

# 30 JUNE 2017

## QUARTERLY REPORT

### REDPOINT GLOBAL INFRASTRUCTURE FUND

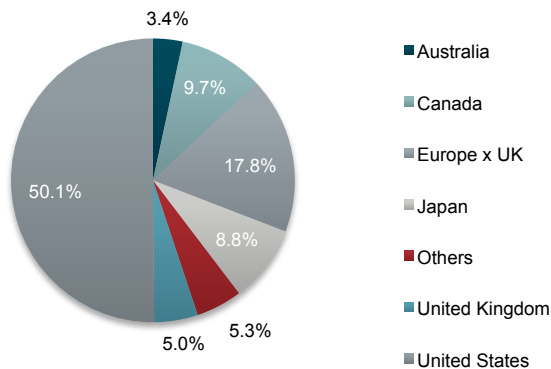
Fund performance as at 30 June 2017	1 month (%)	3 months (%)	6 months (%)	1 year (%)	2 years (% pa) <sup>4</sup>	3 years (% pa) <sup>4</sup>	5 years (% pa) <sup>4</sup>	Since Inception <sup>5</sup> (% pa) <sup>4</sup>
Fund return (gross) <sup>1</sup>	-1.46	4.33	10.35	11.58	11.84	9.52	14.68	14.60
Benchmark return <sup>2</sup>	-1.56	3.51	9.36	10.69	10.01	8.60	13.67	13.66
Active return <sup>3</sup>	0.10	0.82	0.99	0.89	1.83	0.92	1.01	0.94

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.
3. Active return is the difference between Fund gross return and Benchmark return.
4. Returns are annualised for periods of 12 months or more.
5. Inception date is 3 April 2012 with a portfolio value of \$10,000,000.00.

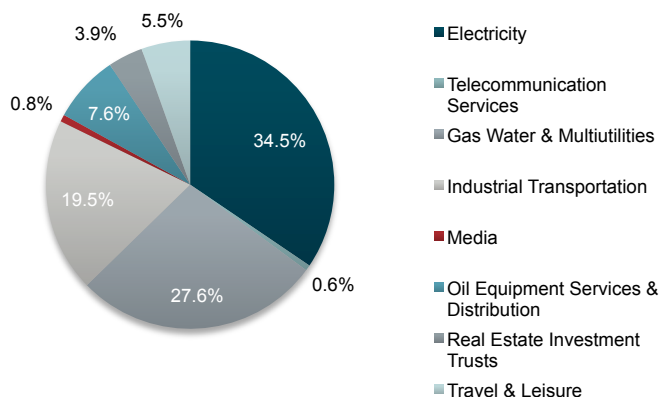
### INVESTMENT OBJECTIVE

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	2.37	4.89
CSX Corporation	2.10	2.67
Enbridge Inc	2.05	3.62
East Japan Railway Co	2.03	1.98
Norfolk Southern Corporation	2.01	1.96
American Tower Corporation	2.01	3.11
TransCanada Corporation	1.93	2.30
Iberdrola SA	1.84	0.00
NextEra Energy Inc	1.84	3.65
Enel SpA	1.73	0.00

### FUND FACTS

APIR code	PPL0031AU
Fund size (\$)	52,200,417
Number of holdings	131
Inception date	3 April 2012
Buy/sell spread	+/- 0.20%
Income distribution	Quarterly

### UNIT PRICES AND DISTRIBUTION (NIL FEE CLASS)

Transaction type	Unit price (\$)
Net asset value (cum distribution)	1.1388
Application	1.1411
Redemption	1.1365
Distribution (quarter ending 30 June 2017)	0.0610

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**LARGEST CONTRIBUTORS**

Company	Fund Avg. Weight (%)	Benchmark Avg. Weight (%)	Contribution (%)
Aena SA	1.47	0.66	0.15
Kinder Morgan Inc	1.21	2.13	0.12
Enbridge Inc	2.04	3.68	0.11
E.ON SE	0.80	0.00	0.11
Enel SpA	1.63	0.00	0.11
Veresen Inc	0.54	0.23	0.10
West Japan Railway	1.42	0.71	0.07
Iberdrola SA	1.75	0.00	0.07
Osaka Gas	1.16	0.43	0.07
Aeroports de Paris	0.47	0.23	0.05

**Note:** Contributions shown here are to the active return of the Fund.  
 Period: 31 March 2017 to 30 June 2017.

**PERFORMANCE COMMENTARY**

Global listed infrastructure securities continued their strong run into the second quarter of 2017 with the Benchmark up over +3.5% for the quarter and +9.4% for the calendar year in Australian dollar (AUD) terms. This was in line with developed markets more broadly with most sectors performing well except for energy. Within infrastructure itself, most subsectors had a good quarter: transport and utilities performed particularly well, while pipeline assets, particularly in the US, underperformed. From a currency perspective, the AUD was a little volatile over the quarter but ended up stronger against the US dollar (USD) and Japanese yen (JPY), while ending weaker than the Euro (EUR), the British pound (GBP) and the Canadian dollar (CAD).

For the three-month period ending 30 June 2017 the gross return of the Fund was +4.33%. Over the same period the total return of the Benchmark was +3.51%. As a result, the Fund outperformed the Benchmark by +0.82% (active return). Since inception (3 April 2012), the gross return of the Fund has been +14.60% per year versus a total return for the Benchmark of +13.66% per year. The Fund has outperformed the Benchmark by +0.94% per year.

**ATTRIBUTION COMMENTARY**

For the June 2017 quarter, Benchmark stocks held in the Fund contributed +0.67% to active return, Benchmark stocks not held in the Fund detracted -0.21% from active return and non-Benchmark stocks held in the Fund (for geographic diversification purposes) contributed +0.36% to active return.

A returns-based attribution shows that the relative performance of the Fund can be decomposed into two (2) components: allocations across countries; and stock selection within countries. For the June 2017 quarter, the country positioning of the Fund contributed +0.44% to active return, while stock selection within the countries contributed +0.38% to active return.

For stock-level diversification reasons the Fund tends to be overweight European countries at the expense of North America.

**LARGEST DETRACTORS**

Company	Fund Avg. Weight (%)	Benchmark Avg. Weight (%)	Contribution (%)
NextEra Energy Inc	1.77	3.57	-0.17
Canadian National Rlwy	1.01	2.95	-0.13
American Tower Corp	1.81	3.03	-0.11
CSX Corporation	2.09	2.69	-0.09
Union Pacific Corp	2.34	4.97	-0.08
Kansai Electric Power	0.00	0.56	-0.07
Crown Castle Intl Corp	1.10	1.99	-0.06
Kyushu Electric Power	0.00	0.30	-0.04
Duke Energy Corp	1.70	3.26	-0.04
ONEOK Inc	1.36	0.61	-0.04

From a country allocation perspective, the largest contributors to active return were: overweight positions in Spain, Germany, France, and Austria, which contributed +0.19%, +0.16%, +0.04% and +0.03% respectively to active return; and underweight positions in Canada and the United States, which contributed +0.08% and +0.02% respectively to active return.

On the other hand, the largest detractors to active return were: overweight positions in the United Kingdom and Finland; and an underweight position in Denmark, which collectively detracted -0.04% from active return.

In aggregate, allocations across countries explained a significant proportion of the active return for the June quarter.

From a stock selection perspective, stock selection within the United States, Canada, Italy, Australia, France, Hong Kong and Japan contributed +0.12%, +0.10%, +0.09%, +0.08%, +0.06%, +0.05% and +0.04% respectively to active return. On the other hand, stock selection within the United Kingdom, Spain and Germany detracted -0.14%, -0.06% and -0.03% respectively from active return.

At the stock level, underweight positions in Kinder Morgan Inc (US) and Enbridge Inc (Canada) and an overweight position in Veresen Inc (Canada), all oil equipment services & distribution companies, contributed +0.12%, +0.11% and +0.10% respectively to active return. Overweight positions in Japanese companies like West Japan Railway (travel & leisure) and Osaka Gas (gas, water & multi-utilities) contributed +0.07% each to active return. Despite poor stock selection in Spain generally (-0.06%), overweight positions in Aena SA, a Spanish industrial transportation company, and Iberdrola SA, a Spanish electricity company, contributed +0.15% and +0.07% respectively to active return. Finally, overweight positions in non-Benchmark stocks like E.ON SE (a German gas, water & multi-utilities company) and Enel SpA (an Italian electricity company) contributed +0.11% each to active return.

Despite positive stock selection within the United States generally (+0.12%), some of the largest detractors from active return tended to be US companies. For example, the largest single detractor from active return was NextEra Energy Inc (-0.17%), a US electricity company, held in the Fund at an underweight position.

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American Tower Corporation (US) and Crown Castle International Corporation (US), which collectively detracted -0.17% from active return, are wireless and broadcast communications infrastructure companies held in the Fund at underweight positions. Underweight positions in US industrial transportation companies like CSX Corporation and Union Pacific Corporation collectively detracted -0.17% from active return. Finally, an underweight position in Duke Energy Corporation and an overweight position in ONEOK Inc (both US gas, water & multi-utilities companies) collectively detracted -0.08% from active return.

Underweight positions in Japanese electricity companies like Kansai Electric Power and Kyushu Electric Power collectively detracted -0.11% from active return. An underweight position in Canadian National Railway, a Canadian industrial transportation company, detracted -0.13% from active return.

In aggregate, stock selection within countries was a significant contributor to active return for the June quarter.

## KEY CONTACTS

### INVESTMENT MANAGEMENT

Ganesh Suntharam / Alex Stephen  
Email: [ganesh.suntharam@redpointim.com](mailto:ganesh.suntharam@redpointim.com)  
[alex.stephen@redpointim.com](mailto:alex.stephen@redpointim.com)  
Phone: 02 9119 5800  
Address: Level 17, 255 George Street, Sydney NSW 2000  
Website: [www.redpointim.com](http://www.redpointim.com)

### CLIENT SERVICES

Email: [info@nabam.com.au](mailto:info@nabam.com.au)  
Phone: 1300 738 355  
Address: Level 21, 255 George Street, Sydney NSW 2000  
Website: [www.nabam.com](http://www.nabam.com)

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