

# 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	10.08	9.94	5.91	8.96	0.29	6.22
AIAFF AUD Unhedged	10.83	9.86	4.90	10.05	4.35	4.48
G7 CPI + 5%	8.29	8.34	9.26	12.94	2.58	0.55
FTSE Developed Core 50/50 Infrastructure	5.59	4.89	3.05	5.61	(2.86)	6.10

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 6.22% over the month of November, while the unhedged portfolio increased 4.48% (net of fees).

The largest contributions to the absolute portfolio return came from Enel (+1.1%\*), Allete (+0.7%\*) and United Utilities (+0.6%\*). The main detractors were SES SA FDR (-0.3%\*), Eutelsat Communications (-0.3%\*) and PG&E Corporation (-0.2%\*).

On a relative basis, the portfolio's overweight to Europe (70% portfolio versus 15% benchmark) had a neutral effect on returns and the lower allocation to the North American sector (19% portfolio versus 69% benchmark) detracted -0.1%. We benefited from stock selection in European Electric Utilities (+0.7% due to our holdings in Enel, Tema and Hera), however, selection in communications held back performance (-0.9%).

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

- **SSE** (UK Electric Utility) announced it had agreed to sell a 25% stake in its electricity transmission grid business to Ontario Teachers' Pension Plan Board for ~£1.5 billion. The minority stake sale is part of a strategic plan to grow the transmission business, with the proceeds being used to fund investments in renewable energy in parallel with the government's net zero targets including the delivery of 50GW of offshore wind capacity by 2030.
- **Enel** (European Electric Utility) announced as part of their 2023-25 strategy update plans to sell ~€21 billion in assets to reduce debt and focus the business on six main markets including Spain, Italy, USA, Brazil, Chile, and Colombia, and would see Enel exit Argentina, Peru, and

Romania. The consolidation allows Enel to focus on countries where it can have an integrated position and where government policy is most supportive of the electrification process as well as deploy EUR16bn into renewable generation assets.

- Allete** (US Electric Utility) received approval from the Minnesota regulator for its Integrated Resource Plan (IRP - originally filed in 2021). The IRP represents an agreed long term plan for how the utility intends to generate or otherwise source the electricity used by its customers. The notable changes in the 2022 IRP have been an increase in Solar & Wind resource additions (from 400 to 700MW) as well as the addition of between 100 and 500 MWh of storage. At the same time the retirement dates of the two last units of the main coal power generation plant were confirmed at 2029 for unit 3 and 2035 for unit 4 with the potential shut down of unit 4 by 2030 to be considered at the next IRP. Less positively the IRP left open the decision of whether Allete would progress with a new gas plant, although the start date was pushed back to 2027. The net impact of these changes has been to further improve the alignment of Allete with the B2DS emissions pathway, leaving it 5.6% above the budget to 2030 with the potential to come in below budget should the new gas plant not be built.

\*Net of fees

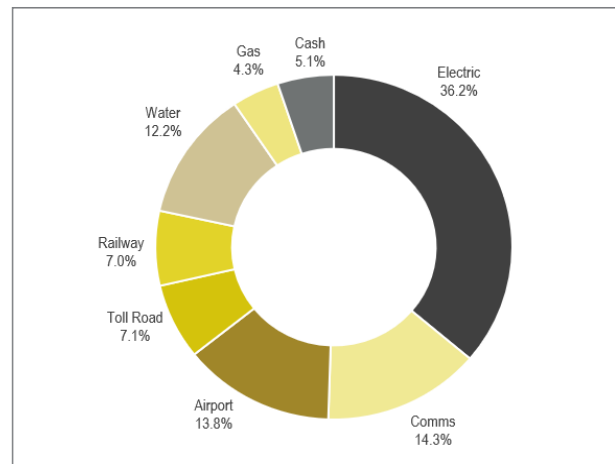
## FUND HOLDINGS

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

Stock	Fund %
Enel	8.1
United Utilities	7.6
SES	7.3
Edison International	6.0
Terna	5.4
Norfolk	4.9
Aena	4.7
E.ON	4.7
Aeroports de Paris	4.7
ALLETE	4.6
<b>Total</b>	<b>58.0</b>
<b>Number of stocks held</b>	<b>22</b>

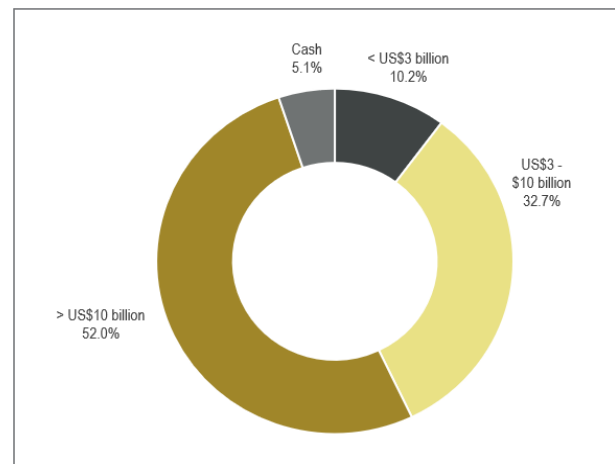
Source: ATLAS Infrastructure

## SECTOR ALLOCATION



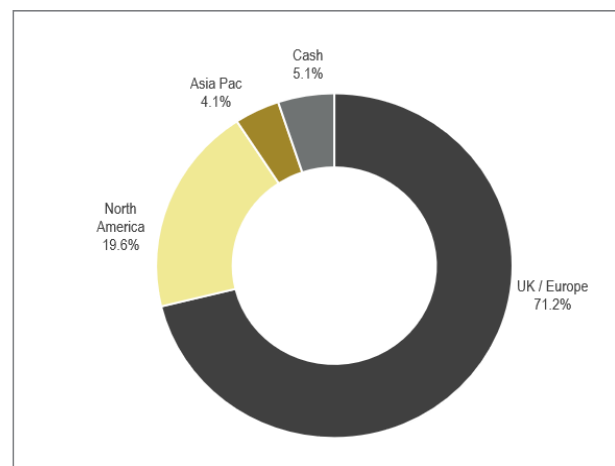
Source: ATLAS Infrastructure

## 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
Aéroports de Paris
Getlink
Atlas Arteria
Top 3 Detractors
Eutelsat Communications
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 30 November 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 15 December 2022. ©2022 PAN-Tribal Asset Management Pty Ltd.

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