APRIL 2023

STEWARDSHIP REPORT

ATLAS INFRASTRUCTURE

PRIVATE & CONFIDENTIAL

Table of Contents

LETTER FROM GIP-ATLAS HOLDINGS LIMITED

Dear ATLAS Infrastructure stakeholders,

We are pleased to publish ATLAS Infrastructure's stewardship report for the year to 31 December 2022 ("the Report") which addresses how we implement the UK Stewardship Code 2020 ("the Code").

ATLAS has continued to implement a range of enhancements to its firm and investment process to

Specifically in the past 12 months we have:

- Continued to Improve the diversity of our team, in keeping with ambition of our policy on Diversity and Inclusion
- Developed and formalised our approach to modern slavery
- Enhanced the formalisation of and the transparency around our approach to voting

ATLAS Infrastructure ("ATLAS") believes that the provision of high-quality infrastructure is critical to sustainable and inclusive economic growth, environmental protection, societal development, and the reduction of inequality. As an asset manager specialising in listed infrastructure, we are well positioned to act as a good steward of our portfolio investments, with a distinct focus on the long-term outlook for the companies in which we invest.

Our focus on active stewardship stems from our desire to act in the best interests of our investors and other stakeholders and our belief that incorporating ESG factors into our policies and procedures helps us to promote responsible practice in our investee companies which will generate long-term sustainable value for all stakeholders and deliver better long-term returns for our investors. Our approach to stewardship involves the systematic evaluation and integration of ESG risks and opportunities into our origination, asset management and exit decisions and extends to engaging with companies as interested owners, both directly and through active voting.

The ATLAS Stewardship Report has been reviewed and approved by the Board of GIP ATLAS Holdings Ltd (our governing body) and the ATLAS Investment Committee (our investment related decision-making body).

We hope readers will find the ATLAS Stewardship Report informative and transparent. On behalf of our investors, we aim to continue to improve our stewardship of our investee companies and welcome any feedback readers may offer.

Charles Kirwan-Taylor
EXECUTIVE CHAIRMAN

(On behalf of ATLAS Infrastructure and the Board of Directors of GIP ATLAS)

PRINCIPLE 1

Signatories' purpose, investment beliefs, strategy, and culture enable stewardship that creates long-term value for clients and beneficiaries leading to sustainable benefits for the economy, the environment and society

ATLAS BACKGROUND

ATLAS Infrastructure is a dedicated listed infrastructure manager established in 2017 as a partnership between the ATLAS Partners and Global Infrastructure Partners (GIP), one of the world's leading infrastructure managers with over US$80bn under management.

PURPOSE

We recognise that listed infrastructure is included in client portfolios to achieve the following objectives:

- Stable returns over longer time periods;
- Inflation linked cash flows and returns; and
- Low exposure to economic demand factors.

With this in mind, the primary aim of ATLAS Infrastructure is to construct and actively manage high conviction portfolios of listed infrastructure securities which seek to deliver sustainable, inflation-linked returns over long time periods. All aspects of the firm and our investment process have been designed from the beginning to deliver on these client objectives, specifically:

- We are set up to take meaningful, timely, investment decisions based on our own analysis and due diligence, based on the long-term outlook for cash flows;
- We have a commitment to our own research and due diligence, avoiding broker research and other third-party recommendations. This avoids consensus thinking and investment influenced by short term trading objectives, to concentrate on the identification of long-term value.
- We engage directly with companies in our portfolio and use our influence to reinforce good governance and support companies in generating long term, sustainable returns;
- We do not try to anticipate market movements or expect to generate performance through market timing.

BUSINESS MODEL

All aspects of the ATLAS business model have been established to promote the delivery of investment objectives of our clients, as outlined in the following table

Business Model/Structure	Client Objectives Served
A team of sufficient size and experience to cover the investment universe in depth, and to provide the resource commitment necessary for the execution of this mandate	Assurance that research coverage is comprehensive and without gaps, so output will be thorough, and opportunities will not be missed. Confidence that all client communication needs can be met by experienced investment Partners.
Partnership with Global Infrastructure Partners	ATLAS is able to leverage the deep knowledge base of the GIP infrastructure team through periodic Sector Forums, in which ATLAS and GIP discuss a specific sector. The ability to access GIP's deep knowledge base is a key competitive advantage for ATLAS, insofar as it provides operating insights that are not readily available to other market participants.
Detailed, proprietary investment models focussed on the long-term cash generation of investee companies	A focus on long-term cash flows and the valuation of those cash-flows, rather than other secondary investment metrics or short-term market relative forecasts, improves the likelihood that ATLAS will build portfolios of assets that meet our client's infrastructure investment requirements.
Locations established in London and Sydney	Well-resourced bases in both the Northern and Southern hemispheres promotes easier access to management teams in every part of the world and so facilitates more active engagement with portfolio companies.
Establishment of independent Investment Governance Board, Macro Advisory Board and Climate Advisory Boards	Independent oversight of its investment process and outcomes focussing on consistency of investments against the stated investment strategy for each portfolio, including risk budgets, illiquidity tolerance and risk/return objectives, the consideration of the long-term interests of the investors/clients.

CULTURE AND VALUES

All elements of the firm's processes, incentives and structure have been designed to facilitate the following cultural attributes:

- Teamwork: This is essential to ensure unbiased decision making, enhance knowledge transfer and to provide sustainability and redundancy in all areas of the firm. Final investment decisions taken through Investment Committees rather than by one or two individuals. Reduced 'key man' risk: portfolios are managed considering a wide range of expertise, thereby reducing the reliance on the judgement of a single individual.
- Independence and integrity: ATLAS believes that its value add to clients comes from being able to stand independently from other market participants and to utilise our own experience and due diligence without influence from market participants who are often short-term focussed.
- Continuous improvement: ATLAS has implemented processes to ensure that individuals are encouraged to continually enhance all aspects of their work. For instance, we do not utilise 'buy/sell' recommendations from analysts as we found that these often lead to anchoring and defensive behaviours. By focussing solely on modelling business and regulatory mechanisms and taking away any structures which reward short termism and isolated stock picking by analysts, this greatly improves the ability of the firm to adjust to new information since individuals are not handcuffed to previous recommendations or viewpoints.
- Diversity of thought: Our approach is founded on the principle that diversity of thought will produce better outcomes for investors, through improved investment insight and better identification of risks, and will foster a culture of continuous improvement in the firm, through an openness to new ideas and to change.

INVESTMENT PHILOSOPHY AND BELIEFS

Investment philosophy

The listed equity market contains many infrastructure stocks. However, a combination of the short-term approach of most market participants, together with relatively limited expertise in the sector of most large general equities managers means that companies within the investment universe are rarely priced in line with long-term value, and similarly, longer term risks (and opportunities) are often not well reflected in current valuations.

Therefore, an investment approach which looks beyond short-term market sentiment and simple market narratives, and which operates independently of market noise, can identify and take advantage of market mispricing – to avoid those stocks which are overpriced and to acquire companies where long-term value is underappreciated by the market.

ATLAS's investment philosophy is based on a belief in fundamental analysis, in the reliance on our own team-based research and proprietary investment modelling, in the detailed scrutiny of regulatory regimes and in the construction of cash flows to derive a profile of forward returns. Our objective is to create a set of comparable investment opportunities, consistently expressed and subject to rigorous stress testing across a range of macroeconomic scenarios, to select the optimal portfolio to maximise long-term returns. This philosophy supports the ability to operate as good stewards of capital, as it requires us to focus on issues that impact on generation of value for investors and society over the long run.

Importance of detailed asset level expertise

As part of its commitment to understanding the different influences affecting the cash flows of individual companies, ATLAS recognises the importance of a detailed understanding of the sector in which a company operates. Accordingly, ATLAS organises its investment team into sector focussed teams. Analysis of specific sectors within the infrastructure universe, and the companies which fall within that sector, is undertaken by the team as a whole, rather than through the allocation of specific stocks to particular analysts.

The number of senior investment personnel in the investment team means that the firm is able to provide senior leadership in the analysis and review of all sectors within its universe. The senior personnel are supported by a deep bench of analytical capability, thus combining experience and analytical firepower across the whole spectrum of investment opportunities. This process also allows senior personnel to mentor the development of other team members, facilitating knowledge transfer and enhancing the sustainability of the firm over time.

Furthermore, the knowledge and insight gained by our senior team in working through several market cycles and witnessing in real time the ups and downs undergone by companies in a sector enables us to critically question management's assertions and assumptions as to their current state of readiness, and to distinguish short term market noise from matters of long-term significance. This long-standing presence in our subsectors has also fostered close relationships with management teams, which facilitates improved access and engagement

Importance of climate change scenario risk analysis

In purchasing companies with long dated infrastructure assets investors inevitably acquire an exposure to climate driven changes in economic activity and government policies. Accordingly, the integration of climate driven changes in economics and policy is critical to understanding the long-term value of all infrastructure assets. Despite this, very few market participants can include these factors quantitatively within their models with the result that these important long-term considerations are often mispriced by the market.

ATLAS has developed an integrated approach to including climate change scenario modelling into each of its company models. We expect that the identification and quantification of the risks and opportunities presented by climate change policies will assist ATLAS in generating excess returns over the long term and informs our engagement activities. These matters are discussed further under Principle 4 and Principle 9.

ASSESSMENT OF EFFECTIVENESS

The following table provides an assessment of how effective ATLAS has been in serving the best interests of clients:

Criteria	Assessment of Effectiveness
Delivering long term sustainable returns	ATLAS has outperformed its absolute return benchmark since inception in October 2017. It has also outperformed the listed infrastructure index[1] by more than 350bps per annum. This outperformance has been delivered with materially lower volatility than the listed infrastructure and broader equities market. Therefore, in combination, ATLAS has generated material outperformance whilst at the same time experiencing lower volatility.
Providing independent due diligence focussed on sustainable returns	We have held a very different portfolio to our peer group and the index due to our focus on sustainable returns and climate transition. This provides diversification within our client's portfolios, which is a key task of the infrastructure asset class.
Engaged and contributed to policy groups and industry groups	Because of work and due diligence have been able to take leading role in IIGCC including providing case studies on implementation. This has proven beneficial both to those organisations through our knowledge sharing and to our clients by being at the forefront of work on Paris Alignment and Net Zero initiatives.

Ratings and Awards

As further evidence of ATLAS's effectiveness in the area of sustainable investment, it has won a number of awards and has been awarded high ESG ratings by both the PRI and the MSCI.

ATLAS is a signatory to the UN Principles of Responsible Investment and has achieved the following ratings:

- Strategy & Governance: 4 stars (86%)
- Listed Equity – Incorporation: 5 stars (91%)
- Listed Equity – Active Ownership: 4 stars (77%)

ATLAS has achieved an MSCI ESG rating of AA. This establishes the ATLAS fund as being a "Leader" in its sector. [2]

[1] FTSE Developed Core Infrastructure 50/50 Index (USD Hedged)

[2] MSCI ESG Research provides MSCI ESG Ratings on global public and a few private companies on a scale of AAA (leader) to CCC (laggard), according to exposure to industry-specific ESG risks and the ability to manage those risks relative to peers. Learn more about MSCI ESG ratings here

PRINCIPLE 2

Signatories' governance, resources and incentives support stewardship

BACKGROUND

ATLAS is a single sector focussed investment manager which, at the time of this report, runs one investment strategy. The firm has been established with the resources to support this business model but also with a business and resourcing structure which will enable the firm to grow both in terms of assets under management with the potential to implement additional strategies within the listed infrastructure sector. The two key elements of the firm's resourcing are:

- One of the largest and most experienced investment teams in the listed infrastructure sector supported by several advisory boards to provide input and oversight in areas where the team requires further specialist expertise. We recognise for instance that listed infrastructure experts are not also experts in the global macro-economic forecasting or have deep understanding of the complex world of international climate policy. We therefore engage with experienced advisors in these areas.
- The ATLAS operational model is based on leadership from highly experienced internal resources supported by best-in-class service providers. This model provides ATLAS with both internal experience so that we are managing the key challenges in house, but with a scalable resource so that we can grow the firm's assets (and potentially product offerings) without the risk of the inevitable challenges that often come with such growth.

Stewardship Structures and Resources

The ATLAS governance and organisation structure has been designed around the belief that long term sustainable outcomes for investors can only be met with robust and effective governance and accountability structures. In particular, our organisational design has emphasised the importance of having independent and well-resourced functions for:

Stewardship Element	Resources & Experience	Assessment
Investment governance	ATLAS's Investment Committee is comprised of four highly experience infrastructure investors with a total of some 70 years industry experience. The ATLAS Investment Governance Board comprises three highly experienced investors with pension fund experience.	ATLAS believes that the depth of its Investment Committee combined with the experience and independence of the IGB means that its investment governance structures are more than sufficient to meet our stewardship requirements.
Investment research	The ATLAS Investment Team comprises 14 staff drawn from a range of infrastructure investment backgrounds.	A team of this size and experience provides us with a more than sufficient resource to address the listed infrastructure market and to undertake the necessary stewardship activities.
Operations, compliance and risk management	ATLAS has highly experienced operations, execution and compliance personnel supported by world-class, service providers.	ATLAS has increased its operations, execution and client service resourcing over the period and is now comfortable that it is appropriately resourced in this area, albeit that as the firm's AUM continues to grow, we may need to continue to add resources in this area.

RESOURCING

Organisational Structures

The ATLAS investment team consists of a group of four investment Partners with a deep knowledge of the infrastructure sector, supported by seasoned Principals, Associates and Analysts; their collective expertise spans a wide range of infrastructure sectors, geographies, and disciplines. The investment team comprises 14 investment professionals in total, which we believe to be one of the largest in the field of listed infrastructure.

Organisational Structure

ATLAS Board

Executive Committee
Chaired by Charles Kirwan-Taylor
(Executive Chairman, LDN)

Investment	Investor Relations	Execution & Operations	Compliance
Rod Chisholm (Partner, SYD)	Matt Lorback (Partner, SYD)	Clinton Joyner (Partner / COO, SYD)	Carl Chambers (CCO, LDN)

Investment

David Bentley*	(Partner, LDN)
Matt Lorback*	(Partner, SYD)
David McGregor	(Partner, SYD)
Michal Rydzkowski	(Principal, LDN)
Alex McNee	(Principal, SYD)
Amanda Xie*	(Principal, SYD)
Janie Shi	(Principal, SYD)
Tom Neugebauer	(Principal, SYD)
Patrick Burfitt	(Associate, LDN)
Sam Ward	(Associate, LDN)
Luke Farrar	(Associate, SYD)
Ash White	(Analyst, SYD)
Michael Searle	(Analyst, SYD)

**Denotes both investment and IR responsibilities*

Investor Relations

David Bentley*	(Partner, LDN)
Amanda Xie*	(Principal, SYD)
Charles Kirwan – Taylor (Exec Chairman, LDN)	
Sarah Odds	(Principal, LDN)

Execution & Operations

Tom Donagan	(Senior Trader, SYD)
Kate Hundleby	(Execution Assoc, SYD)
Susie Fulton	(Operations Assoc, SYD)

The Chair of the ATLAS Board and of the ATLAS Executive Committee does not have any functional lead responsibilities and is therefore independent of the executive functions of ATLAS. The role of the Chair is to ensure proper governance within ATLAS and to act as the contact point between the Company and the ATLAS Board, as well as between the ATLAS Investment Governance Board (IGB) and the ATLAS Executives, on the one hand as well as the Board, where necessary.

Skills and Experience

The ATLAS team has been assembled to include individuals with diverse but complementary skills across a range of investment and corporate disciplines as well as experience in both listed and unlisted infrastructure investment.

The following table outlines the experience and focus of the senior members of the ATLAS team (both investment team and key operational and governance roles). As noted earlier we believe that the ATLAS investment team is the largest and most experienced investment team of any of the listed infrastructure managers. The four Investment Partners and five Investment Principals bring considerable infrastructure industry experience, and the majority of our investment team has worked with the company since its inception meaning that the team as a whole has strong experience with the ATLAS investment process.

Name	Position/ Location	Experience (Prior to joining ATLAS)	Years with Company	Relevant Industry Experience
Charles Kirwan-Taylor	Chairman / LDN	Equity capital markets, fund management, unlisted infrastructure	6	35
Rod Chisholm	Partner / SYD	Listed infrastructure funds management, infrastructure equity research	6	20
David Bentley	Partner / LDN	Listed and unlisted infrastructure funds management, sovereign wealth fund experience. corporate finance	6	18
Matthew Lorback	Partner / SYD	Unlisted infrastructure funds management, M&A / corporate finance, infrastructure company board experience	6	18
David McGregor	Partner / SYD	Listed infrastructure funds management, infrastructure equity research	6	13
Clinton Joyner	Partner, COO / SYD	Previous COO experience in other asset management firms	6	20
Carl Chambers	Chief Compliance Officer	Multiple previous senior compliance positions in financial services	6	20
Michal Rydzkowski	Principal / LDN	Unlisted infrastructure funds management	6	14
Alex McNee	Principal / SYD	Unlisted infrastructure funds management	1	8
Amanda Xie	Principal / SYD	Unlisted infrastructure funds management, sovereign wealth fund exposure, asset consulting experience	6	13
Janie Shi	Principal / SYD	Investment banking and advisory in infrastructure and energy	5	10
Tom Neugebauer	Principal / SYD	Listed infrastructure funds management,	5	7
Tom Donagan	Head of Execution / SYD	Listed infrastructure portfolio trading	2	13
Peter Hyde	Adviser / LDN	Infrastructure equity research, infrastructure company management	6	30

Diversity

Philosophy

Our approach to diversity is rooted in the belief that cognitive diversity ensures that the company is best placed to produce long-term sustainable returns for our investors and to foster a culture of continuous improvement within the company and so to promote an optimal sustainable strategy for the company as a whole.

Actions Taken

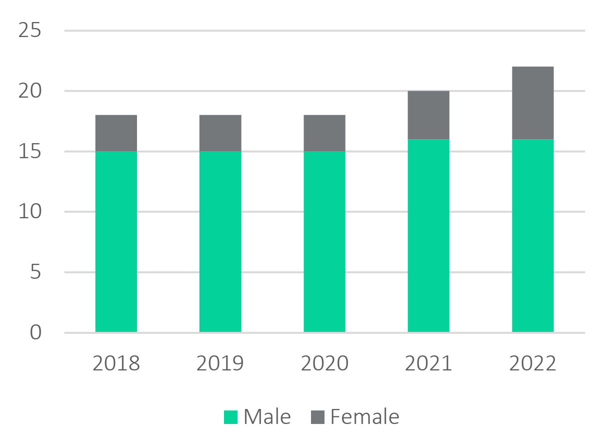
Noting the emphasis investors place on the stability of an organisation and the financial limits to increases in staff numbers, we have determined a framework for improving all aspects of our diversity over the first decade of our existence so as to achieve better balance, at all levels within our organisation. We have hired, rewarded, and promoted staff based solely on merit and have taken steps to ensure that at a candidate level, we have shortlisted applicants for all open positions that respects our commitment to increasing diversity as far as is possible. These steps have included:

- Ensuring that all third parties engaged to assist in recruitment are informed that ATLAS is committed to increasing diversity in all its forms and that this commitment is reflected in their search activities
- Ensuring that at a minimum our interview list for every position includes at least two female candidates
- Aiming for a result over time that reflects an equal number of male and female hires

Outcomes

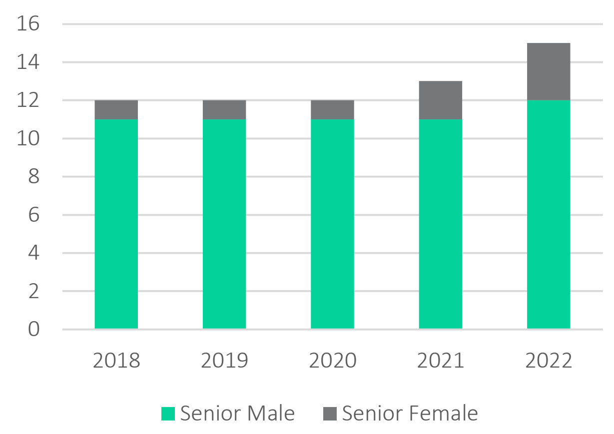
ATLAS has improved its diversity over the past several years with an increase in females in the firm as a whole (currently 27% compared with 17% three years ago), and also increased female representation at the Principal level (currently 20% compared with 8% three years ago).

Total Staff



Source: ATLAS Infrastructure

Senior Staff



Source: ATLAS Infrastructure

OWNERSHIP AND ALIGNMENTS

ATLAS is majority owned by GIP with the remaining 40% owned by ATLAS partners and staff.

Partners & Staff Equity Ownership

It is a principle of the firm that ownership should be widely spread among its employees, including among its Investment Principals and non-Investment staff, to align employees with the long-term objectives of the firm and its clients. Accordingly, equity ownership within the firm is distributed among 11 of the 24 members of staff.

ATLAS is in the process of establishing a mechanism for the transfer of equity between current equity holders and the next generation of leaders in the firm. This process is designed to promote coherent and stable succession planning to ensure the long-term sustainability of the firm.

GIP Equity Ownership and Involvement

GIP is a leading global, independent investor in private infrastructure. GIP is represented on ATLAS's main board; it has no managerial or operational responsibilities within the firm: the businesses of GIP and ATLAS are completely separate.

ATLAS is able to leverage the deep knowledge base of the GIP infrastructure team through quarterly Sector Forums, in which ATLAS and GIP discuss a specific sector. The ability to access GIP's deep knowledge base provides insights into the infrastructure sectors that are not readily available to other market participants and further enhances our understanding of the sectors in which our companies operate.

The requisite Chinese walls and information barriers are observed during these forums. Members of the compliance teams from both organisations participate in the forums to ensure that the correct regulatory protocols are in place and adhered to by all parties.

ATLAS GOVERNANCE STRUCTURES

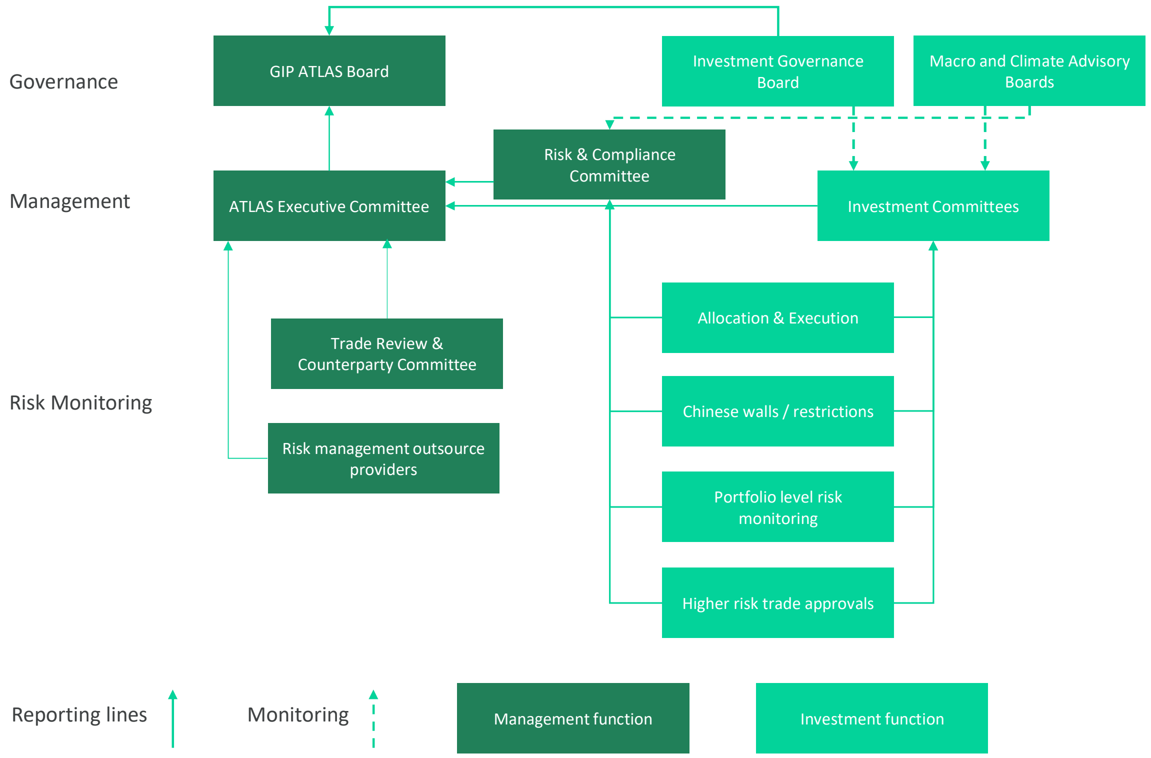
The ATLAS approach to responsible investment forms part of the investment process and investment philosophy of the firm. As such accountability is as follows:

- GIP ATLAS Board – ensures that policies (including RI and Investment Process) are being followed by ATLAS management team and investment function
- ATLAS Executive Committee – oversees the day-to-day management of the firm
- Investment Governance Board – independent board that monitors portfolio compliance with investment mandate aims and policies including ESG. Reports to ATLAS board
- Head of Investment – responsible for the Investment function within ATLAS including implementation and monitoring of ESG and RI policies and objectives. Reports to ATLAS Board
- Investment Partners (sector leads), responsible for ensuring that all sector research includes ESG and RI in accordance with ATLAS investment process and policy.
- Macro and Climate Advisory Boards – these two boards are advisory in nature only and provide information to the investment team which the investment team may choose to incorporate in its analysis. These two advisory boards are discussed further in Principle 4.

ATLAS has established strong governance structures to control both its business and its investment decision process. These provide a strong focus on risk management and regulatory compliance within the structure of the business and embed the protection of clients' interests within our investment framework.

The following diagram illustrates ATLAS's governance structures

ATLAS Governance Structure



- The compliance function (led by the CCO) reports directly to the ATLAS Board through the Executive Committee. The CCO of ATLAS also has a direct contact with the head of GIP legal and compliance
- Investment Governance is the responsibility of the Investment Governance Board which reports directly into the GIP ATLAS Board.

INVESTMENT GOVERNANCE BOARD (IGB)

ATLAS is aware that asset management firms face a number of challenges that can adversely impact risk and performance over time. These may include style drift, misalignment with investors leading to excessive risk taking, management distractions and simply poor investment decision making.

With this in mind, ATLAS has established an IGB to provide independent oversight of its investment process and outcomes focussing on consistency of investments against the stated investment strategy for each portfolio, including risk budgets, illiquidity tolerance, risk/return objectives and ESG considerations including climate risks, the consideration of the long-term interests of the investors/clients in the ATLAS funds; and the policies of ATLAS relating to equal treatment of clients and best execution and allocation.

The IGB has no direct investment or management duties and is not involved in considering or recommending individual investment decisions. Its purpose is to provide independent scrutiny of the investment decision making within ATLAS, and to provide advice for ensuring consistency of ATLAS's investment decision making with the mandates given by its investors/clients.

The IGB meets quarterly and has the option to request information or presentations from one or more members of ATLAS's Investment Committees to assess the execution of portfolio decision making against expectations. Typically, the IGB reviews at least one individual investment decision per quarter as part of its regular monitoring.

The Chairman of the IGB provides a report to the ATLAS Board on its activities, and may make recommendations for action to the Board, if its reviews so warrant.

INVESTMENT IN SYSTEMS, PROCESSES, RESEARCH AND ANALYSIS

Research Management System

As part of ensuring good investment stewardship, it is essential that all research, investment and engagement activities are recorded and tracked. ATLAS has implemented the FactSet Research Management System which provides a centralised repository for managing all our research outputs including all company meeting notes, company engagements, research meeting presentations, financial model outputs, investment decisions and voting decisions.

Financial Analysis / Modelling

ATLAS produces all its own models and does not utilise any broker models (or extracts from broker models) within this process. The models are long-term, projecting cash flows up to a horizon of up to 80-years.

We believe that the ATLAS master model is a best-in-class valuation tool developed by the ATLAS team using years of previous experience in listed infrastructure modelling. The model, which represents several man years of programming, provides the investment team with a fully constructed and heavily automated accounting and valuation tool, enabling the team to focus their time on asset cashflow modelling.

STAFF PERFORMANCE MANAGEMENT AND REMUNERATION

Remuneration

The ATLAS remuneration structure has been developed to encourage teamwork over individual performance. A key element of this is that all staff at a particular level are remunerated equally. This is in contrast to a system which calculates remuneration individually.

The remuneration of all ATLAS staff is comprised of a base salary and a variable component which is linked to the performance of the business and, through either equity ownership or through participation in a profit share scheme.

Long term outperformance of the strategy will result in attracting and retaining client funds which will support profitability of ATLAS and payments through profit share and dividends. Since all investment staff are involved in supporting all mandates, we believe it is appropriate that the team is rewarded and incentivised.

ATLAS believes that discretionary annual bonuses mechanically linked to short term performance metrics are not well aligned to achieving longer term outcomes for clients and can lead to excessive risk taking.

Salary levels are set to be competitive with other firms in the market (for those staff that don’t have equity participation). The firm’s system of profit allocation allows for a further payment of up to 100% of each individual’s salary to be allocated from profits in the course of a year. In the event of there being insufficient profit to allow this for all staff, the most junior staff are paid first. Partners compensation is linked to investor returns through co-investment over medium to long time periods.

Monitoring

Formal staff appraisals occur annually. ATLAS has developed a skills matrix for both investment and non-investment positions within the firm to articulate the expectations for knowledge and skills within its four role categories (Analyst, Associate, Principal, Partner).

ATLAS sets remuneration KPIs and performance expectations for each level in the organisation as part of their skills matrix-based review. The KPIs include the requirement to formulate adequate ESG risk scenarios around potential investments as well as the requirement to identify and prioritise for engagement the key ESG issues facing each company in our coverage.

SUCCESSION AND SUSTAINABILITY

ATLAS is a global business, and all critical functions have a backup between Sydney/London. ATLAS has adopted a ‘Partnership approach’ with leadership from a broad team of Infrastructure specialists rather than individual Portfolio managers. Investment decisions are made through an Investment Committee which reduces ‘key man’ risk and ensures portfolios are managed using greater resources of expertise.

ATLAS is mindful that an effective succession plan enables the smooth transition of critical roles and therefore seeks to minimise disruption to the firm and its clients. As unexpected events can have short-term and long-term implications, the ATLAS succession plan contemplates both.

TRAINING AND PROFESSIONAL DEVELOPMENT

ATLAS devotes very considerable internal resources to developing the knowledge and expertise of its investment team at its weekly Research Meeting (RM). This meeting peer reviews the firm's analysis and position with regard to a wide variety of topics and very frequently addresses matters relating to RI and ESG. Subsequent to those meetings, the firm holds less formal meetings at which the topics discussed in RM can be addressed. In addition, ATLAS frequently sends delegates to conferences organised by third party organisations such as the IIGCC and AIMA which address those topics, and also attends conferences organised by investment consultants and commercial sponsors which address the same topics. The output of those conferences is reported on at the firm's internal meetings.

All staff are required to attend an annual compliance training session provided by a third-party or conducted by a member of the RCC. The internal compliance function provides ad-hoc / thematic training sessions if there are any changes to regulation. All staff are required to sign annual acknowledgements to ongoing compliance. The Chief Compliance Officer regularly monitors and reviews the training record to ensure continued compliance and to remedy any non-compliance.

There is also compulsory online technology training (covering areas of security awareness, phishing, fraud, etc.) provided by an outsourced technology provider.

PRINCIPLE 3

Signatories manage conflicts of interest to put the best interests of clients and beneficiaries first.

Note: During the period under review ATLAS managed only one strategy and therefore there were no identified material instances in which client interests were, or could be perceived to be in conflict during the 2022 year.

BACKGROUND

ATLAS has an overarching responsibility to ensure that it pays due regard to the interests of its clients and to always treat clients fairly. As a regulated entity, ATLAS is required to take all appropriate steps to identify, prevent or manage conflicts of interest that may arise while conducting regulated activities. The firm has a conflicts of interest policy which articulates how matters are dealt with when the interest of clients or beneficiaries diverge from each other. A summary of the conflicts of interest policy as it pertains to stewardship can be found below.

We believe that identifying conflicts of interest is the first mitigating step to managing potential conflicts and we have sought to identify circumstances that we believe may give rise to a conflict of interest. We support this with clear lines of responsibility, so all members of staff are aware of their role in the process. As a general rule, we will typically seek to disclose an actual or potential conflict of interest as a method of managing a conflict, unless doing so will breach a legal or regulatory guideline or would not be in the interests of clients.

Where conflicts, or potential conflicts, are identified ATLAS is committed to ensuring that these appropriately managed so as to prevent these conflicts from inaugurating Where it is not possible to prevent actual or conflicts of interest from arising, ATLAS will use best endeavours to manage the conflicts of interest by, amongst other things:

- Treating clients equally where possible:
- Disclosure of the conflicts to the client(s);
- Establishing an information barrier; or
- Declining to act for the client(s).

ATLAS recognises that conflicts can arise in a range of situations and are often driven by business, resourcing and reward structures which lead to misalignment of interests either between a firm and its clients, or between members of its client base. Accordingly, there are a number of elements of the ATLAS business and team structure that have been established to mitigate the risk of conflicts arising. These include:

- A reliance on our own internal research and no use of broker materials. This ensures the integrity of the research process and avoids any issues around the payment for broker research;
- An investment process which eliminates individual analyst ownership of stock research or recommendations. Our observation is that research and remuneration structures in which one individual "owns" a particular stock of group of stocks and is remunerated on the basis of their recommendations, can lead to misalignment between the analyst and the client interests. The ATLAS team approach to research and remuneration aims to overcome these types of conflicts;
- Fee structures that do not incentivise ATLAS to act in contravention of the interests of its clients or to pursue short term performance.
- Clear policies and procedures around trading and trade allocation to ensure the fair treatment of all clients.

We also recognise that each conflict situation is unique, and we continue to review the specific matters relevant to our business and update our policies accordingly.

GUIDELINES FOR CONFLICT IDENTIFICATION AND MANAGEMENT

ATLAS has established clear guidelines for identifying conflicts of interest. In particular, staff should consider whether ATLAS:

- is likely to make a financial gain, or avoid a loss, at the expense of a client;
- has an interest in the outcome of a service or activity provided to a client, or of a transaction carried out on behalf of a client, which is distinct from the client's interest in that outcome;
- has a financial or other incentive to favour the interests of one client or group of clients over another;
- carries out the same business as the client; or
- receives or will receive an inducement from a person other than the client in relation to services provided to the client in the form of monetary or non-monetary benefits or services.

Conflict Management and Avoidance

A number of arrangements have been put in place with a view to taking all appropriate steps to prevent conflicts of interest from constituting or giving rise to a material risk of damage to the interests of any client. Where conflicts are unavoidable, ATLAS ensures that appropriate policies and procedures are put in place to manage such conflicts.

Conflict Monitoring

The Conflicts of Interest Policy is reviewed by the CCO on an ongoing basis and is reviewed by the Board annually to determine whether all conflicts remain relevant or if any conflicts no longer apply. At the annual review, the CCO will confirm whether in his/her view conflicts are being effectively managed. The Board of ATLAS will review all aspects of ATLAS's Conflicts of Interest Policy in conjunction with the Conflicts Register with a view to identifying any conflicts that may previously have gone undetected or are no longer live conflicts or potential conflicts.

Where there is concern that the conflict management arrangements are not being followed, the CCO will raise this with the Board who will consider appropriate steps to ensure compliance with the arrangements.

Recording and Disclosing Conflicts

ATLAS maintains a register of conflicts which includes details of both actual and potential conflicts faced by ATLAS daily in its business.

In cases where a conflict is not capable of being managed so as to ensure, with reasonable confidence, that risks of damage to client interests will be prevented, the firm will make a disclosure to affected clients. This may only be done as a last resort and after all attempts at mitigating or managing the conflict have failed.

Conflicts Training

All staff receive a copy of the firm's Compliance Manual and Compliance Policies & Procedures Manual and receive training in respect of conflicts of interest. In addition, all staff are required to give a periodic undertaking confirming compliance with the firm's compliance procedures, including PAD and policies relating to the receipt of gifts, benefits, and entertainment.

KEY ELEMENTS OF THE ATLAS CONFLICTS MANAGEMENT POLICY

Personal account dealing

As part of our conflict management framework, all staff are restricted from trading any securities within the ATLAS Investment Universe. We have implemented a robust policy which includes lengthy holding periods for members of the investment team and appropriately set holding periods for all other staff. ATLAS' overarching policy objective in this respect is to protect the interest of our clients, and any personal account trading activity is subject to a strict pre-approval process which requires compliance approval prior to dealing. ATLAS has controls in place to restrict personal account trading in certain stocks where we or any entity within the wider ATLAS group of companies and/or parent companies may be in possession of insider information, and / or there is a material conflict of interest that we are not able to mitigate.

Gifts and entertainment

Developing relationships is a key component of what we do to offer the best possible service to our clients and to stay abreast of industry best practice. Accordingly, we recognise that the nature of our business can give rise to the giving and receiving of hospitality from time to time. Gifts and entertainment may include coffees meals, tickets to events, concerts, and shows, trips not in the normal course of business, gifts of any description, travel or accommodation costs, free attendance at conferences and industry events, and include those offered to family members. These may only be offered or accepted where they are clearly reasonable in the circumstances, that is, not excessive in terms of monetary value and/or frequency. ATLAS has set firm thresholds which have been set to capture all gifts and hospitality given or received. These thresholds are kept under constant review and adherence is monitored regularly by the Compliance function.

Allocation and Aggregation of Trades

The ATLAS allocation, placement and aggregation of trades is subject to the ATLAS Trade Aggregation & Allocation Policy, which says all trades sanctioned by the ATLAS Investment Committee will be allocated on a fair and equitable basis. No portfolio or mandate will receive beneficial treatment over any other. At all times, ATLAS seeks to;

- act in the client's best interest:
- act in accordance with the instructions and trade parameters set by the ATLAS Investment Committee:
- treat subsequent executions fairly and in due turn with orders for all portfolios / mandates. It should be noted here that ATLAS does not trade on a principal basis: and
- trade in such a way to maintain an orderly market and within the price constraints that have been set by the ATLAS Investment Committee.

Maintenance of information barriers / management of insider and/or confidential information.

All staff members are strictly prohibited from engaging in insider dealing. ATLAS staff receive regular training to reinforce their knowledge and understanding of the restrictions. ATLAS will shortly increase the frequency of training in this area given its relative importance to the firm. When a member of staff becomes aware of inside and/or confidential information they must report this immediately to the ATLAS Chief Officer who will take the necessary steps to record the details and ensure sufficient restrictions are in place and ensure appropriate information barriers are formed to prevent disclosure to unauthorised persons. Such barriers can include both physical and systematic barriers as deemed appropriate. Persons are only 'wall crossed' on a strictly need to know basis and with every effort made to ensure that the staff member involved is exposed to inside and / or confidential information for the minimum amount of time possible.

PRINCIPLE 4

Signatories identify and respond to market-wide and systemic risks to promote a well-functioning financial system.

SYSTEMIC OPERATIONAL RISKS

ATLAS takes the view that it is not itself a large enough enterprise to pose any kind of systemic risk to the entire market but that as a party exposed to the efficient functioning of the market as a whole, it has a duty to interrogate and monitor its financial counterparties, and to maintain an appropriate diversity of counterparties.

Operational risks are addressed through a Risk and Compliance Committee ("RCC") which is responsible for the maintenance and oversight of the firm's Operational Risk Framework, and which approves the appointment of all new counterparties. The RCC consists of the firm's Chairman, COO and CCO (see also Risk Oversight set out below in addressing Principle 5, below.

SYSTEMIC INVESTMENT RISKS

We recognise that the infrastructure asset class is exposed to common risk factors such as GDP growth, Inflation, cost of capital and availability of debt capital. The asset class is also particularly exposed to energy prices and the impact of climate policy. As a single sector manager, ATLAS aims to focus on those risks (both at the asset level and also at the financial system level) which present material risks for the infrastructure firms in which we invest.

Risk modelling

All ATLAS financial models are built on a standardised platform. This master model platform has direct links into a centralised macro database, which incorporates all macro forecasts. These macro scenarios can be adjusted to enable

The consistency with which macro factors are included in our investment models means that we have the ability to evaluate the comparative influence of macro factors and macro scenarios (such as global recession) on the prospective return of each investment and on the portfolio as a whole.

The ATLAS approach to risk evaluation and management comprises three main components which are discussed in further detail below:

- Stress testing – asset specific;
- Stress testing – macro environment; and
- Macro factor exposure analysis.

Stress testing – asset specific

ATLAS stresses all assets based on a "minor" and "major" stress events. These stress scenarios are asset specific and therefore not directly comparable between assets, but are designed to be similar in probability (e.g. a 1 in 10-year event for a Minor Stress and a 1 in 15+ year event for major stress). An example of a Minor Stress for an Airport is a small and short-term traffic shock, whereas the Major Stress would be the modelled bankruptcy of the hub carrier.

In conducting these stress tests, ATLAS seeks to evaluate the resiliency of the company including testing where companies may need to raise additional debt or equity capital at unfavourable rates. Given our focus on capital preservation discussed in Principle 1 above, ATLAS aims to evaluate the risk of a capital loss over a three year time horizon.

Stress testing – macro environment

As noted above, the consistency of the ATLAS financial model platform enables a range of macro scenarios to be run to stress test all assets and the portfolio as a whole against a range of potential macro environments. At present ATLAS runs a stress test based on a near term global recession as well as a stagflation environment. We see these as the most likely and most impactful economy wide shocks at the current time. However, other scenarios can be run across the portfolio from time to time where emerging macro-economic or system wide threats emerge.

Recognising that climate policies present a key particularly those in the energy and transportation sector, ATLAS also models two climate scenarios: a "Fast Transition" scenario and a "Delayed Action" scenario. ATLAS aims to ensure that its portfolio is resilient particularly in a Fast Transition scenario.

Macro factor exposure

Macro betas are a representation of specific macro factor risk within the universe constituents and ATLAS portfolios more broadly. All ATLAS cashflow models utilise a common macroeconomic database which is governed for comparability and consistency by the ATLAS Macro Advisory Board at least semi-annually.

The macro betas are produced by running a scenario whereby the macroeconomic inputs into the cashflow model are increased by 1 percentage point for the entire duration of the model (generally 50+ years).

The macro betas represent the change in the perpetuity free cash flow to equity internal rate of return (FCFE IRR) given a 1 percentage point change to the macroeconomic factor. As an example, a real GDP beta of 0.80 would imply a 0.80% move in the FCFE IRR if real GDP growth was increased by 1% over the entire length of a cashflow model. Conversely, a negative macro beta would imply a lower FCFE IRR resulting from a lift in the specific macro factor. All macro betas use the nominal FCFE IRR, except for the inflation beta, which uses the real FCFE IRR to distinguish the underlying changes.

Macro risks included in portfolio construction

The table below provides further discussion on the macro risks included in our analysis and the portfolio management guidelines for each risk.

Metric	Approach to analysis	Portfolio guidelines
GDP Beta	ATLAS is conscious that our clients are seeking a portfolio of assets which are not excessively exposed to economic conditions and in particular are not leveraged to economic growth. ATLAS therefore tests the impact on company cashflows of a permanent 1% movement in GDP. Different assets have very different return outcomes from this change in GDP expectations with assets such as toll-roads being particularly sensitive, whilst most utilities have very low sensitivity to economic growth.	Through the cycle the portfolio should have similar exposure to GDP than the universe. In particular, the portfolio must not have a materially higher GDP exposure than the investment universe.
Inflation Beta	ATLAS tests the impact on company cashflows and investment returns of a permanent 1% increase in inflation. Each financial model reflects the level of inflation passthrough included in regulatory and contractual arrangements and therefore changes in inflation are reflected in changes in long term asset cashflows. ATLAS calculates then calculates the inflation passthrough at the whole of portfolio level.	The ATLAS portfolio is constructed with an explicit guideline of reducing inflation risk and achieving as close to a full inflation hedge as possible. The portfolio should aim for as close to a hedged exposure to CPI as possible and lower exposure than the investment universe
Long Bond Beta	ATLAS tests the impact on cashflows and investment returns of a permanent 1% increase in long bonds. Infrastructure assets often have regulatory and contractual structures that enable movements in the long bond to be passed through in the form of changes to the allowed return on the underlying asset base, however, these mechanisms work very differently for different assets. Each financial model reflects the level of long bond passthrough included in regulatory and contractual arrangements and therefore changes in long bonds are reflected in changes in long term asset cashflows.	The portfolio should aim for as close to a hedged exposure to bond rates as possible and lower exposure than the investment universe
Global Recession Scenario	This scenario evaluates portfolio performance in a world with above-trend CPI and neutral GDP growth. The scenario starts with the base case and increases CPI over the medium term. The equity risk premium also increases to reflect higher inflation risk. Bond yields are assumed to increase commensurate with higher inflation. These changes are greater for countries we have identified as having greater political and monetary policy risk. Over the long term, we assume a reversion to the base case.	The portfolio should have similar or less downside than the investment universe in the macro risk scenarios
Stagflation Scenario	This scenario evaluates portfolio performance in a world where the post-GFC productivity decline is extended, resulting in subdued growth and inflation. The scenario starts with the base case and reduces GDP, inflation, industrial production and long bonds. These reductions are more pronounced for countries identified as most at-risk given a recession scenario. The scenario also assumes an increase in the equity risk premium. Over the long term, we assume a reversion to the base case.	The portfolio should have similar or less downside than the investment universe in the macro risk scenarios
Fast Transition Climate Scenario	This scenario evaluates the impact of acceleration of climate change mitigation policy. In the Fast Transition, the bulk of climate transition policy including shut down of coal generation, progression to >50% electric vehicles, and a start to phasing out gas usage all begin in the 2020s. By 2050 the developed world economy is at near net zero carbon emissions without the use of carbon dioxide removal or carbon capture and storage technology. Fast Transition heavily impacts the oil and gas pipelines sector and electricity generation/networks directly, as well as indirectly through supply chain impacts on freight rail and seaports	The portfolio should minimise any downside risk in Fast Transition scenario – aiming for close to 0

CASE STUDY – EU ENERGY CRISIS AND SUPPORTING CRITICAL INFRASTRUCTURE

The energy crisis in Europe presented ATLAS with an interesting conundrum. On the one hand, the short term risks of recession due to high energy prices or further escalation of the conflict in Ukraine created volatility and potential downside risk to asset prices. On the other hand, the European response to the crisis has been significant from the perspective of accelerating the climate transition through additional support for renewable build out and electrification at the same time as hastening the medium-term phase out of fossil fuels (including gas).

The aim of the ATLAS portfolio is to deliver sustainable total returns to investors from infrastructure assets. ATLAS undertook detailed analysis of the potential impacts of prolonged stress in European energy markets (gas and electricity). Much of this analysis focussed on large utilities which were experiencing liquidity and balance sheet stress due to the need to post collateral against energy market hedge positions as well as the need to fund rapid increases in working capital as input costs increased but regulation prevented price rises until later in the year.

As share prices fell over the first half of 2022, ATLAS invested in a number of these European electric Utilities, such as Enel (the world's leading renewable energy generation company) and EON (a large electric distribution company with an energy transformation strategy) where the medium and long term investment returns are supported by the new EU policies and where our analysis showed that the market's concerns were mainly due to a crisis of short term liquidity and confidence.

When taking these positions, we paid careful attention to selecting companies able to pass through the current inflationary pressures, and ran stress tests on their business models and balance sheets in the event of a worsening of the energy crisis over the next 12 months. In both cases the margin of safety in the returns (given the material share price declines) was more than enough to compensate for the short-term potential for volatility.

Over the remainder of 2022, markets stabilised as many of the worst-case scenarios that were mooted for European energy markets did not come to pass. The utilities and infrastructure companies in turn were able to use this period of stability to demonstrate to counterparties and rating agencies that the balance sheet exposures were both manageable and already starting to reverse, relieving liquidity pressures.

RISK OVERSIGHT AND MANAGEMENT

Investment Committee

A key responsibility of the IC is to limit the exposure of the portfolio to any one common exogenous risk factor in order to limit large permanent capital loss. This is the purpose of the macro and climate scenarios. Examples include GDP sensitivity (recession) and exposure to small changes in Market Risk Premia (stagflation).

Investment Governance Board

A key responsibility of the ATLAS IGB is to periodically review the exposure of the portfolio to these macro risks and also to consider how the ATLAS Investment Committee is recognising and responding to any other systemic risks that may arise from time to time.

MACRO AND CLIMATE ADVISORY BOARDS

To assist in its assessment of the wider economic, political, and climate policy trends affecting the financial performance of the infrastructure sector, ATLAS has implemented a Macro Advisory Board (the "MAB") and a Climate Advisory Board ("CAB").

Macro Advisory Board (MAB)

The role of these two advisory boards is to provide specialist advice to the investment team with respect to the critical macro-economic inputs in the firm's investment model, which include interest rates, economic growth, inflation, market risk premia and foreign currency rates.

The ATLAS Macro Advisory Board comprises:

- Geoffrey Warren: Geoffrey is an Associate Professor at the Australian National University, who brings with him experience of economic strategy in both commercial and academic roles. His input at the MAB focusses on Australian and global trends.
- Chris Watling: Chris is the CEO and Chief Market Strategist of Longview Economics, which he founded in 2003 following a career at Cazenove and KPMG. With a strong background in economic and scenario modelling, his geographic focus at MAB is on Europe and the US.

Climate Advisory Board (CAB)

The ATLAS Climate Advisory Board meets on a six-monthly basis and assist in the establishment of scenarios around climate change policies and expectations around changes to potential

The CAB includes three members who bring complementary experience in the climate change and energy policy fields. The experience of these members provides a very valuable addition and input into the ATLAS investment process as it relates to considering climate change risks. Members of the ATLAS CAB are:

- Ben Caldecott: Ben is the founding Director of the Oxford Sustainable Finance Programme at the University of Oxford and one of the leading authorities on the economics of climate change. His focus at MAB is on climate change policy and its economic implications.
- Amandine Denis-Ryan: Amandine is the Head of System Change and Capability at ClimateWorks Australia; the leading climate change think tank in Australia.
- Randolph Brazier: Randolph is the Director of Innovation and Electricity Systems at the Energy Networks Association. He is also a Future Energy Leader on the World Energy Council.

IDENTIFICATION OF OTHER DISRUPTIVE FORCES

Given the risk of capital impairment which can be caused by disruptive technologies, ATLAS has developed a number of features within its models to evaluate the potential impact of these changes. In particular, the structures developed to model the impact of climate change policies may also be leveraged to model the impact of disruptive technologies.

In addition to climate change, there are three other key areas in which ATLAS sees material risk of disruptive technology:

- Technology change in communications. Communications infrastructure is particularly exposed to potential changes in the ways in which consumers utilise different forms of communications.
- Transportation. This includes the potential impact of autonomous/electric vehicles on energy systems as well as potential changes around the transition of short air travel to rail. ATLAS has implemented scenarios within relevant models to test the exposure of assets to these two significant changes in the transportation sector.
- Renewable energy price declines: Impact of the declining cost of renewables on electricity generation (note this is a different risk than climate change policy).

ASSESSMENT OF EFFECTIVENESS

The ATLAS Investment Committee, as part of the Investment Governance Board Process, conducts quarterly reviews of the effectiveness of the investment signals and decisions in ensuring that the investment portfolio minimised risks for clients and could still deliver on the expected outcomes. Over the past 3 years we have noted the following material risk situations and the effectiveness of the process:

1. Bond rate sudden movements in late 2018 – the ATLAS process did identify the most likely scenario to be rising interest rates and therefore had positioned the portfolio accordingly and investors capital was maintained without the need to material portfolio changes
2. Covid crisis March 2020 – the ATLAS process did not identify the systematic risk of Covid prior to March 2020 and therefore the portfolio was in a position where it needed to make changes during a period of high market volatility.
3. Bond price volatility of Q3 2022 – the ATLAS process did correctly identify that rising inflation would lead to higher risk of earlier bond rate rises and stagflation. A s a result the ATLAS portfolio was already positioned in companies that had higher levels of protection from increasing yields and inflation and therefore there were few changes required to be made to the portfolio.

PRINCIPLE 5

Signatories review their policies, assure their processes and assess the effectiveness of their activities.

INVESTMENT, GOVERNANCE AND COMPLIANCE POLICIES

ATLAS has implemented various policies to govern its business conduct including those that cover investment implementation, governance and regulatory compliance. The following policies and manuals form daily guidance for ATLAS practices:

- Employee Handbook
- Compliance Manual
- Trade Allocation Policy
- Order Execution Policy
- LinkedIn and Social Media Policy
- Cyber Security Policy
- Expert Network Policy
- Remuneration Policy
- Client Trading Policy
- Risk Management Framework
- Outsourcing Policy
- Diversity and Inclusion Policy
- Press Policy
- Responsible Investment Policy
- Pandemic Policy
- Travel policy

ATLAS Compliance policies cover topics such as, Conflicts of Interest, Breaches, Marketing (including Financial Promotions), Best Execution, Aggregation and Allocation, Trading Errors, Market Abuse, Use of Dealing Commission, Interaction with Third Parties, Personal Account Dealing, Gifts, Benefits and Entertainment, Outside Business Interests, Complaints, Training and Competence, Client Privacy and Data Security, Account Opening and Closing Procedures, Proxy Voting, Whistleblowing, Financial Crime & Money Laundering, Anti-Bribery, Telephone Recording & Electronic Communications, Managing ERISA Clients, Side letters, US Political and Charitable Contributions and Public Positions.

These policies are maintained by the Chief Compliance Officer and all changes must be approved by the Executive Committee and where appropriate by the ATLAS Board. Investment policies, particularly those that relate to portfolio guidelines and limits are also reviewed and approved by the ATLAS Investment Governance Board.

ATLAS considers its Compliance Policies and Procedures Manual (CPPM) to be a living document and is updated as significant changes occur but at a minimum, every 12 months. The CCO will obtain external assistance with regards to regulatory changes and update the CPPM as required. CPPM changes are reviewed and approved by the ATLAS Risk & Compliance Committee. ATLAS staff are required to attest to reading and understanding the CPPM and where necessary additional staff training will be provided.

RISK OVERSIGHT & ASSURANCE

The ATLAS Risk Management Framework ("RMF") outlines the requirements that the RCC and Board of Directors have determined should be met to monitor ATLAS complying with best market practice with regards to risk management standards. The RMF was developed based on the International Standards for Risk Management ISO 31000 and is reviewed periodically (at least annually) by the RCC.

Operational risks identified by ATLAS are documented/logged within the RMF and fall under the following risk categories; trading risks, post-trade risks, counterparty risks, business conduct and reputational risks, technology and cyber security risks, business continuity risks, fraud and financial crime risks, outsourcing risks, communications risks, compliance risks and insurance risks.

The ATLAS Executive Committee is tasked with the responsibility of conducting an annual review of the firm's governance and stewardship arrangements. The Committee is comprised of each functional head who is responsible for the review of their own respective area. The draft report will then be subject to an external assurance review which is completed by an independent third party. Any comments, recommendations or remedial steps will be fed back to the Committee and implemented where necessary before final sign-off.

CONTINUOUS IMPROVEMENT

ATLAS continues to grow and evolve as a firm and consequently it is increasingly important to ensure that our policies and procedures remain appropriate and fit for purpose. Accordingly, ATLAS has has materially enhanced its policy framework, with some of the key enhancements outlined in the cover letter to this report. This improvement has been driven less by our process of formal review and more by the continual focus by the ATLAS CCO, CFO, Compliance Committee, and Investment Committee on implementing enhancements to our processes. We also recognise the need for external assurance to ensure we continue to deliver a best-in-class service offering to our clients and to meet the regulatory expectations of the regulatory authorities in the jurisdictions in which we operate. A summary of how we seek to achieve this is provided below.

Third Party assurance.

ATLAS has engaged Waystone Compliance Solutions to provide a skilled independent third-party review of the Firms' approach to its ESG commitments. Amongst the backdrop of increased regulatory and client scrutiny and safeguard against the risk of green washing, the assurance review will focus on the Firm's. approach to meeting the requirements of SFDR regulations as they apply to the Firm's disclosures as well as the Firm's approach to reporting to a number of ESG-focussed bodies. In summary, the review will look at the following areas / commitments:

- Responsible Investment Policy;
- SFDR Disclosures and Periodic reporting obligations;
- UNPRI Disclosures;
- Commitment to NZAM and supporting evidence;
- Annual Stewardship reporting; and
- SFDR pre contractual disclosures on the ATLAS website.

Other independent reviews

In its capacity of Investment manager, ATLAS is subject to annual reviews performed by the guardians and beneficiaries of the funds that its managers. The reviews focus on the ATLAS processes, procedures, and green credentials (in respect to SFDR) in order to satisfy themselves that ATLAS maintained appropriate structures to provide rigorous and capable services to the UCITS fund.

GS007 Assessment

ATLAS engages Ernst & Young to conduct Investment Operational Due Diligence ("ODD") assessments of ATLAS.

The GS007 assessment is designed to assess operational risks and included an inspection of the frameworks in place underpinning the investment philosophy, people and processes, in order to assess the capability of ATLAS to implement the investment strategies it has been engaged to manage on behalf of its clients, who have signed agreements with ATLAS. EY did not raise any issues in its most recent assessment in September 2021.

Review / Assurance of other Reports and Disclosures

ATLAS has engaged Waystone to provide an assurance review of our approach to our various ESG commitments. The review will provide comfort that we meet and will continue to meet the requirements of the Level 2 SFDR regulations as well as our approach to reporting to other ESG-focussed bodies. In summary the review will encompass the following areas:

- Responsible Investment Policy.
- SFDR Disclosures and Periodic reporting obligations.
- UNPRI Disclosures.
- Commitment to NZAM and supporting evidence
- Annual Stewardship reporting
- SFDR pre contractual disclosures on the ATLAS website

PRINCIPLE 6

Signatories take account of client and beneficiary needs and communicate the activities and outcomes of their stewardship and investment to them.

UNDERSTANDING INVESTOR REQUIREMENTS

As a boutique investment manager, ATLAS has a close relationship with its clients which facilitates a frequent and open interaction. A key element in understanding client requirements and reflecting these in the investment process is to ensure that there is direct connectivity between members of the investment team and our clients. Accordingly, several members of the ATLAS investment team (including two of the four Investment Committee members) also have roles which involve direct client liaison.

Furthermore, the ATLAS Investment Governance board comprises three individuals who have each worked for pension and sovereign wealth funds (BP Pension Fund, CalPERS and Catholic Super). A key role of the IGB is to leverage their experience from the client side to provide feedback to the ATLAS investment team on likely client requirements.

Seeking Client Feedback

In composing its Responsible Investment report, ATLAS sought feedback from a number of its clients regarding contents for inclusion. Clients gave direction on areas such as the overarching philosophy and governance, reporting metrics and degree of detail required to complement their reporting. After this consultation process, ATLAS' final report was crafted with the intention to further refine and build as industry and client requirements mature over the coming years.

Nature of Client Interactions on Stewardship / ESG

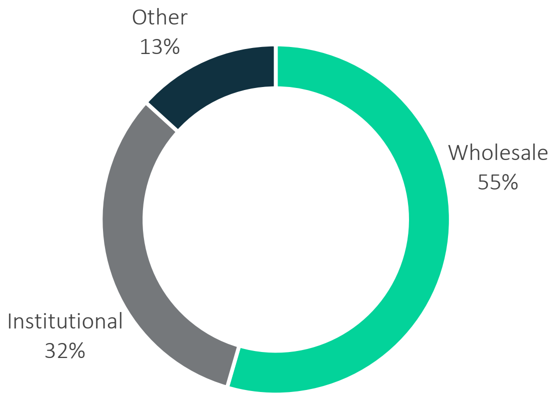
ATLAS recognises and honours the commitments its clients have made in their stewardship policies by undertaking commitments within IMAs. These undertakings span the type of companies included in the ATLAS managed portfolios as well as climate related targets and goals. These undertakings are then reflected in the investment guidelines and budgets of those clients.

Central to the monitoring of stewardship practices, ATLAS commits to provide reporting on its engagement and voting progress through time. ATLAS's engagement reports detail the rationale and objective(s) for beginning an engagement, key milestones reached or not reached and the eventual outcome at the conclusion of an engagement. ATLAS continually seeks feedback from clients on improving disclosure (if any) to suit their needs and also considers practices espoused by organisations such as the PRI and PLSA.

ASSETS BY TYPE

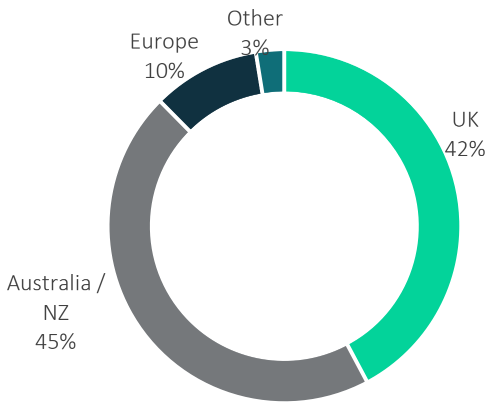
As at 31 December 2022, ATLAS's total AUM was US$2.4bn via the ATLAS Global Infrastructure UCITS ICAV and segregated mandates (all managed under the "Global Strategy"). The following charts break down the ATLAS investor type and investor geography.

AUM by Investor Type



Source: ATLAS Infrastructure

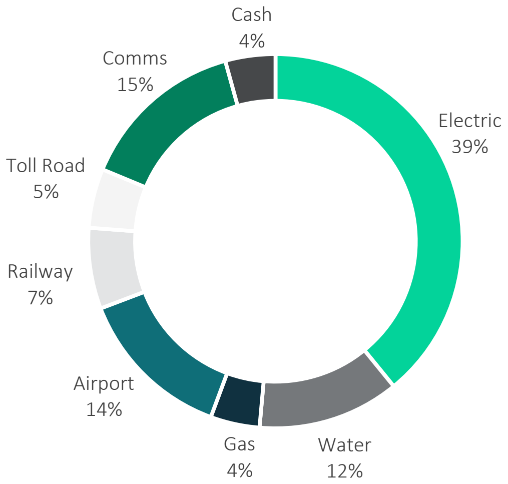
AUM by Geography



Source: ATLAS Infrastructure

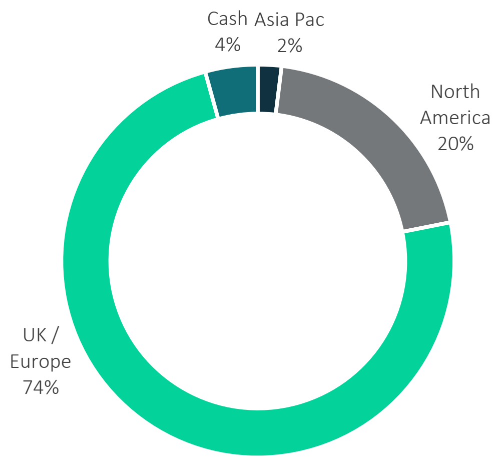
The following charts break down the ATLAS investments by sector and geography as at 31 December 2022

ATLAS Global Strategy by Sector



Source: ATLAS Infrastructure

ATLAS Global Strategy by Geography



Source: ATLAS Infrastructure

INVESTMENT OBJECTIVES AND BENCHMARKING PERFORMANCE

Absolute real-return benchmark

ATLAS recognises that infrastructure is typically included in our clients' Real Assets allocation. This allocation is typically focussed on delivering absolute, inflation linked returns. Importantly, the Real Assets allocation is not focussed on delivering any equity benchmark related performance and often is used to derive returns that are less correlated with the equity market.

Reflecting this, the ATLAS benchmark is set against an absolute, real return target of G7 CPI +5.0% p.a. All ATLAS investments are made with this benchmark in mind. Importantly, ATLAS does not manage its funds with reference to any of the listed infrastructure indices as we believe that doing so would undermines our objective of being absolute returns focussed.

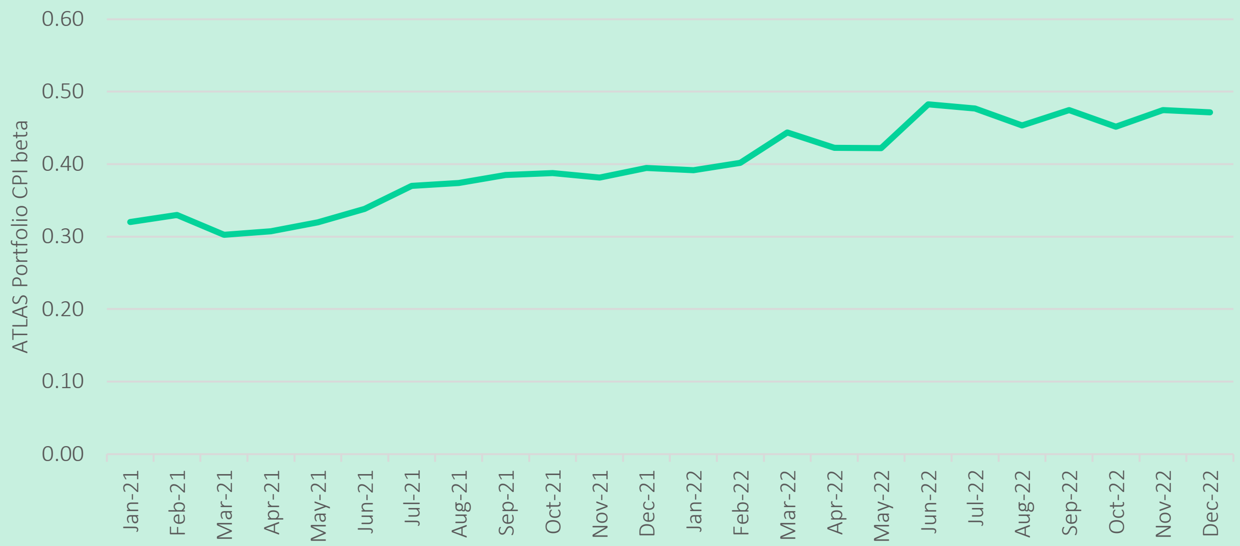
CASE STUDY – STAGFLATION / RECESSION ANALYSIS – INFLATION SEEKING ASSETS

ATLAS understands that Investors in the infrastructure asset class are looking for stable, inflation protected returns.

The ATLAS Investment Committee (IC) monitors this through the use of specific portfolio exposure metrics including CPI beta (the pass through of changes in inflation to equity cashflows) and Stagflation scenario delta (the change in expected portfolio return in a prolonged stagflation scenario).

During 2021, the ATLAS IC noted that, based on feedback from the ATLAS Macro Advisory Board (MAB), there was a higher than usual risk of an exceptional inflation environment. As a result, the IC chose to preference potential investment decisions that maximised CPI beta and reduced stagflation risk. This change in portfolio exposure was communicated to clients both through monthly reporting and regular meetings. As a result of these changes, the portfolio was in a better position to protect against the sudden increases in inflation during 2022.

The following chart shows the change in the direct inflation passthrough of the ATLAS portfolio assets from January 2021 through to December 2022. From April 2021 through to March 2022, the direct inflation passthrough of the ATLAS portfolio increased from 32% to 44% in March 2022 and 48% in June 2022, representing a material increase in the direct inflation pass through of assets in the portfolio.



Source: ATLAS Infrastructure

Focus on 10-year investment return metric

Reflecting the fact that ATLAS is often included in portfolios alongside unlisted infrastructure investments, the ATLAS investment process seeks to utilise investment research, valuation and decision-making metrics which are similar to those used in the unlisted infrastructure market. ATLAS utilises long term valuation models similar to those used in the private markets infrastructure sector. Furthermore, ATLAS utilises a 10-year real investment return assuming exit at the discounted value of the business at the end of the holding period as the primary metric for assessing stocks for inclusion in the portfolio, and measures and reports the expected 10-year real IRR of the portfolio as a whole. This metric is similar to the longer-term investment return metrics that unlisted managers use to evaluate their investments and therefore enables our clients to directly compare the available returns in the listed and unlisted infrastructure portfolios. This in turn facilitates informed decisions around where they believe their real assets allocations are best invested.

IMPORTANCE OF TRULY ACTIVE AND INDEPENDENT PORTFOLIO MANAGEMENT

ATLAS recognises that investors have a choice of approaches to investing in the listed infrastructure sector. It also recognises that in choosing to invest with ATLAS, our clients are seeking a manager that is providing them with an experienced investment team which seeks to differentiate between the available investment opportunities to only invest in those securities that meet their investment requirements.

The ATLAS Investment process therefore includes several components that are essential to facilitate independent investment management and the active stewardship of their investments, including:

- Independence: ATLAS does not use any broker inputs in its investment process. Our large investment team has the resources and experience to do its own independent research.
- High conviction: Concentrated portfolio reflecting a high conviction approach and a focus on only those assets that meet client risk and return requirements. This high conviction approach is only possible if founded on significant due diligence and risk management.
- Company meetings: Regular interaction with portfolio company management. The regularity with which we engage with our portfolio companies is important for two reasons: Firstly, it ensures that our forecasts are informed by the most recent management strategy and insights into the business operations. Secondly it provides us with the opportunity to communicate our preferences to management which in turn reflect the preferences of our clients.

INVESTOR REPORTING

ATLAS provides clients with a range of monthly, quarterly, and annual reports to assist them in understanding and evaluating how ATLAS has performed with respect to risk, return, exposure, and stewardship of their portfolio.

A key focus of our client interaction and reporting is to ensure that we address our clients' questions and requirements around stewardship, sustainability and the outputs and possible impacts of our strategy and portfolio. Whilst we endeavour to meet all investor information needs relating to the topic through effective and effective reporting (see below), we recognise the varied nature of current and future enquires and will always seek to support sustainability related requests as fully and in as much detail as possible.

The main sources of stewardship information in our reporting appear in the quarterly and annual Responsible Investment report. ATLAS also produces a detailed Annual Performance Report which focusses on the performance of the Global Strategy and the key drivers of performance.

The following table provides an overview of the key aspects of quarterly and annual ESG/Responsible Investment reporting:

Quarterly Reporting – ESG and stewardship	Annual Responsible Investment Report
• ESG issues and risks identified for all stocks in the ATLAS portfolio • Current live engagement processes, including any joint engagements and any engagements concluded in the period • Reporting against key ESG metrics • Fast Transition climate scenario exposure • Look forward portfolio emissions against SBTi targets	• Detailed Net Zero targets and data • Detailed ATLAS voting records • Engagement summary and detailed overview of any ongoing engagements • Principal Adverse Impact information as required under the SFDR • EU Taxonomy information • TCFD related disclosures on ATLAS climate change approach. • ATLAS corporate ESG report including: corporate emissions, diversity, social activities,

Further, as part of our commitment to SFDR, ATLAS will be reporting on a number of climate transition KPIs that are reported internally and externally to ATLAS clients and monitored by the ATLAS Investment Governance Board.

CASE STUDY – 2021 RESPONSIBLE INVESTMENT REPORT

ATLAS has, from inception, provided investors with a range of data on the key ESG metrics of the portfolio, with a particular focus on climate and emissions metrics. Historically, this has been included in our Annual Performance Report as well as in bespoke client reporting.

However, with the ever-broadening demand for detailed information on a range of ESG matters, ATLAS elected to split out this section into a separate Responsible Investment Report. The first ATLAS Responsible Investment Report was developed and released during 2022 covering the year to 31 December 2022.

In developing the framework for this report, ATLAS engaged with a number of clients on the information that they would see as being useful. ATLAS also reviewed a range of client and prospect requests for information, including through the multiple ESG Due Diligence Questionnaires (DDQ) as well as the ad-hoc ESG data requests from clients received during the year.

Finally, ATLAS reviewed reporting requirements of some of the key current and prospective reporting frameworks including the TCFD, Net Zero Asset Managers Initiative, SFDR and the EU Taxonomy.

PRINCIPLE 7

Signatories systematically integrate stewardship and investment, including material environmental, social and governance issues, and climate change, to fulfil their responsibilities.

Note: During the period under review ATLAS managed one strategy and therefore the following discussion of ESG and Stewardship integration applies for all assets managed by ATLAS

INTEGRATION OF STEWARDSHIP AND INVESTMENT

ATLAS's approach to ESG aspects of investment is one which aims to understand the implications of each of ESG factor at a company level and to account for these factors within our models through their impacts on company cash flows and through asset stress testing. In summary, our investment process incorporates ESG factors as follows:

- Environmental: We divide environmental influences into two categories: environmental performance and climate change. Environmental performance is monitored through company and regulatory disclosures, and we reflect that performance within the cash flows of our company models. These may include fines or changes to allowed returns. We model the impact of climate change very specifically, as discussed in Principle 3.
- Social: ATLAS recognises that infrastructure assets operate under an implicit social contract and that companies which fail to perform in line with that contract (through overcharging, or under delivering) may be subject to penalties or reduced allowed returns. ATLAS's financial models make explicit assumptions about the level of profits that are earned by infrastructure assets and our forecasts assume that companies earn "fair" returns over time, provided that the company provides a service in line with customer and regulator expectations. Whilst historically some companies have earned significant excess returns, we have experienced that these are eroded over time (through regulation or other means) and so our models migrate these returns to more normalised levels over time. In doing so we avoid assumptions that companies can earn excessive profits over extended periods at the expense of their customers and other stakeholders.
- Governance: Governance is considered on multiple levels. In evaluating the impact of the company's management and oversight we make specific assumptions around management's ability to generate (or undermine) the company's value over time. A key element is the capability and incentivisation of management to make value accretive (or value destructive) investment decisions, both within the existing business and in the context of a company's strategic aspirations. This also incorporates assessment of capital structure decisions and subsequent uses of cash.

ESG area	Topic	Incorporation in Investment process and analysis	Portfolio construction impact (Global Strategy example)
Environment transition & policy risk	CO_2 Intensity	Trajectory of emissions used in company profile report, emissions data included as specific risk field in portfolio construction	The Global Strategy guideline is for lower emissions than the universe which will place a limit on the selection of high emission companies for the portfolio
	Carbon Beta	The carbon beta for each company is calculated in the financial model and stored in the company profile as well as the ATLAS database	The Global Strategy guideline is for lower carbon beta than the universe which will place a limit on the selection of high carbon beta companies for the portfolio
	Scenario modelling	Prior to upload, each scenario (including fast transition) is run and the cashflow outputs stored in the ATLAS database such that scenario returns always appear alongside portfolio returns in portfolio construction	The Global Strategy has a guideline of positive exposure to fast transition which will limit the ability to hold assets with negative exposure to fast transition scenarios
Environment physical risk & resilience	Impacts of climate events	Increased costs of climate events will increase capex forecasts which will either directly reduce returns or will impact any excess returns earned through regulatory outcomes	Lower forecast returns will result in companies with high physical risk not being selected compared with similar risk / return assets
Social	Regulatory contract	We make explicit assumptions around the sharing of efficiencies (and overruns) between customers and the utilities. This in turn influences the amount of any excess returns retained by shareholders	Companies with strong regulatory relationships will keep more returns and therefore be more likely to be included than similar risk / return assets.
	Social contract	Long term excess returns need to be justified with social contract in company profile, strong social contract leads to higher returns for longer	Companies with strong social contract have higher equity returns and similar risk / return assets.
	Corporate citizenship & Workforce engagement	Poor corporate citizenship and engagement is reflected in base case returns and in potential stress case results	A company showing a lower return or a greater risk of loss in a stress scenario would be harder to place in the portfolio
Governance	Ownership	ATLAS financial models can forecast changes in ownership including dilution and accretion which impact equity returns	In portfolio construction we would see the direct impact in expected returns and monitor expected equity dilution as a separate risk factor
	Alignment & Incentives	We incorporate poor alignment and incentives through explicit forecasts for reinvestment and capital discipline which can increase or decrease equity returns	Companies with poor reinvestment will show lower returns and higher risk and will be less likely to form part of a portfolio

ESG ISSUES IDENTIFIED IN THE PORTFOLIO

ATLAS incorporates ESG risks directly into our estimates of asset level cashflows and scenario risks. We then quantify this for each company and represent as either an impact to the base case estimate equity IRR, a change to the estimated IRR under a scenario, or as a risk of capital loss in a stress event. The ATLAS Responsible Investment Report provides a detailed list of those portfolio companies where the application of ESG risk has produced a change (greater than 0.5% reduction to base case real IRR from a climate transition perspective or greater than 5% risk of equity loss in stress case) to forecast or risk estimates and the follow up engagement actions taken:

Company	Incorporation of ESG issue	Measurement and return implication	Engagement & Escalation
ALLETE, Inc.	Environment - Fast Transition risk Base case scenario shuts down remaining coal in 2030s, fast transition scenario shuts down and strands coal generation mid 2020s	Equity IRR reduced by 2.0% in Fast Transition scenario	Engaged with management on ability to bring forward coal plant retirements and how this would reduce both emissions and risk for the company ATLAS modelling indicates that despite early retirement of coal plants, ALLETE is currently not in line with a Paris Agreement emissions reduction pathway. ATLAS began an engagement with ALLETE on 22 March 2021, but this has not yet resulted in meaningful response from the company. The vote against executive compensation is an escalation of engagement.
E.ON	Social - regulatory stress, Stress case models a regulatory outcome which has major permanent compression in retail margin from competitive forces or whatever might be the case, also equivalent IRR shock wise to 10% bad debts for 3 years in retail book that is lost forever	Estimated capital loss of 8.4% in major stress event	ATLAS has undertaken a number of discussions with management around the potential for stresses on the E.ON retail book from bad debts in the event of a prolonged increase in energy prices. At this time ATLAS is comfortable that the management team is aware of the issue and taking appropriate action to manage the retail bad debt risk.
Edison International	Environment - physical risk Liabilities from current wildfire litigation are increased in the stress case vs base case. In delayed action increased wildfire frequency results in bill stress and increased liabilities	Estimated capital loss of 16% in major stress event, reduction of 2% in equity IRR from physical climate risk	Engaged with management about their wildfire mitigation spend and strategies to reduce future risk. The structures established by the regulator to compensate for fire damages appears to be sufficient at this time, however, we continue to monitor.
Eutelsat	Governance and reinvestment risk Stress scenarios include deployment of material capex into new technology assets with poor returns	Estimated capital loss of 41% in major stress event	Engaged with management on capital discipline and risk management setting out ATLAS preferences and concerns Wrote to company board to set out concerns over reinvestment risk and management incentives.
HERA	Environment - Fast Transition Stress scenario assumes the company does not receive a payment above the regulated asset base value of its gas and electricity distribution concessions when they expire.	Estimated capital loss of 9.7% in this scenario	ATLAS has meet with management on a number of occasions. At this time management is limited in what it can negotiate with the regulator and government around the price to be received on the expiry of the concessions. We believe that the share price suitably reflects the downside risks.
SES SA	Governance - reinvestment risk Stress scenarios include deployment of material capex into new technology assets with poor returns	Estimated capital loss of 32% in major stress event	Engaged with management on capital discipline and risk management setting out ATLAS preferences and concerns

Company	Incorporation of ESG issue	Measurement and return implication	Engagement & Escalation
Severn Trent	Social - Regulatory stress Stress scenario includes the elimination of potential outperformance of allowed totex and Outcome Delivery Incentives (ODI) leading to lower future return on equity.	Estimated capital loss of 8.1% in this scenario	ATLAS met with SVT management on 3 occasions during 2022 and discussed management's strategy for continuing to achieve outperformance of totex and ODI targets. Management has a strong track record in this area and we are comfortable with management's stated strategy and confidence of achieving future outperformance.
Snam	Environment - Fast Transition Fast Transition scenario leads to materially lower gas demand over medium and longer term. Some potential for hydrogen substitution but long-term methane demand remains above B2DS emissions trajectories.	Estimated 2.5% reduction in IRR in Fast Transition scenario	Multiple meetings with management including CEO to discuss Snam's exposure to material carbon reduction targets. Letter was sent to management 23rd December 2022 requesting further information from management on this topic.

USE OF THIRD-PARTY DATA

RepRisk

ATLAS utilises third party provider RepRisk to provide input into its evaluation of ESG factors. RepRisk is a firm which specialises in the evaluation of ESG matters and applies a detailed methodology which systematically identifies and assesses material ESG risks. The RepRisk Rating (RRR) is a letter rating (AAA to D) that facilitates corporate benchmarking against a peer group and the sector, as well as integration of ESG and business conduct risks into business processes.

Sustainalytics

Sustainalytics was formally engaged during 2022. Sustainalytics is used for additional ESG ratings information including Principal Adverse Impact reporting and for preliminary information on EUTaxonomy, albeit that ATLAS ultimately relies on its own work and assessment against the EU Taxonomy guidelines.

Trucost

Trucost data on company emissions is included in our weekly, monthly and annual emissions reporting and is monitored as part of our portfolio reporting and risk analysis.

CASE STUDY – INTGEGRATION OF SFDR REQUIREMENTS

2022 saw the introduction of the EU SFDR Level 1 disclosure regime under the EU SFDR legislation. ATLAS has incorporated the SFDR requirements within the existing ATLAS Investment process as follows:

- Measurement of Sustainable and Taxonomy aligned investment proportions – the ATLAS Investment Process requires detailed modelling of each Infrastructure company at the individual asset level. Prior to the release of the SFDR technical criteria and guidelines we had been using our own Infrastructure sub sector definitions to allocate each asset into different categories. In 2022 we extended this process to further map the ATLAS categories against the technical screening criteria for the EU taxonomy as well as the UN SDG criteria in order to derive internal estimates of Taxonomy and Alignment for each company.
- Monitoring of Principal Adverse Indicators (PAIs) and Do No Significant Harm (DNSH) criteria – The ATLAS Investment Process includes a weekly assessment of portfolio and non-portfolio ESG risks and potential harmful conduct using our existing 3rd party data providers and monitoring tools. During 2022 we have enhanced this assessment to include explicit monitoring of PAI and included an explicit escalation step to evaluate whether any given event or situation would constitute a violation of the DNSH criteria under the SFDR.

CLIMATE CHANGE

Transition risk analysis

Whilst ATLAS regards all ESG factors as important to our analysis, we believe that climate change and energy transition are the risks that will have the most fundamental impact on the companies in our investment universe, as well as being of great significance to many of our clients as well as society more broadly.

We believe that it is inevitable that governments will implement material climate policy actions through time and that the combination of these climate policies, together with technological evolution, will lead to material changes in global energy systems. This is likely to have profound implications for infrastructure assets, some of which will be beneficiaries of this change, whilst others may see their businesses significantly disrupted.

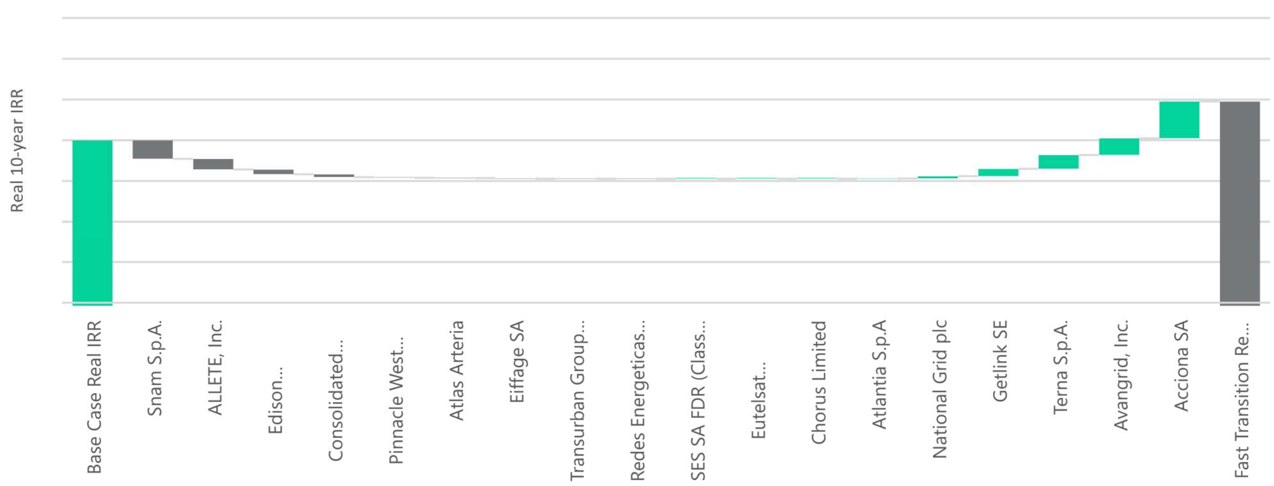
ATLAS has integrated an approach to measuring the impact of future climate policies within all its financial models. The ATLAS approach evaluates the expected investment return of each company universe under three different climate policy scenarios:

- Base Case: The world implements climate policy at a firm but moderate pace. Energy transition occurs in a meaningful but relatively orderly manner. Certain assets become stranded.
- Fast Transition: Climate policies implemented at an accelerated pace, disrupting several industries and leading to stranded assets in a number of fossil fuel related sectors.
- Delayed Action: Minimal climate policy in the near term. However, physical climate change prompts more severe policies over the longer term which leads to market disruption and stranded assets.

As noted above, all ATLAS models include cash flow and IRR forecasts under three climate scenarios. ATLAS then utilises these IRRs in constructing portfolios. While the primary focus in stock selection is the events and valuation reflected in our Base Case, we also take account of expected IRRs under both Fast Transition and Delayed Action scenarios in managing portfolio risk. ATLAS aims to ensure that at the total portfolio level, the portfolio has the same or a better IRR under a Fast Transition scenario than under its Base Case such that the portfolio is not negatively exposed to such a scenario.

The following chart provides the relative contribution (or detraction) to the ATLAS Fast Transition scenario IRR relative to the ATLAS Base Case. As at 31 December 2022, the ATLAS Fast Transition scenario had a 20bps higher expected 10-year return relative to the Base Case.

Base Case vs Fast Transition Real 10-Year IRR (31 December 2022)



Source: FactSet, ATLAS calculations

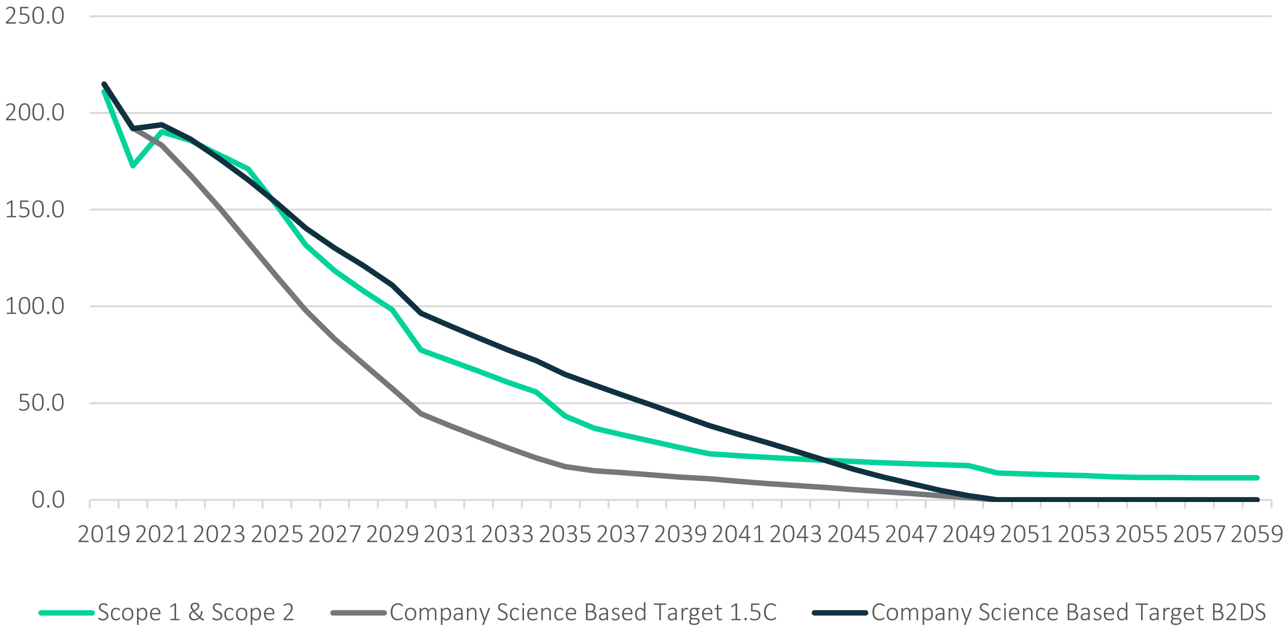
Emissions forecasting and alignment to commitments

ATLAS calculates company emissions data from the asset operations level and integrates this data to a mechanism modelled on the Science Based Targets Initiative's analysis of the trajectory individual companies (or sectors) are required to deliver to be Net Zero aligned company goals. The SBTi is a reputable evaluator of corporate emissions reduction goals supported by the World Resources Institute, IEA, and UN IPCC and recommended to ATLAS as signatories of the IIGCC Paris Aligned Investment Initiative.

1. ATLAS uses combined scope 1 and 2 emissions the benchmark company reductions against the SBTi pathways for B2DS and 1.5C scenarios.
2. Emissions data is updated annually from a combination of company disclosures and ATLAS estimates.
3. Revenue is converted to USD millions as at the report date for consistency across the portfolio and universe.

The below charts show the ATLAS-modelled portfolio scope 1 & 2 emissions compared to the Science-Based Targets Initiative modelled pathways for Below 2C and 1.5C Paris Agreement scenarios with all current holdings

ATLAS Global Strategy (incl. engagements) emissions vs. SBTi pathways as at 31 December 2022



Source: ATLAS Infrastructure, SBTi

The ATLAS portfolio forecast emissions are below the SBTis B2DS pathway until 2045. Beyond this timeframe it becomes challenging to forecast further emissions reductions as the required technology and management strategies for those timeframes are not currently visible.

SUSTAINABLE DEVELOPMENT GOALS

The ATLAS ESG assessment includes a number of factors that form part of the SDGs, which also impact our investment analysis and portfolio decisions as follows:

- GOAL 6: Clean Water and Sanitation – We have a number of companies which provide water and wastewater services. Through due diligence we identify the opportunities those companies have to improve access to water and wastewater services, including providing solutions to water scarcity as well as improvements to recycling and treatment. We then include these opportunities in our growth and return forecasts
- GOAL 7: Affordable and Clean Energy – We include renewable energy in our universe, and our climate transition assumptions assume a growing preference for zero carbon technologies. This results in higher growth and lower risks for those companies that are making material contributions to the clean energy build-out.
- GOAL 9: Industry, Innovation, and Infrastructure – We actively support the case for long term infrastructure investment to support the economic growth and reduction in inequalities. We preference companies that have a strong 'social contract' where they are investing to provide essential infrastructure that improves the lives and outcomes for the members of society
- GOAL 13: Climate Action – We explicitly include climate transition assumptions which results in lower forecasts for companies that are not taking climate action and higher forecasts (and hence investment) in companies that are taking proactive climate action and are aligned with Paris targets. Our analysis extends beyond renewable energy to all companies in the infrastructure sector and we use company and sector specific benchmarks to ensure that our companies are taking sufficient proactive action.

SERVICE PROVIDER ESG INTEGRATION

ATLAS does not explicitly require our service providers to adopt any ESG initiatives. However, we note that our two main service providers both produce comprehensive sustainability reports:

- Northern Trust produces a corporate sustainability report (https://www.northerntrust.com/australia-newzealand/about-us/corporate-social-responsibility)
- Our IT provide Edge Technology partners with datacentre providers (such as Equinix) who have public green initiatives (https://www.equinix.co.uk/data-centers/design/green-data-centers).

PRINCIPLE 8

Signatories monitor and hold to account managers and/or service providers.

OVERVIEW

Use of Third Parties for Investment Related Data

The ATLAS investment process in founded on a reliance on our own primary research and proprietary investment modelling. Accordingly, we use third party services providers primarily for detailed industry level data where it is not possible or efficient for us to generate this data ourselves.

The main providers of third-party data in the ATLAS investment process include: Trucost (emissions), S&P Market Intelligence (financial), RepRisk (ESG), Factset (financial), OAG (airline industry data) and we have also trialled Sustainalytics for further ESG data.

As part of our sector and company due diligence, we undertake regular review of the accuracy of that data and seek to verify against other sources of information from management teams, regulators, market participants and other primary sources. This process has identified a number of instances which have required us to revert to data providers and resulted in amended data sets. In this way, we have made some contribution to the improved integrity of the data that is made available to investors.

Use of Third Parties for Operational Support

Extensive due diligence was conducted during 2016/2017 to determine the ideal ATLAS operating model. Our approach was to identify key global providers and build on their proven systems to develop a robust end-to-end operating model capable of supporting our long-term ambitions. Both local and global administrators were considered.

Comprehensive discussions were held with around 6 providers over several months and Northern Trust was determined to be the ideal partner given their ability to demonstrate:

- their global offering was most aligned to our global ambitions;
- the broader Northern Trust had existing capabilities to provide leading outsourced back/middle office, custody, depository and transfer agency services;
- a proven ability to integrate with our other service providers and system vendors;
- an ability to support a UCITS ICAV and Australian registered scheme; and
- best in class operations.

The ATLAS Chief Operating Officer is the owner of the Northern Trust relationship and if services are not delivered promptly, efficiently, and accurately, or performance as measured against the service level agreement is not satisfactory, he will address the relevant issues.

ATLAS reviewed both the key Northern Trust relationship as well as the IT service provider during the 2022 year. There were no material changes to the ATLAS service providers during the 2022 year as all service providers were deemed to be meeting the required service levels.

OUTSOURCING SELECTION AND APPROVAL PROCESS

ATLAS has always undertaken to develop an operating model comprising leading global service providers with a proven ability to integrate with each other and our chosen system providers. Depending on the outsourced services being provided, some or all of the following steps are undertaken when short-listing a service provider:

- establish an appropriate selection criteria;
- short-list potential partners who are interested, capable and compatible with the firm;
- if determined necessary, prepare and distribute a Request for Proposal (RFP);
- determine who will participate in the final selection process;
- determine/assess any potential conflicts of interest;
- gain comfort with service providers financial stability; and
- visit finalists with a view to understanding compatibility with the firm and seek greater detail on technical capabilities, service commitments and pricing.

ATLAS also considers the diversity policies of its service providers in the selection of its most important service providers.

Although the above allows for some discretion, material service providers are subject to a more thorough evaluation process compared to a less critical function such as ad hoc legal services.

Subsequent to the above, the Executive Committee will determine a shortlist of preferred providers who are subject to detailed due diligence. The Executive Committee has ultimate discretion as to whether to approve the appointment following the outcomes of due diligence.

All third-party providers are required to be engaged via a legally binding written agreement.

Monitoring

The owner of each third-party service provider (typically the COO) will monitor service levels on an ongoing basis to ensure each provider abides by the terms of their engagement. This will include regularly measuring the performance of providers against their engagement terms and/or service level agreement (SLA).

Material outsourced providers are subject to the following:

- Regular communication of agreed reporting;
- Ongoing communication in relation to any issues or outstanding matters;
- Quarterly SLA meetings which are formally documented; and
- Annual onsite visits in the relevant locations, if feasible.

Where appropriate, ongoing evidence will also be required from service providers to demonstrate their ongoing financial stability which may be in the form of financial statements and/or official credit ratings from a reputable provider. For example, this is required for Northern Trust as custodian of the ATLAS funds.

If services are not delivered promptly, efficiently and accurately, or performance as measured against their SLA is not satisfactory, the COO will address the relevant issues, or if deemed necessary the Executive Committee may terminate the relevant engagement and appoint an alternative service provider.

All service providers are subject to face-to-face meetings on at least an annual basis, if feasible.

ASSESSMENT OF SERVICES PROVIDED

Investment Research and Data Services

As noted above, ATLAS relies almost entirely on its own company research, however, it does use third party data providers for inputs into the investment process. We have not identified any material issues with the services provided by our existing suppliers. Nonetheless, we have over the period identified areas in which we required additional data to support our monitoring and reporting requirements. Specifically, ATLAS engaged Sustainalytics to provide data on Principal Adverse Impacts, EU Taxonomy and other data required under SFDR. ATLAS is currently undertaking a process to assess the available data from Sustainalytics against our own detailed analysis of the companies within our portfolio against PAI and EU Taxonomy frameworks. To date we have found that there are some material differences between the information provided by Sustainalytics and our own review of the company. These data challenges are to be expected in the early stages of the implementation of analytical tools (for instance the accuracy of service provider data on Scope 1 and 2 emissions has been particularly variable and has only recently begun to improve) and we do not believe that other data providers will provide more accurate information. We believe that the best course of action is to rely on our own assessment (where we can undertake the work in sufficient detail) in combination with discussions with the company and to work with Sustainalytics to continue to improve data accuracy.

Operational Services

Each ATLAS service provider has been engaged via a formal agreement which includes a detailed SLA. In terms of action taken when expectations are not met, in practice, any critical issues with material providers (e.g. NT & Edge) are addressed as and when they occur rather than waiting for the formal service review meeting.

To date, we haven't terminated a contract due to poor service, but we did terminate Matsco because we decided their lack of presence in Sydney was no longer conducive to our ambitions. Under our outsourcing policy, the relationship owner is responsible for keeping Exco informed of service issues and Exco has the ability to terminate/replace providers.

PRINCIPLE 9

Signatories engage with issuers to maintain or enhance the value of assets.

Note: During the period under review ATLAS managed one strategy and applied the same approach to engagement across all sectors and geographies, therefore the following discussion applies for all assets managed by ATLAS

BACKGROUND

ATLAS believes in active management and that management engagement is core to our responsibilities as a responsible steward of the capital we invest. We view engagement as a constant process involving a strong focus on being pro-active and open dialogue with companies to promote good practice, with a view to reducing the potential for a situation that requires remedial action.

The size and deep experience of the ATLAS team, together with our investment process, which is heavily focussed on long term outcomes, results in company interactions which emphasise long term, sustainable cash flows.

ATLAS includes a section in every company profile (stored in its Research Management System) which tracks the matters that are required to be followed up with management. This section provides a central repository for all questions or other topics that emerge during either the research process, or during the presentation of companies to the investment team. The company profile also includes a separate section for tracking all ESG issues which are also required to be addressed with management.

COMPANY MEETINGS

ATLAS aims to meet with each of its portfolio companies on at least an annual basis and with as many other assets in our investment universe as possible over the course of the year. These company meetings are an essential part of both pre-investment due diligence and investment company monitoring. Company meetings provide an opportunity for our investment team to both illicit information from the company on their expectations for the company and to discuss strategy. Importantly, the meetings also provide an ability for our team to provide feedback to the company management on the areas we see as being important for management to focus on.

ATLAS requires that all company meetings include a discussion of identified ESG issues and risks as part of the agenda, during which ATLAS will seek to foster improvement ESG practice or disclosures towards specific outcomes and objectives. Key ESG issues, questions and follow ups are recorded for each company and are available to ATLAS clients as part of our portfolio reporting.

SETTING ENGAGEMENT PRIORITIES

When determining priorities and issues for initiating a company engagement, the investment teams and IC will give consideration to:

- The materiality of the ESG issue to the ATLAS investment process and the potential impact on investment outcome for the company or the risk perception (i.e., ESG reporting) for the company
- Whether the ESG issues are measurable or actionable within a reasonable timeframe
- Either relate to portfolio companies or companies where we are well known and/or have a relationship with management, and therefore our engagement will have the greatest chance of positive outcome
- Are most likely to result in some form of positive real-world change (e.g., prioritising climate transition for companies with large potential scope to reduce emissions)
- Where the company is either in breach or potentially in breach of a portfolio guideline that requires an active engagement prior to divestment

OUR APPROACH TO CLIMATE ENGAGEMENT WITHIN THE IIGCC PAII / NET ZERO FRAMEWORK

ATLAS is a signatory to the Net Zero Asset Manager Initiative, sponsored by the IIGCC. To support this, we have implemented a net zero / PAII framework in line with the IIGCC guidelines. Engagement has a very specific role to play within this framework, in particular:

- Portfolio emissions and alignment budgets are set by the framework, in line with science-based sector pathways
- Companies must be either aligned with their relevant science-based pathway, or they must be the subject of a specific engagement on emissions reduction trajectory
- If that engagement is unsuccessful, and the company remains on a trajectory to exceed emissions pathway budget, then that company may be partially or fully divested from the portfolio.

ENGAGEMENT WITH REGULATORS AND OTHER STAKEHOLDERS

As part of our stewardship responsibilities, ATLAS will engage with regulators and other stakeholders wherever we believe that our submission can improve the outcomes and sustainability of either the finance sector or the infrastructure sector. These engagements include, but are not limited to:

- Singular or joint engagements with national infrastructure regulators where we have identified improvements to company regulation that could improve the sustainability of the relevant company or sector. These engagements will generally be led by the ATLAS Investment sector teams and approved through the ATLAS Research Meeting
- Singular or joint engagements with financial regulators or other policy makers regarding the sustainability and performance of the financial sector (including infrastructure investment). These engagements will generally be initiated and approved through the Executive Committee of ATLAS

ENGAGEMENTS UNDERTAKEN DURING 2022

Company	Engagement Purpose	Engagement objective	Status & Consequences
Pinnacle West Capital Corporation	Environment – Climate Change	▪ Gain additional information and/or commitments from management to reduce emissions in line with science-based pathway to 2050 (re: GFG) ▪ Gain commitments from board on monitoring climate transition risk and outcomes and including in remuneration / KPIs.	Closed – Achieved
ALLETE Inc	Environment – Climate Change	▪ Engagement was initiated in March 2021 and continued into 2022 ▪ Gained additional information and/or commitments from management to reduce emissions in line with science-based pathway to 2050 (re: coal and GFG) ▪ Gained commitments from board on monitoring climate transition risk and outcomes and including in remuneration / KPIs.	Closed- Partially achieved.
Avangrid Inc	Environment – Climate Change	▪ Engagement was initiated in April 2021 and continued into 2022 ▪ Through the engagement ATLAS gained visibility over plans for GFG in service after 2030 ▪ Obtain some certainty that company is developing a plan to reduce GFG post 2030 in line with 1.5C scenario ▪ Encourage board to adopt more formal climate transition reporting against targets and link remuneration	Closed – Partially achieved.
Snam S.p.A	Environment – Climate Change	▪ Snam to include scenario modelling consistent with a 1.5C science-based pathway and/or the RePowerEU framework in corporate policy/scenario documents ▪ New investments to be presented with evaluation of impact on scenario(s) modelled above ▪ Snam to provide scenarios or modelling for the Italian domestic transmission assets showing how the asset base will evolve between now and 2050 under 1.5C science-based pathway and/or RePowerEU framework ▪ Snam to include all downstream emissions (incl. end-use) from its activities within its Scope 3 definition and as part of Scope 3 reduction targets and management KPIs	Ongoing Maintained position

PRINCIPLE 10

Signatories, where necessary, participate in collaborative engagement to influence issuers.

COLLABORATIVE ENGAGEMENTS

As a high conviction manager, ATLAS has a high level of interaction with each of our portfolio companies and has had limited need to collaborate with other investors on specific company issues.

Nonetheless, we recognise that our influence as an investor will be enhanced if we can utilise collective engagements. Therefore, where we have identified an ESG issue through our investment process, we seek to identify any active collaborative engagements that we would be able to join in preference to initiating a unilateral engagement, provided that the collaborative engagement addressed at least the majority of the issues we have identified.

We also monitor collaborative engagements that are active and assess them against our ESG priorities and issues. The decision on whether to join an active collaborative engagement is reviewed by the ATLAS Research Meeting and ultimately the responsibility of the IC.

Where a collaborative engagement is used in preference to a sole engagement, it will be tracked in the same way (through the ATLAS Research Management System) and outcomes will be reviewed by the ATLAS IGB.

JOINT INITIATIVES

ATLAS is a member of the IIGCC's Policy Working Group and has participated as a signatory in a number of the IIGCC's initiatives which are designed to encourage governments and policy makers to improve standards around climate change standards and reporting: During the year ATLAS was a joint signatory on the 2022 Global Investor Statement to Governments on the Climate Crisis.

INVOLVEMENT IN AND CONTRIBUTION TO INDUSTRY BODIES

ATLAS is involved with a range of investment and infrastructure industry bodies which provide a platform to facilitate collaborative engagements.

Ceres	ATLAS became a signatory to the CERES investor network on climate risk and sustainability early in 2022. CERES is the leading organisation in North America for coordinating investor, corporate, and policy action on climate change. CERES is linked with the IIGCC in Europe, with whom ATLAS originally started engaging as founding signatories of the Paris Aligned Investment Initiative and Net Zero Asset Managers initiative. ATLAS has joined CERES in order to leverage off the scale of CERES investor network for furthering existing and future engagements with portfolio companies located in North America.
IIGCC Institutional Investors Group on Climate Change	ATLAS is a member of the IIGCC and is an active participant in many of the group's initiatives. ATLAS is a member of the IIGCC's Infrastructure Working Group and Implementation Working Group which form part of its Paris Alignment Investment Initiative ("PAII"). ATLAS became a founding signatory to the Net Zero Asset Managers commitment in December 2020. We believe this is an important commitment as it entails a tangible set of goals for the asset management community that go beyond other general statements of intent.
GRESB®	ATLAS been a member of GRESB (the Global Real Estate Sustainability Benchmark) since 2021. GRESB is an industry-driven organization committed to assessing the environmental, social, and governance performance of real assets globally, including infrastructure assets, to investigate the application of its processes to the listed infrastructure sector.
GLOBAL LISTED INFRASTRUCTURE ORGANISATION	ATLAS has been an active member of the Global Listed Infrastructure Organisation since its inception in 2018. ATLAS is a member of the GLIO Index advisory board, which helps to set criteria for the inclusion of stocks in the GLIO Index. As part of our membership of the GLIO and the index committee, ATLAS discusses the inclusion of particular companies in the GLIO index. Part of the evaluation of potential constituents includes an evaluation of whether the companies meet minimum requirements for infrastructure quality that meet our investor requirements.

PRINCIPLE 11

Signatories, where necessary, escalate stewardship activities to influence issuers.

MEASURING ENGAGEMENT PROGRESS & ESCALATING ENGAGEMENTS

The ATLAS engagement and stewardship process is a based on a continuous two-way communication between the investment team and portfolio company management teams, with a view to constructively encouraging improves in company practices. We consider escalating the engagement to a formal written communication from ATLAS Infrastructure to the board of the target company in the event that either:

- An issue has been raised by the investment team with management and has not been resolved to our satisfaction; or
- We have voted against a company sponsored shareholder resolution and the resolution has been passed with no subsequent review or amendment; or
- The ESG issue identified relates specifically to a board level governance or strategy decision.

These written engagements are proposed by the relevant ATLAS investment partner and reviewed through the ATLAS investment research meeting. Each written engagement is recorded in the ATLAS RMS and any subsequent follow up, including an assessment of the success of the engagement is also recorded prior to close.

The topics, progress and outcome of formal engagements are also reviewed by the ATLAS Investment Governance Board on a quarterly basis.

REMEDIES FOLLOWING AN UNSUCCESSFUL ENGAGEMENT

In the event of an unsuccessful (or partially unsuccessful) formal engagement, the IC of ATLAS may take one or more of the following potential courses of action:

- Divesting from the asset
- Requiring an investment review to incorporate new ESG risk assumptions which may lead to full or partial divestment
- Initiating or joining a collaborative engagement that would address the unresolved issues (including supporting filing of shareholder resolutions)
- Voting against one or more management sponsored resolutions (including director re-elections and remuneration policies)

ESCALATED ENGAGEMENT – EXAMPLES

Snam S.p.A

Engagement status	Engagement objectives	Engagement outcomes	Investment Impact / next steps
New Engagement	Environment (transition) & Governance	Ongoing	No change
Engagement opened 23 December 2022 Snam was identified through the ATLAS PAII implementation as a Tier 3 'Potential to Transition' and therefore prioritised for engagement upon portfolio entry in March 2022 Snam has incorporated scenario planning for lower gas demand and hydrogen substitution but long-term methane demand remains above B2DS emissions trajectories. Snam has continued to invest in methane-infrastructure assets outside core-market, indicating inconsistency of policy and demand assumptions.	Snam to include scenario modelling consistent with a 1.5C science-based pathway and/or the RePowerEU framework in corporate policy/scenario documents New investments to be presented with evaluation of impact on scenario(s) modelled above Snam to provide scenarios or modelling for the Italian domestic transmission assets showing how the asset base will evolve between now and 2050 under 1.5C science-based pathway and/or RePowerEU framework Snam to include all downstream emissions (incl. end-use) from its activities within its Scope 3 definition and as part of Scope 3 reduction targets and management KPIs	Snam is working with the Italian government and Terna S.p.A (electric transmission operator) to model a scenario consistent with the RePowerEU framework The new CEO, Stefano Venier, has indicated (July 2022) that Snam expects around -12% gas supply volumes in 2030 and -21% by 2040 albeit with increase blend of biomethane and hydrogen (>-50% reduction in methane) Discussions are ongoing as engagement has only recently been initiated	Letter was sent to management 23rd December 2022 No reply has been received yet.

Avangrid Inc

Engagement status	Engagement objectives	Engagement outcomes	Investment Impact / next steps
Closed Engagement	Environment (transition) & Governance	Closed	Objective Partially Achieved
Engagement opened 29 April 2021 Avangrid was identified through the ATLAS PAII implementation as a Tier 3 'Potential to Transition' and therefore prioritised for engagement	Gain additional information and / or commitments from management towards reducing emissions in line with a science-based pathway to 2050, particularly with regard to anticipated closure date of the Klamath cogeneration plants and the fossil-fuel plants of to-be-acquired PNM Resources ("PNMR") Gain additional commitments from the Board regarding the monitoring of climate transition risk and inclusion of climate transition outcomes in management remuneration and KPIs	During follow up meeting on September 23rd, the company did not give any commitments regarding retirement dates of their own plants and would only comment on the PNMR plants once the merger has been completed After being blocked by the New Mexico utilities commission, ATLAS removed the PNMR acquisition from the base case for Avangrid and as such the emissions profile from PNMR assets was also removed. This still left Avangrid with excess emissions to its own budget due to the Klamath cogeneration plant, and as such the engagement continued. Management compensation around climate transition objectives is linked to distant years which is not a structure that would be recommended by ATLAS At a meeting with the CEO and CFO of Avangrid on 29th September 2022, it was confirmed that the company intended to divest the Klamath plant before 2030. It was also confirmed that PNM Resources has a 2040 100% clean power target now, but further asset guidance is not possible until acquisition is completed. Long-term compensation will be reviewed again in year 2024	with the confirmed sale of Klamath plant pre-2030 there remain no emissions underperforming assets to address in Avangrid base case. At end of quarter, Avangrid B2DS emissions to 2030 are 3.6% over target but with substantial reduction in network emissions and a credible corporate strategy its overall ranking is 2: Pathway. Objectives partially achieved, and engagement closed 3rd November 2022.

PRINCIPLE 12

Signatories actively exercise their rights and responsibilities.

PHILOSOPHY

ATLAS believes that it should and can influence good corporate governance through the exercise of its legal rights for the benefit of its clients. Voting is an extension of, and an expression of, our investment process and our focus on delivering sustainable long-term returns. Responsibility for voting recommendations lies with the sector teams which undertake research on the companies. The IC has ultimate responsibility for final decisions on proxy votes submitted for a portfolio holding. This oversight provides consistency and ensures compliance with voting guidelines.

An advantage of maintaining a relatively concentrated portfolio is that ATLAS has the capacity to consider each resolution individually, supported by frequent management interaction and a deep understanding of each portfolio company. ATLAS therefore does not need to rely on third party voting advisors.

Note: ATLAS does not engage in stock lending

SUMMARY OF VOTING GUIDELINES

Topic	Summary of ATLAS Voting Guidelines
Board of Directors Resolutions	ATLAS will usually vote according to management's/shareholder's recommendations on director appointments unless there are clear issues with the suitability of the director (ie. Expertise or independence) or where the vote may lead to a decrease in board diversity.
Remuneration	ATLAS has a clear goal to only support remuneration structures which incentives' long-term focus and management accountability, and which minimise risk of incentivising management to act against the best interests of shareholders. In particular, we would not vote for structure which promote top line growth at the expense of return on investment or which incentivise decretive M&A over return of funds to shareholders. We also vote for inclusion of specific ESG metrics and targets in remuneration policy and we support the inclusion of climate transition specific targets in executive remuneration for all companies with material emissions
Capital Management	ATLAS will vote on capital management proposals based on our assessment of the sustainability of the companies capital structure and the appropriateness of the capital allocation policy. These are identified through our company profiles and flagged as part of the proxy voting process
Mergers and acquisitions	ATLAS will assess all potential M&A on a case-by-case basis and will evaluate it based on our internal financial analysis and due diligence. If we believe a deal will in any way materially reduce returns and/or increase risk, then we will vote against.
Environmental management and climate change	All things being equal we would support resolutions that advance environmental management and help to improve climate transition alignment unless those resolutions are likely to lead to worse outcomes over time if implemented.
Political donations and lobbying contributions	ATLAS will generally not vote in favour of political donations and lobbying contributions unless they can be shown to be reasonable and limited in scope for the purpose of promoting information rather than influencing outcomes.
Diversity and inclusion	All things being equal we would support resolutions that advance diversity and inclusion at out investee companies, provided they are in line with best global best practice and unless those resolutions are likely to lead to worse outcomes over time if implemented.

TRANSPARENCY AND PUBLIC DISCLOSURES

ATLAS believes its clients and other shareholders should have full transparency when it comes to its voting policy and voting record. The voting policy which forms part of the Responsible Investment Policy is publicly available on our website. Our voting record for the past year is also available for viewing on our website.

We will publish our voting actions on an annual basis which, depending on the timing of a company's AGM, may be up to one year after an AGM. This data is published in our annual Responsible Investment Report, which is also available on the ATLAS website.

https://www.atlasinfrastructure.com/esg/

VOTING RECORD FOR CALENDAR YEAR 2022

Please find below our table of proxy voting. Note, the table provides slightly more granular view than the one proposed in the questionnaire, so we have included this more detailed version. 100% of our shares were voted in all instances.

Voting Categories	Total	Total for	Total against	Total abstained
Board of Directors	138	138	0	0
Committees, Audit & Reporting	47	46	1	0
Corporate Structure	27	27	0	0
Remuneration	65	56	6	3
Climate Risk	4	4	0	0
General Governance	30	28	1	0
Social	4	0	2	0
Total	**313**	**299**	**10**	**3**

VOTING PROCEDURE

The internal procedure for reviewing and determining company voting is as follows:

- Proxy vote recommendations are submitted to the IC by the relevant sector investment team
- Proxy vote recommendations contain a summary of ESG risks and key issues identified for that company including, where relevant, recommendations for voting on specific issues
- Final decision on proxy votes submitted by ATLAS for a portfolio holding are the responsibility of the relevant Investment Committee. The only exception is where the ATLAS segregated mandate client has requested and exercised their right to override proxy votes on shares held by their custodian
- Proxy votes are recorded and are made available to ATLAS clients and other interested parties on ATLAS's website
- Where we intend to vote against companies our policy is that the relevant sector investment team communicates this to company management ahead of time and explains the rationale

Where ATLAS votes against company management, ATLAS will explain our decision at the next company engagement including making reference to the underlying ESG issues.

CASE STUDY – SEVERN TRENT – POLITICAL DONATIONS

Background

Resolution 15 at the Severn Trent AGM requested authorisation to make political donations. The resolution did not propose any cap.

Action Taken

ATLAS voted against the resolution. ATLAS does not support corporate expenditure relating to political donations, because it could be a sign of undue influence or even bribery and corruption. Whilst the UK Companies Act 2006 requires political donations or political expenditure greater than £5,000 to be approved by shareholders, there is no upper limit to this approval, hence we would not vote for a resolution that gave a company an uncapped ability to financially support any political party they so choose.

Outcomes

The resolution was passed with 98% support, highlighting (we believe) that there remains considerable work to do to convince shareholders of the potential issues associated with uncapped authorisation to make political donations.

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