

# 31 DECEMBER 2016

## QUARTERLY REPORT

### REDPOINT GLOBAL INFRASTRUCTURE FUND

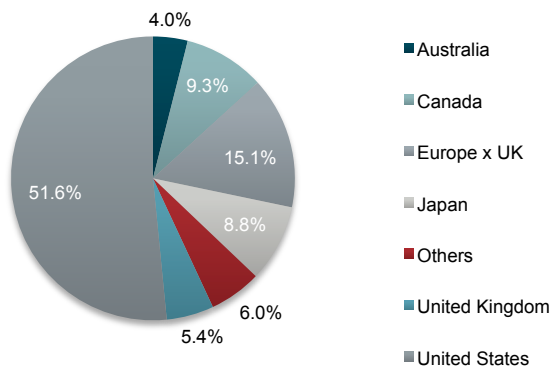
Fund performance as at 31 December 2016	1 month (%)	3 months (%)	6 months (%)	1 year (%)	2 years (% p.a.) <sup>4</sup>	3 years (% p.a.) <sup>4</sup>	Since Inception <sup>4 5</sup> (% p.a.)
Fund return (gross) <sup>1</sup>	3.65	0.76	1.10	14.16	4.77	11.35	13.86
Benchmark return <sup>2</sup>	3.31	0.53	1.22	13.76	3.04	10.22	13.05
Active return <sup>3</sup>	0.34	0.23	-0.12	0.40	1.73	1.13	0.81

1. Redpoint Global Infrastructure Fund (Fund) – Fund gross returns are before taxes and management fees, but after transactions costs. Fund net returns are before taxes, but after management fees and transactions costs. Past performance is not a reliable indicator of future performance. Returns are not guaranteed and future returns may vary from any target returns described in this document.
2. FTSE Developed Core Infrastructure Index (Benchmark) with net dividends reinvested – hedged to AUD. Benchmark returns do not allow for taxes, management fees and transaction costs.
3. Active return is the difference between Fund gross return and Benchmark return.
4. All returns are cumulative and annualised for periods of 12 months or more.
5. Inception date is 3 April 2012 with a portfolio value of \$10,000,000.00.

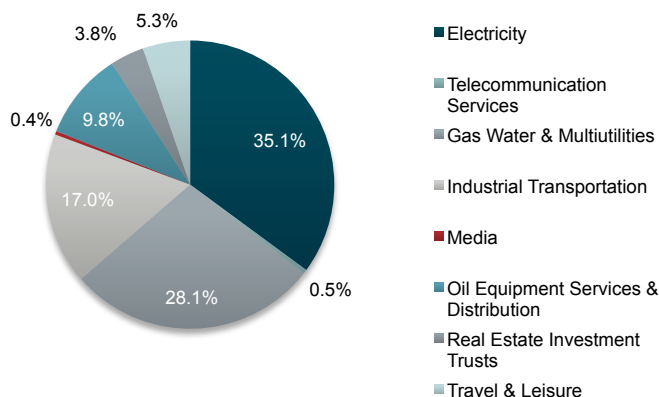
### INVESTMENT OBJECTIVE

The Fund aims to deliver a return, after accounting for fees and taxes, in excess of the FTSE Developed Core Infrastructure Index (Benchmark) hedged to AUD (net dividends reinvested) over rolling five-year periods.

### REGIONAL ALLOCATION



### SECTOR ALLOCATION



**Note:** These sector allocations are based on the Industry Classification Benchmark (ICB), the industry classification scheme adopted by FTSE for use in its family of indexes. The Travel & Leisure sector contains railway companies, which focus primarily on passenger transport. The Real Estate Investment Trusts sector contains mobile telecommunications companies. The Media sector contains communications companies, which are involved in broadcasting and entertainment.

### TOP 10 HOLDINGS

Company	Fund (%)	Benchmark (%)
Union Pacific Corporation	2.52	5.19
CSX Corporation	2.05	2.07
TransCanada Corporation	2.05	2.36
East Japan Railway Co.	1.88	1.97
Duke Energy Corporation	1.81	3.26
National Grid plc	1.78	2.70
NextEra Energy Inc	1.75	3.39
Enel SpA	1.68	0.00
Central Japan Railway Co.	1.65	1.81
Spectra Energy Corporation	1.61	1.75

### FUND FACTS

APIR code	PPL0031AU
Fund size (\$)	47,341,211
Number of holdings	129
Inception date	3 April 2012
Buy/sell spread	+/- 0.20%
Income distribution	Quarterly

### UNIT PRICES AND DISTRIBUTION

Transaction type	Unit price (\$)
Net asset value	1.0485
Application	1.0506
Redemption	1.0464
Distribution (quarter ending 31 December 2016)	0.0094

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**LARGEST CONTRIBUTORS**

Company	Fund Avg. Weight (%)	Benchmark Avg. Weight (%)	Contribution (%)
National Grid	1.74	2.83	0.15
Tokyo Gas	1.37	0.58	0.13
Exelon Corporation	1.46	0.00	0.12
ONEOK Inc	1.20	0.68	0.11
Kinder Morgan Inc	1.57	2.47	0.11
American Tower Corp.	1.34	2.82	0.10
SJW Corporation	0.41	0.05	0.09
Enel SpA	1.31	0.00	0.09
West Japan Railway	1.26	0.69	0.08
Vocus Communications	0.00	0.14	0.07

**Note:** Contributions shown here are to the active return of the Fund. Period: 30 September 2016 to 30 December 2016.

**PERFORMANCE COMMENTARY**

Global infrastructure assets had a positive return in AUD terms over the quarter with this being primarily driven by a rally in the USD against most major currencies following the US presidential election win by Donald Trump. Globally, transportation related companies such as railways, toll roads and airport assets performed well relative to the more defensive telecommunication and utility sectors. From a regional perspective, North American and European companies performed better than their Asian infrastructure counterparts.

From a portfolio perspective, the gross return of the Fund was +0.76% for the three-month period ending 31 December 2016. The total return of the Benchmark was +0.53% and hence the Fund outperformed the Benchmark by +0.23% (active return). As we will see positive stock selection rather than country allocation effects drove this active return.

Benchmark stocks held in the Fund contributed +0.31% to active return, Benchmark stocks not held in the Fund detracted -0.29% from active return and non-Benchmark stocks held in the Fund (for geographic diversification purposes) contributed +0.21% to active return.

The largest contributor to active return (National Grid plc), representing +0.15% of active return, is a United Kingdom (UK) gas, water and multi-utilities company held in the Fund at an underweight position. Two (2) of the 10 largest contributors to active return (ONEOK Inc and SJW Corporation), collectively representing +0.20% of active return, are United States (US) gas, water and multi-utilities companies held in the Fund at overweight positions. Underweight positions in Kinder Morgan Inc (a US oil equipment services & distribution company) and American Tower Corporation (a US mobile telecommunications infrastructure company) collectively contributed +0.21% to active return. Overweight positions in Tokyo Gas (a Japanese gas, water & multi-utilities company) and West Japan Railway (a Japanese rail transport company) contributed +0.13% and +0.08% respectively to active return. Non-Benchmark holdings in Exelon Corporation (a US electricity company) and Enel SpA (an Italian electricity company) collectively contributed +0.21% to active return.

**LARGEST DETRACTORS**

Company	Fund Avg. Weight (%)	Benchmark Avg. Weight (%)	Contribution (%)
Union Pacific Corp.	2.38	5.08	-0.20
Kansai Electric Power	0.00	0.45	-0.15
Canadian National Rly.	0.96	2.80	-0.11
Auckland Intl. Airport	0.83	0.25	-0.10
Engie Group	1.13	0.00	-0.10
Kyushu Electric Power	0.00	0.28	-0.08
Sydney Airport Holdings	0.87	0.32	-0.07
CLP Holdings	1.55	0.93	-0.07
Communications S & L	0.79	0.26	-0.07
Dominion Resources	1.41	2.84	-0.06

The largest detractor from active return (Union Pacific Corporation), representing -0.20% of active return, is a US industrial transportation company held in the Fund at an underweight position. Two (2) of the 10 largest detractors from active return (Kansai Electric Power and Kyushu Electric Power), collectively representing -0.24% of active return, are Japanese electricity companies held in the Fund at underweight positions.

Overweight positions in Auckland International Airport and Sydney Airport Holdings (New Zealand and Australian industrial transportation companies respectively) collectively detracted -0.17% from active return. An underweight position in Canadian National Railway (a Canadian industrial transportation company) detracted -0.11% from active return, while a non-Benchmark holding in Engie Group (a French gas, water & multi-utilities company) detracted -0.10% from active return.

For stock-level diversification reasons the Fund tends to be overweight European countries at the expense of North America. A returns-based attribution shows that the relative performance of the Fund was dominated by stock selection within countries (+0.41%) as opposed to allocations across countries (-0.14%).

From a country allocation perspective, the largest contributors to active return were overweight positions in Germany, Japan, France and Austria and an underweight position in the US (collectively representing +0.31% of active return). The largest detractors from active return were overweight positions in New Zealand, Spain, Hong Kong, Australia, Italy and Singapore (collectively representing -0.43% of active return).

On the other hand, stock selection within the US, the UK, Spain, Italy and New Zealand collectively contributed +0.90% to active return, whereas stock selection with Japan, Germany, France, Australia, Canada and Hong Kong collectively detracted -0.48% from active return. Stock selection within countries explained a significant proportion of the active return for the December quarter.

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Since inception (3 April 2012), the net return of the Fund has been +13.86% per year versus a total return for the Benchmark of +13.05% per year. The Fund has outperformed the Benchmark by +0.81% per year.

#### **KEY CONTACTS**

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