



WHITEHELM CAPITAL LISTED CORE INFRASTRUCTURE STRATEGY AND FUND

WHITEHELM
CAPITAL

December 2018

Fund features

Umbrella fund name	Fidante Partners Liquid Strategies ICAV
Structure	Irish ICAV; UCITS-compliant
Domicile	Ireland
Launch date	30 May 2016
Custodian and Trustee	JP Morgan Bank (Ireland) plc
Administrator and Transfer Agent	JP Morgan Administration Services (Ireland)
Auditor	KPMG
Liquidity	Daily
Base currency	USD
Share class	Class A: USD (unhedged)
Investment Management fee	Class A: 0.75%
Subscription and redemption fees	Nil
Platform management fee	Capped at 0.15%
Fund registrations	UK, Belgium, Denmark, Finland, France, Germany, Iceland, Netherlands, Norway, and Sweden
Tax reporting	UK (Reporting Fund Status)

Fund Share Class	A USD
ISIN:	IE00BYW3445
SEDOL:	BYW344
Bloomberg:	WHLCAUU

Fund characteristics

Universe	Global Developed Markets: Infrastructure and Utilities Sectors
Number of stocks	30-60 equal weighted
Benchmarks	1. OECD CPI +5% p.a. 2. FTSE Developed Core Infra Index, TR
Expected volatility	~20-30% less than global equities over the long term
Expected returns	OECD CPI +5% p.a. over a 5 year horizon
Expected dividend yield	3.7%
Expected distribution yield	2.5%

Strategy overview

- The Whitehelm Capital Listed Core Infrastructure Fund provides investors with exposure to a diversified portfolio of global core infrastructure stocks.
- The fund invests in assets that protect the real value of the investment whilst providing predictable cash returns; this is achieved through investing in high quality assets that have clear and measurable cash flows.
- A thorough investment process ensures that each stock is assessed against the same core infrastructure criteria used to assess infrastructure in private markets:
 - Stable operational cash flows
 - Inflation linkage
 - High capital cost, high operating margin
 - Monopoly characteristics
 - Low correlation with economic activity

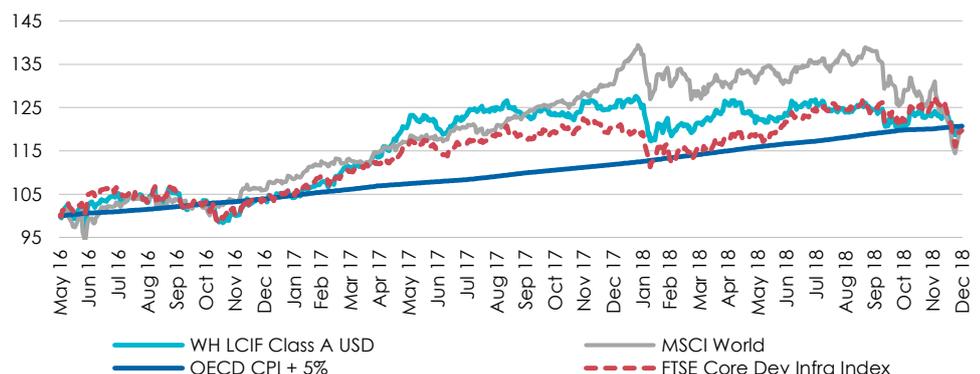
Investment philosophy

- Whitehelm adopts a strict investment philosophy and approach to listed infrastructure that shapes the way it invests:
 - Only invest in 'core' infrastructure
 - Build diversified portfolios of quality assets
 - Ensure every acquisition has a conservative capital structure and a sustainable cash yield
 - Don't overpay, and be a patient investor
- This investment philosophy has been built on the decades of experience Whitehelm has in investing and managing infrastructure assets.

Performance since inception¹

	1m	3m	6m	YTD	1y	Since inception % p.a. (30 May 2016)
Whitehelm LCIF (net)	-2.0%	-3.1%	-2.4%	-3.5%	-3.5%	7.6%
OECD CPI + 5% pa	0.2%	1.1%	3.1%	7.4%	7.4%	7.2%
FTSE Developed Core Infrastructure Index ²	-5.4%	-4.1%	-1.6%	-0.5%	-0.5%	7.2%
S&P Global Infra	-3.1%	-5.1%	-6.6%	-9.5%	-9.5%	3.9%
MSCI World	-7.6%	-13.3%	-8.9%	-8.2%	-8.2%	7.2%

All data is in USD.



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Portfolio characteristics and construction

Value	WHITEHELM LCIF		FTSE INDEX ²		Quality	WHITEHELM LCIF		FTSE INDEX ²		Risk *	WHITEHELM LCIF		FTSE INDEX ²	
Dividend yield		3.6%		3.5%	RoIC		5.8%		4.6%	Tracking error		5.3%		
Price/book		1.7		1.9	RoA		4.0%		3.5%	Beta		0.82		
EV/EBITDA		10.3		12.4	Debt/equity		113%		144%	Volatility		9.2%		9.4%
FCF yield		4.3%		0.2%	Payout ratio		58%		77%	Concentration – Top 5		13.1%		21.1%

*Risk metrics based on daily returns from since inception (30 May 2016).

Manager commentary

Global equity markets suffered a major sell off in December, with the MSCI World index down 7.6%. This brought the equity market decline for the last quarter of the year to -13.3%. Amid this market downturn and volatility, the Whitehelm Listed Core Infrastructure Fund (Class A USD Unhedged) returned -2.0%, net of fees, in December, and -3.1% for the quarter, demonstrating the benefit of investing in high quality and defensive core infrastructure during turbulent market conditions.

For the 2018 year, the Whitehelm LCIF has returned -3.5%, compared with the MSCI World index return of -8.2%, in USD unhedged terms. The FTSE Developed Core Infrastructure Index returned -0.5% for the 2018 calendar year, with currency exposure differences accounting for most of this difference. The fund has demonstrated defensiveness through the last quarter as the MSCI World index contracted sharply, but performance was also held back through the first quarter of the year, partly due to rising inflation and yields, and the shift toward tightening by the ECB and US Fed. The flat return for 2018 follows a strong +20.6% in 2017, and since inception in May 2016, the fund has returned 7.6% p.a., compared to the benchmark OECD CPI +5% p.a. return of 7.2%, and the 7.2% p.a. return provided by the FTSE Developed Core Infrastructure Index over the same period.

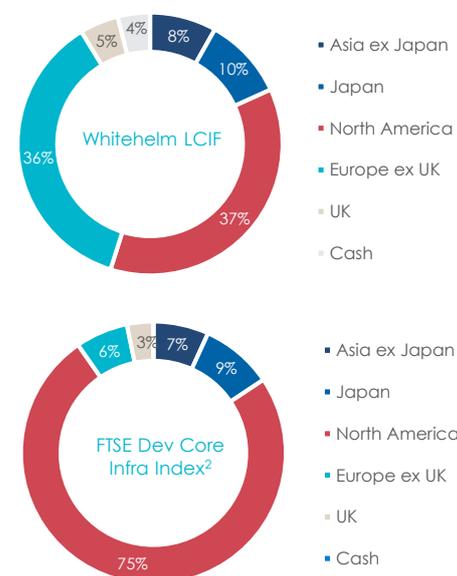
December's sharp fall in global equities was led by the US, with S&P500 Index down 9.0% over the month. Fixed income markets saw a strong flight to safety, with credit spreads spiking and treasury yields contracting. After briefly reaching highs of 3.2% in October and November, US 10 year treasuries ended December back at 2.7%. While the Fed's fourth interest rate hike of the year was widely anticipated, investor sentiment weakened following Chair Jerome Powell's cautious tone, that suggested quantitative tightening was progressing on autopilot in the face of a deterioration in economic indicators across major global markets including the US. Domestic and global politics also buffeted markets.

European equities also faced large declines in December, with the Eurostoxx 600 index returning -4.5% during the month. France's CAC index was down 5.5% over the month, and the Bank of France slashed its final quarter GDP growth forecast from 0.4% to 0.2%, after weeks of widespread protests across the country significantly eroded business activity. The German DAX dropped 6.2% in December, with 2018 marking the lowest annual return for the DAX since 2008. All other major individual country indices had negative returns in December: Italy (-4.5%), Spain (-5.9%) and the UK (-3.6%). In contrast to the major individual country indices, the MSCI European Utilities ex UK Index ended the month in positive territory, returning 2.9%.

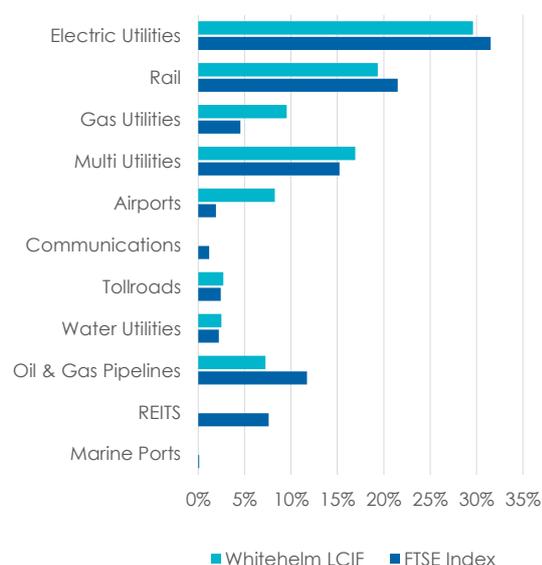
At the stock level, Italian multi utilities Hera and A2A were the fund's largest contributors in December, returning 10.8% and 6.9%, respectively. The fund's Spanish utilities also provided solid gains over the month, with Red Electrica returning 3.5% and Gas Natural 2.9%. Other notable contributors to the fund's December performance were the Hong Kong electric utilities and Dutch oil storage company Vopak (+3.8%). The North American railroads stocks were the fund's largest detractors in December, returning -13.1% on average. North American utilities also detracted from performance over the month, returning -4.2%, on average.

The Whitehelm Listed Core Infrastructure Fund only includes the stocks which meet our strict core infrastructure definition. Considering this investment philosophy, the fund sold out its holding in US gas utility National Fuel Gas, as the stock no longer meets threshold for earnings generated from core infrastructure assets, due to the expansion of the company's unregulated gas exploration and production business. Italian air traffic controller ENAV was added during the month. ENAV has stable earnings and cash flows, high operating margins, and is as a legal monopoly operating critical aviation assets in Italy.

Geographical Allocation vs FTSE Dev Core Infra Index



Sector Allocation vs FTSE Dev Core Infra Index



Benchmark: FTSE Developed Core Infrastructure Index.

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About Whitehelm

- Whitehelm Capital is one of the largest independent global infrastructure fund managers, with an outstanding track record spanning over 20 years, €3 billion of funds under management and €11 billion in funds under advice.
- The firm applies a strict investment philosophy with the same focus on core infrastructure applied to both public and private markets.
- The team has 36 investment professionals in total, with the investment committee and portfolio manager supported by 19 infrastructure equity and debt specialists located across London and Sydney.
- Infrastructure assets, by their nature, face greater ESG risks than other sectors, and Whitehelm seeks to minimise these risks where possible. As a signatory to the principles of the United Nations Principles for Responsible Investing (UNPRI), Whitehelm actively incorporates the following ESG factors into portfolio management:
 1. UNPRI Signatory since 2017 - Actively support and follow UNPRI obligations
 2. Robust Internal Policies and Guidelines - Comprehensive ESG policy & code
 3. Investment Process Integration - including market leading third party research
 4. Carbon Intensity - Emissions assessed as part of the analysis
 5. Proxy Voting - All proxies actively voted with ESG overlay

Investment Committee: Graham Matthews - Chief Executive, Justin Webb – Acting Head of Investment Solutions and Saji Anantakrishnan - Head of Australia and Asia.



Portfolio Manager
Ursula Tonkin

- 15 years' extensive portfolio management and analytical experience in Australian and global equities.
- Prior roles include portfolio manager of an international equity fund targeting investment in companies involved in global sustainable energy supply and use, and lead analyst responsible for covering energy infrastructure, natural gas and renewable energy.
- The Listed Core Infrastructure team is embedded in Whitehelm's broader unlisted team and is overseen by the Whitehelm Listed Strategies Investment Committee which comprises the most experienced investors in the firm.

Contact details

Fidante international distribution

UK	Hugh Ferrand	+44 20 7832 0935	hferrand@fidante.com	1 Tudor Street London EC4Y 0AH
Benelux*	Yves Van Langenhove	+32 468 29 08 04	yvanlangenhove@fidante.com	
Australia	Clare Armstrong	+613 9947 9420	carmstrong@challenger.com.au	Level 19, 31 Queen St. Melbourne VIC 3000

www.fidante.com/liquid-strategies

End notes

¹ Data as at 31 December 2018, in USD, and net of 0.9% p.a. fees from 1 June 2018, and net of 1.1% p.a. fees prior to 1 June 2018. All charts sourced Whitehelm Capital. Past performance is not a guide to future performance. Future returns are not guaranteed and a loss of original capital may be incurred.

² Benchmark: FTSE Developed Core Infrastructure Total Return Index.

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