

# 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	10.42	10.76	5.10	8.66	9.74	7.93
AIAFF AUD Unhedged	10.96	11.48	3.30	8.32	6.97	5.80
G7 CPI + 5%	8.41	8.53	9.61	13.20	2.53	1.18
FTSE Developed Core 50/50 Infrastructure	5.30	5.56	0.70	1.20	5.53	2.64

Calendar Year Return	2022 %	2021 %	2020 %	2019 %
AIAFF AUD Hedged	(1.71)	14.86	(1.66)	27.71
AIAFF AUD Unhedged	1.86	16.83	(6.89)	27.28

<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 7.93% over the month of January, while the unhedged portfolio rose 5.80% (net of fees).

The largest contributions to the absolute portfolio return came from Fraport (+1.5%\*), SES SA FDR (+1.2%\*) and Enel (+1.0%\*). The main detractors were Allete (-0.1%\*), Portland General Electric (-0.1%\*) and Avangrid (-0.1%\*).

On a relative basis, the portfolio's overweight to Europe (74% portfolio versus 16% benchmark) contributed 5.4% to returns, and the lower allocation to the North American sector (19% portfolio versus 67% benchmark) contributed 1.3%. The portfolio benefited from an overweight to European Communications (+1.3%) and underweight to North American Electric Utilities (+1.1%). Our stock selection within European Electric Utilities, European Airports and US Electric Utilities was positive, with our largest holdings (Fraport, Enel, SES and Edison) all outperforming their sector averages.

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

- **Cellnex** (European communications towers) was subject to takeover speculation in January after an article published in the Spanish press reported that American Tower (AMT) and Brookfield were analysing a bid. The report claimed large Cellnex shareholders such as the Benetton family are willing to sell their stake. The news came less than two weeks following the announcement of the CEO's (Tobias Martinez) resignation, which was read by the market as a confirmation of new direction in strategy, with the firm moving from acquisitive to organic growth.

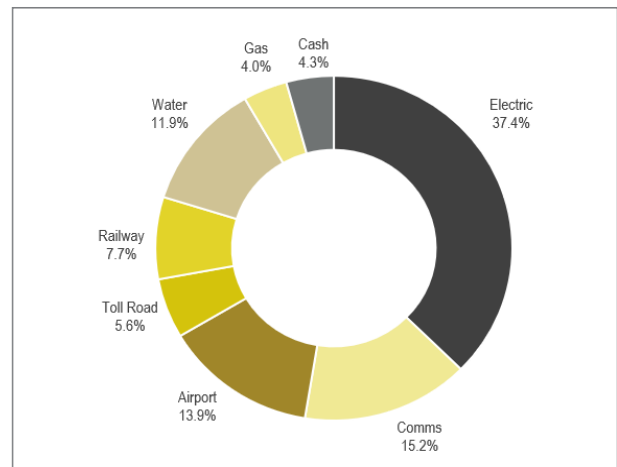
- ALLETE** (US electric utility) had its customer rates authorised by the Minnesota Public Utility Commission. The rates increase is around half of the rate increase sought by ALLETE and will take effect in the summer of 2023. The increase is based on an underlying return on equity (ROE) of 9.65%, lower than ALLETE's request of 10.25% but broadly in line with ATLAS expectations. The ROE is an increase over the previously authorised ROE of 9.25% from the litigated rate case in 2018, however management confirmed that ALLETE is planning to file another rate request later this year that will reflect the revenue requirements that it needs to advance its growth strategy.
- North American Rails** reported Q4 results in the last week of January which saw sluggish volume numbers offset by strong core pricing increases, as well as higher fuel surcharges and accessorial revenue. Management guidance points to a weakening macro-outlook for 2023 with mild recession anticipated, to be partially offset by volume recovery as service/performance metrics improves and modal shift away from truck to rails. Cost inflation has been higher than anticipated, however all rails remain confident that they would be able to pass through inflation through price increases. Managements' narratives have pivoted away from lowering Operating Margin as the main priority to market share capture and volume growth.

\* Net of Fees

“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.”

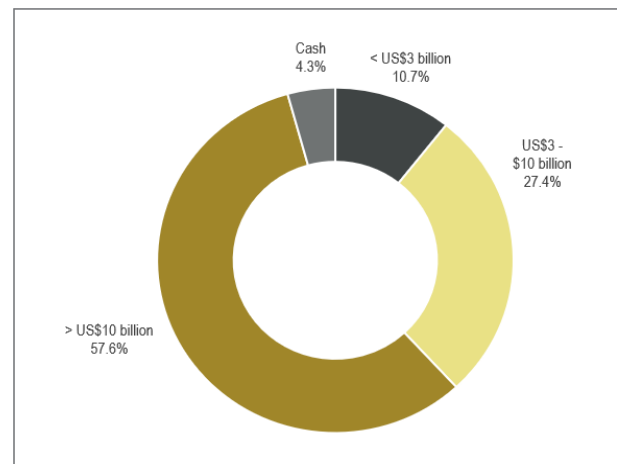
Matt Lorback, Partner,  
ATLAS Infrastructure

### SECTOR ALLOCATION



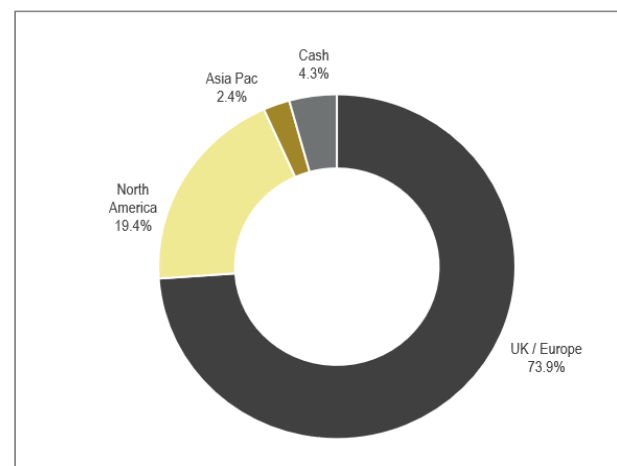
Source: ATLAS Infrastructure

### MARKET CAPITALISATION



Source: ATLAS Infrastructure

### REGIONAL ALLOCATION



Source: ATLAS Infrastructure

## FUND HOLDINGS

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

Stock	Fund %
Enel	8.3
SES	8.1
United Utilities	7.4
Terna	7.3
Edison International	6.4
Fraport	4.7
Aena	4.6
Aeroports de Paris	4.6
E.ON	4.6
Cellnex	4.5
<b>Total</b>	<b>60.5</b>
<b>Number of stocks held</b>	<b>21</b>

Source: ATLAS Infrastructure

## FUND ATTRIBUTION

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

<b>Top 3 Contributors</b>
Getlink
Edison International
Atlas Arteria
<b>Top 3 Detractors</b>
Eutelsat Communications
Avangrid
Norfolk Southern

\*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 January 2023:

### 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 20 February 2023. ©2022 PAN-Tribal Asset Management Pty Ltd.

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