



# WHITEHELM CAPITAL LOW CARBON CORE INFRASTRUCTURE FUND

Monthly Fact Sheet Class A USD Unhedged

WHITEHELM CAPITAL

October 2021

## Fund features

<b>Umbrella fund name</b>	Fidante Partners Liquid Strategies ICAV
<b>Structure</b>	Irish Collective Asset Management Vehicle (ICAV) UCITS - compliant
<b>Domicile</b>	Ireland
<b>Inception date</b>	30 May 2016
<b>Fund size</b>	\$ 70,952,325
<b>Custodian and Trustee</b>	Citibank NA
<b>Administrator and Transfer Agent</b>	Citibank Europe Plc
<b>Auditor</b>	KPMG
<b>Liquidity</b>	Daily
<b>Base Currency</b>	USD
<b>Share class</b>	Class A: USD (Unhedged)
<b>Investment management fee</b>	Class A: 0.30%
<b>Subscription and redemption fees</b>	Nil
<b>Platform management fee</b>	Capped at 0.15%
<b>Minimum investment</b>	USD 1,000
<b>Fund registrations</b>	UK, Austria, Belgium, Finland, France, Germany, Iceland, Italy, Luxembourg, Netherlands, Norway and Sweden
<b>Valuation point</b>	11:00PM (Irish time)
<b>Tax reporting</b>	UK (Reporting Fund Status), Germany

<b>Fund Share Class</b>	<b>A USD Unhedged</b>
	ISIN: IE00BYW3445
	SEDOL: BYW344
	Bloomberg: WHLCAUU

## Fund characteristics

<b>Universe</b>	Global Developed Markets: Infrastructure and Utilities Sectors
<b>Number of stocks</b>	30-60 equal weighted
<b>Benchmarks</b>	1. OECD CPI +5% p.a. 2. FTSE Developed Core Infra Index, TR
<b>Expected volatility</b>	20-30% less than global equities over the long term
<b>Expected returns</b>	OECD CPI +5% p.a. over a 5-year horizon
<b>Expected dividend yield</b>	3.5%
<b>Expected distribution yield</b>	3.0%

## Strategy overview

- The Whitehelm Capital Low Carbon 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 inception<sup>1</sup>

### Net Returns, A USD Unhedged

	1m	3m	6m	YTD	1y	2y	3y	5y	Since Inception % p.a. (30 May 2016)
Fund return (net)	1.8%	0.5%	2.0%	7.0%	21.0%	8.1%	11.2%	9.9%	9.8%
OECD CPI +5% p.a.	0.7%	2.1%	5.0%	8.9%	9.9%	8.1%	7.6%	7.7%	7.6%
FTSE Dev Core Infrastructure Index	6.5%	3.5%	4.6%	14.3%	22.6%	8.6%	12.3%	10.9%	10.7%
S&P Global Infrastructure Index	3.6%	4.1%	3.9%	10.8%	28.9%	4.0%	9.4%	7.3%	7.3%
MSCI World (TR)	5.7%	3.9%	9.0%	19.9%	41.0%	21.6%	18.8%	16.1%	15.2%

All data is in A USD (Unhedged).

Note: Performance returns % p.a. for periods over one year. Net returns, after fees but assuming distributions are reinvested.

## Morningstar Rating™

	Morningstar Return	Morningstar Risk	Morningstar Rating
5-Year	High	Low	★★★★★
Overall	High	Low	★★★★★

Morningstar category: Sector Equity Infrastructure

As at 30/09/2021

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Your attention is drawn to the footnotes and disclaimer on page 4.

## Monthly Fact Sheet

### Performance since inception continued<sup>1</sup>

#### Net returns, USD Unhedged



### Manager commentary

The Whitehelm Low Carbon Core Infrastructure Fund Class A (USD Unhedged) returned 1.8%, net of fees, in October. The Fund has returned 9.8% p.a. since its inception in May 2016, compared to the benchmark OECD CPI +5% p.a. return of 7.6% p.a. over the same period.

Following last month's moderate decline, global equities rallied in October with the MSCI World Index gaining 5.7% as US (+7.0%) and European (+4.5%) markets advanced. Within infrastructure sectors, US railroads rallied strongly (+21.9%), European utilities (+8.2%) outperformed US utilities (+4.7%), while global airports (+0.8%) and global toll roads (-3.2%) were subdued.

The Fund's north American railroad stocks Canadian Pacific (+15.8%), Kansas City Southern (+14.6%) and Canadian National (+12.1%) all posted solid returns in October. During the month, Canadian Pacific and Kansas City Southern filed an application to the Surface Transportation Board for their proposed transaction to create Canadian Pacific Kansas City. On 20 October, Canadian National gained 5.2% after the company announced Q3 2021 profit from operations rose 10%, led by freight rate increases, higher applicable fuel surcharges and increase in intermodal ancillary services. The company also announced the retirement of its chief executive, JJ Ruest, who has faced increased pressure from activist shareholder TCI Fund Management following Canadian National's failed US\$33 billion bid for Kansas City Southern.

Other notable contributors included Spanish electric utility Endesa (+14.5%), US electric utility Avangrid (+8.4%), UK water utility United Utilities (+7.2%) and American Tower Corp (+6.2%). Endesa strengthened after Spain's government relaxed last month's windfall tax on utilities for energy providers, announcing that the reduction to electricity companies will only be applied if a company has benefited from the rise in the price of gas. Furthermore, fixed-term contracts signed before the royal decree of reduction was approved on 16 September, as well as those that introduce extensions of coverage with a fixed price, are exempt from the reduction.

The Fund's October performance was weakened by Japanese gas utilities (-7.6%) and Japanese railroad stocks (-6.7%), which underperformed the TOPIX (-1.4%) over the month. Other detractors included Italian airport services company ENAV (-6.4%), Spanish airport services stock Aena (-5.1%) and Belgian and German electric utility Elia (-2.2%).

On 21 October, Germany's Federal Network Agency cut the rate of return on capital for electricity and gas grids to 5.07% from 6.91% for new systems, and 3.51% from 5.12% for existing systems. The new rates will be effective from 2024 to 2028 for the electricity network and 2023 to 2027 for the gas grid. The regulator stated the decision to cut the return rate reflects the lower level of interest rates on the capital markets and the desire to protect consumers from higher energy bills. Elia slid 7.3% following the announcement, with the company stating its German operations return will decrease given the lower regulatory return on equity.

During the month, the Fund sold out of its positions in Dutch port storage company Vopak and Spanish gas utility Naturgy and replaced these exposures with positions in Australian toll road company Atlas Arteria and Italian multi utility Hera.

### Portfolio characteristics and construction

#### Value

	WHITEHELM LCCIF	FTSE INDEX <sup>2</sup>
Dividend yield	3.1%	3.0%
EV/EBITDA	13.7	14.7
FCF yield	1.6%	2.6%
Price/book	1.8	2.7

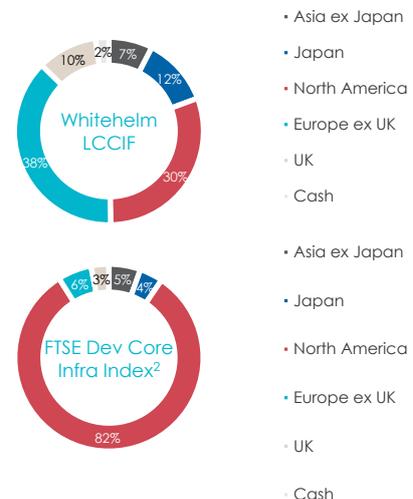
#### QUALITY

	WHITEHELM LCCIF	FTSE INDEX <sup>2</sup>
Debt/equity	136%	200%
Payout Ratio	59%	88%
RoA	2.5%	1.6%
RoIC	6.9%	2.0%

#### RISK

	WHITEHELM LCCIF	FTSE INDEX <sup>2</sup>
Beta vs. MSCI	0.59	0.64
Concentration -Top 5	13.5%	24.8%
Tracking error	7.6%	-
Volatility	11.3%	12.1%

### Geographical Allocation vs FTSE Dev Core Infra Index



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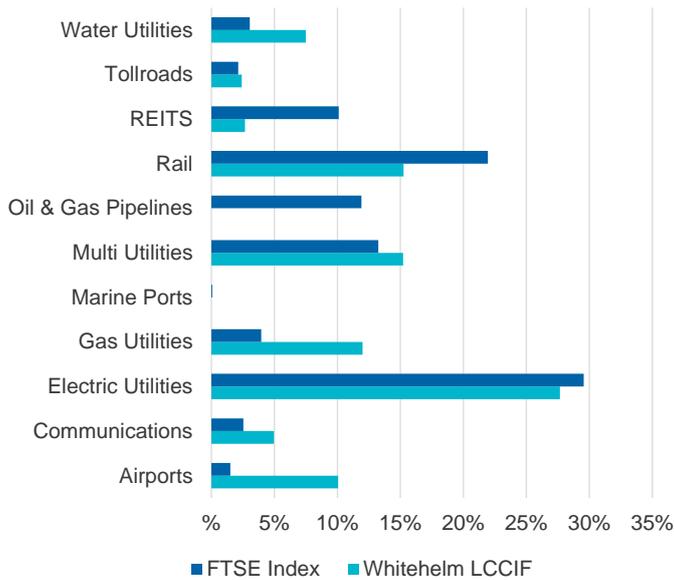
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## Monthly Fact Sheet

### Sector Allocation vs FTSE Dev Core Infra Index



### Top 10 portfolio holdings<sup>4</sup>

	HOLDINGS	WEIGHT
1	CANADIAN PACIFIC RAILWAY LTD	2.75%
2	ENDESA SA	2.71%
3	ADP	2.69%
4	CANADIAN NATL RAILWAY CO	2.68%
5	RED ELECTRICA CORPORACION SA	2.66%
6	AMERICAN TOWER CORP	2.66%
7	UNITED UTILITIES GROUP PLC	2.62%
8	NATIONAL GRID PLC	2.61%
9	E.ON SE	2.60%
10	TERNA SPA	2.59%

Benchmark: FTSE Developed Core Infrastructure Index

### About Whitehelm

- Whitehelm Capital is one of the largest independent global infrastructure fund managers, with an outstanding track record spanning over 23 years, \$5.4 billion of funds under management and \$25.1 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 40 investment professionals in total, with the investment committee and portfolio manager supported by 24 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 – Head of Investment Solutions, Saji Anantakrishnan - Head of Australia and Asia and Ursula Tonkin – Head of Listed Strategies.



#### Head of Listed Strategies

**Ursula Tonkin**

- 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 Low carbon 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.

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#### Visit UCITS website

### End notes

<sup>1</sup> Data as at 31 October 2021, in USD A Unhedged, and net of 0.45% p.a. fees from 1 May 2020, net of 0.9% p.a. fees between 1 June 2018 and 30 April 2020, 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.**

<sup>2</sup> Benchmark: FTSE Developed Core Infrastructure Total Return Index.

<sup>3</sup> Risk metrics based on the Whitehelm Low Carbon Core Infrastructure Fund (Class A USD Unhedged) since inception on 30 May 2016.

<sup>4</sup> Top 10 holdings as at end-October 2021.

\* Mr Van Langenhove is a representative of Dolphinvest Consulting GmbH. Dolphinvest is a sub-distributor in the European Union for Fidante Partners Limited.

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