

# FUND MONTHLY REPORT

## ATLAS LISTED INFRASTRUCTURE

### INVESTMENT PERFORMANCE

Rolling Return	Since inception <sup>1</sup> % p.a.	5 years % p.a.	3 years % p.a.	1 year % p.a.	3 months %	1 month %
AIAFF AUD Hedged	8.34	6.20	6.36	(0.21)	0.02	2.83
AIAFF AUD Unhedged	10.21	7.81	10.82	3.23	3.35	2.57
G7 CPI + 5%	8.26	8.76	10.41	8.37	1.01	0.40
FTSE Developed Core 50/50 Infrastructure	4.22	2.80	3.04	1.20	1.96	3.65

Calendar Year Return	2023 %	2022 %	2021 %	2020 %	2019 %
AIAFF AUD Hedged	7.06	(1.71)	14.86	(1.66)	27.71
AIAFF AUD Unhedged	10.56	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 2.83% (net of fees) over the month of March, while the unhedged portfolio rose 2.57% (net of fees).

The largest contributions to the absolute portfolio return came from Avangrid, Inc. (+0.74%), Terna S.p.A. (+0.44%), and Edison International (+0.39%). The main detractors were Fraport AG (-0.23%), American Electric Power Company, Inc. (-0.07%), and Severn Trent Plc (-0.05%).

On a relative basis, the portfolio's overweight in UK/ Europe (67% portfolio versus 18% benchmark) was negative to returns (-0.4%), as was the lower allocation to North America (31% portfolio versus 66% benchmark) (-0.2%).

On a sub-sector basis, the main detractors were UK Water (-0.5% allocation), followed by EU Airports (-0.4% selection), Renewables (-0.3% allocation) and EU Communications (-0.3% allocation, slightly offset by +0.2% allocation). This was slightly offset by stock selection in US Electric utilities (+0.3%).

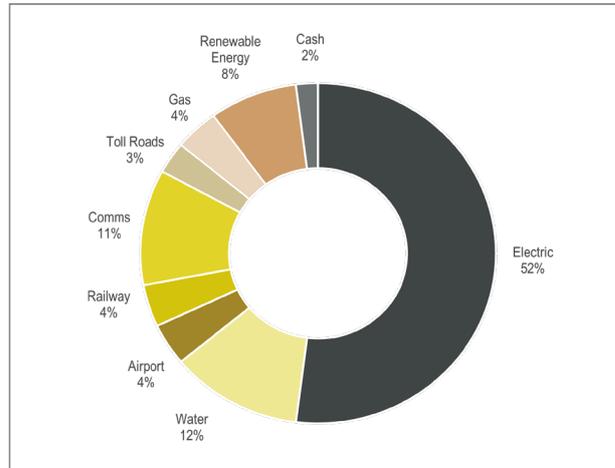
**Avangrid (US Utilities)** announced on March 7th that it had received a non-binding proposal from Iberdrola to acquire the outstanding shares of common stock of Avangrid not owned by Iberdrola (18.4% of share capital) for \$34.25 in cash per share (10% premium over average price of the preceding 30 days). ATLAS sees the offer price from Iberdrola as an opportunistic initial offer, below intrinsic value and below comparable

trading value. Avangrid shares have since traded through Iberdrola's offer price and have held at around \$36 per share.

**Fraport (EU Airports)** reported FY23 results with passenger traffic recovering to 84% of the 2019 level. Whilst the result was broadly in line with expectations, management released a relatively soft passenger traffic outlook due to Lufthansa's forward capacity and miscommunicated the medium to long-term capex plan, which reflects a pullforward rather than a step change. In addition, the performance of the retail segment continues to lag both pre-pandemic levels as well as broader European peers. The Group's international portfolio performed strongly, with passenger traffic recovering to the 2019 level (98%).

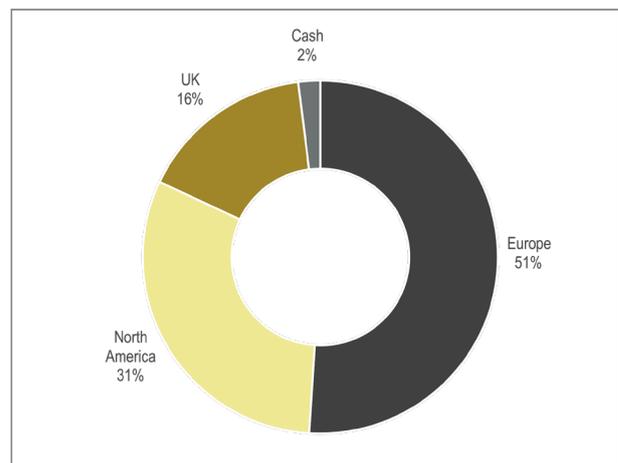
**Terna (EU Utilities)** reported FY23 results in which it announced a 65% increase in its capex plan to €15.5bn (excluding grants that do not flow into the RAB) for the period between 2024-28. Two-thirds of this is "development capex" which relates to expanding the capacity of the domestic grid, including new connections such as the Tyrrhenian, Adriatic and Central Link. 20% of the plan is on asset renewal and efficiency measures to support the delivery of KPIs. 80% of the capex plan has already been authorised and 70% of the plan is already procured. ATLAS analysis suggests that Terna requires €1-1.5bn per annum to fund its plan whilst maintaining its current dividend policy, which can be funded through existing operating cash flow and raising additional debt whilst maintaining its current credit rating of BBB+/Baa2.

### SECTOR ALLOCATION



Source: ATLAS Infrastructure

### REGIONAL ALLOCATION

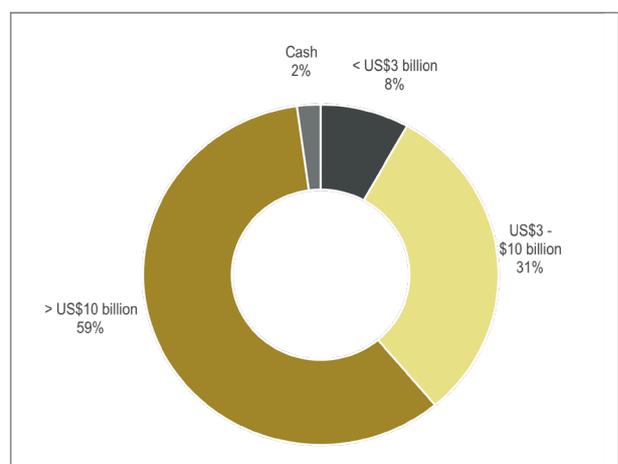


Source: ATLAS Infrastructure

"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

### MARKET CAPITALISATION



Source: ATLAS Infrastructure

## FUND HOLDINGS

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

Stock	Fund %
SES	8.1
Edison International	7.8
Orsted	7.8
Terna	7.6
United Utilities	7.4
Avangrid	4.8
Exelon	4.7
Pinnacle West Capital	4.6
National Grid	4.6
Consolidated Edison	4.5
<b>Total</b>	<b>61.9</b>
Number of stocks held	20

Source: ATLAS Infrastructure

## FUND ATTRIBUTION

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

Top 3 Contributors
Enel
Norfolk Southern
E.ON
Top 3 Detractors
Orsted
Aeroports de Paris
Portland General Electric

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

## CONTACTS

For more information about the ATLAS Infrastructure Australian Feeder Fund, please contact:

### Mark Aufderheide

Key Account Manager (NSW/SA)  
E: mark.aufderheide@pantribal.com.au  
M: 0408 847 211

### Nick Baring

Key Account Manager (VIC/TAS)  
E: nick.baring@pantribal.com.au  
M: 0457 520 297

### Dane Cuthbert

Key Account Manager (NSW/ACT)  
E: dane.cuthbert@pantribal.com.au  
M: 0448 534 418

### Matthew Mantle

Key Account Manager (QLD)  
E: matthew.mantle@pantribal.com.au  
M: 0408 451 549

### Colin Woods

CEO (WA)  
E: colinwoods@pantribal.com.au  
M: 0410 499 357

### PAN-Tribal Asset Management Pty Ltd

T: 03 9654 3015  
F: 03 9662 3304

pantribal.com.au

Level 17, 90 Collins Street, Melbourne, VIC 3000

## RESEARCH OPINIONS

The Fund has been assessed by key research houses and has received the following ratings as at 31 March 2024:

### Qualitative Ratings



### Research Awards



Infrastructure

## 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 29 April 2024. ©2024 PAN-Tribal Asset Management Pty Ltd.

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