMD/PVG8-PIM9253AU.pdf> for the AUD Hedged Class and at <https://documents.feprecisionplus.com/Tmd/PCT/TMD/PVG7-PIM6769AU.pdf> for the AUD Unhedged Class. A Target Market Determination is a document which is required to be made available from 5 October 2021. It describes who this financial product is likely to be appropriate for (i.e. the target market), and any conditions around how the product can be distributed to investors. It also describes the events or circumstances where the Target Market Determination for this financial product may need to be reviewed.

This document has been prepared for use by sophisticated investors and investment professionals only and is solely for the use of the party to whom it is provided. Applications to invest in the Fund must be made on the application form which can be downloaded from [www.pantribal.com.au](http://www.pantribal.com.au) or obtained by contacting PAN-Tribal on (03) 9654 3015. This document is issued on 18 November 2022. ©2022 PAN-Tribal Asset Management Pty Ltd.

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