

INVESTMENT OBJECTIVE

The Global Infra-Energy Fund (the Fund) is focused on infrastructure and energy business segments to provide exposure to companies that are operating in essential industries around the world. We explore the entire infrastructure and energy value chain where we believe we can add value under different economic scenarios.

The Fund targets an annual total return of 10% with income component of greater than 3.5% yield.

Our investment approach is bottom-up, value-oriented with a quality overlay, thematic-driven and index agnostic.

FUND OVERVIEW

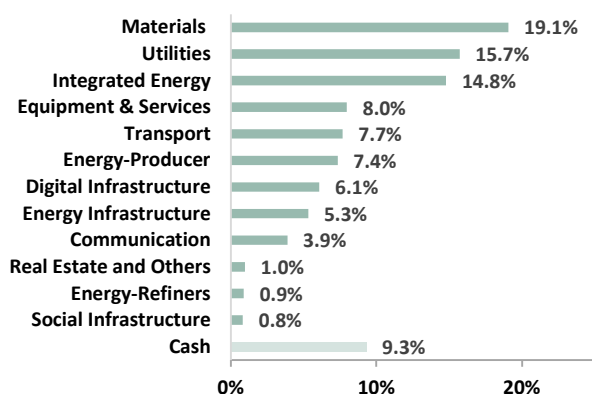
Portfolio Manager	Roy Chen
Performance Target	10% per annum
Asset Class	International Shares
Coverage	All Global Equity Markets
Currency	AUD Unhedged
Cash Holdings	Up to 35%
Entry/Exit Price	\$0.9667/\$0.9609

PERFORMANCE

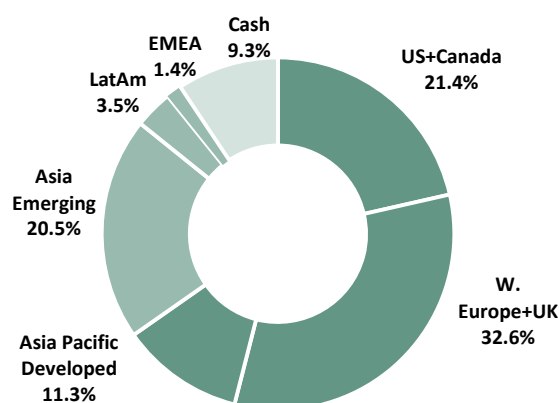
Total Return	1 month	3 month	6 month	YTD	1 Year	2021	Since Inception**
Global Infra-Energy Fund*	0.8%	-3.9%	0.3%	1.1%	2.3%	16.8%	26.4%
Performance Target					10.0%	10.0%	

*Performance is based on the movement in net asset value per unit plus distributions before tax and after all fees and charges. Imputation and foreign tax offsets are not included in these numbers. **Inception date is 1 August 2017, calculated cumulatively, and assuming all distributions have been reinvested.

SECTOR EXPOSURE



REGIONAL EXPOSURE



TOP 10 HOLDINGS

Company	Country	Industry Segment	Mkt Cap \$USbn	ND/EBITDA	Div Yield	Weight
1 Shell PLC	United Kingdom	Integrated Energy	194	1.0	3.4%	1.9%
2 OCI NV	Netherlands	Materials	8	0.4	3.9%	1.8%
3 Nutrien Ltd.	Canada	Materials	51	1.6	2.0%	1.6%
4 Linde plc	Germany	Materials	141	1.4	1.4%	1.6%
5 PETRONAS Chemicals Group	Malaysia	Materials	16	-1.8	5.2%	1.6%
6 CF Industries Holdings, Inc.	United States	Materials	21	0.3	1.4%	1.5%
7 Woodside Energy Group Ltd	Australia	Energy-Producer	45	0.6	5.5%	1.5%
8 Santos Limited	Australia	Energy-Producer	18	1.5	1.4%	1.5%
9 Gaztransport & Technigaz SA	France	Utilities	5	-1.0	2.4%	1.5%
10 B.Grimm Power Public Company	Thailand	Utilities	3	6.4	0.8%	1.4%

PORTFOLIO COMMENTARY

- Despite weaker oil price (- 8%) in August, Energy was the leading sector (+4.1%) together with Utilities +0.7% as the only two sectors in the positive followed by Materials -0.8%. The Fund has 63% of the portfolio in these three sectors. Healthcare (-4.2%), IT (-4%) and Real Estate (-3.7%) were laggards for the month.
- Asia Pacific (+0.8%) was the best performing region followed by North America (-2.3%) while Europe (-4.6%) suffered the most with rising uncertainty and inflation.
- Segments that added value were energy, materials-fertilisers and transport-shipping. These combined more than offset weakness in utilities, equipment & services as well as digital infrastructure companies.
- In Transport-Energy, we realised good profits in Golar LNG (+22.6%) and Cosco (+15%) as we did in Infrastructure conglomerate Ayala Philippine (+17%) and Renewable Energy Utility Cosan Brazil (+13%).
- We initiated positions in **JGC** Japan, an E&C company designing and building LNG plants, **Euronav** Belgium & **Prima Marine** Thailand in Energy Shipping, **PetroChina** & **GALP** Portugal -both integrated energy, **KT Corp** Korea and **Telkom** Indonesia -both Communications- Telecom.

PORTFOLIO POSITIONING

- We believe the euphoric rally since the market corrected in June is largely misplaced as we are far from passing peak inflation with many key economies slowing down rapidly or moving into recession. We expect more earnings downgrades in coming quarters.
- Notwithstanding the daily negative news on Europe, we have reduced North America instead by 4% to 21.4%, while maintaining Europe at 32.6% and Asia Pac at 31.5%. We have deployed another 5% in Latam and other Emerging Markets.
- **Top country weighting** – While significantly less than the MSCI AC of close to 70%, our top country weight is the USA (18.3%) followed by Thailand (9%) which is a country most global funds ignore. Our No 2 & No 3 weights are in Asia - Japan (6.3%) and HK/China (5.9%). In Europe, France 6.4% is now the largest for the first time with Norway at 5% and Germany 4.3%.
- Our positioning above is based on industry dynamics and valuation irrespective of domicile. Companies must have robust revenue, strong balance sheets, good FCF and are able to protect their profit margins.
- **LNG Value Chain** - our new article shows 20% of the portfolio has exposure to this key megatrend. We also believe gas will outperform oil, though some companies have exposure to the spot LNG price, majority have

secured cash flow via L-T contracts or benefit from services and equipment provided.

- **Transport** –Energy shipping is still the most preferred segment. While it can be volatile the trend is up unlike Container and Dry Bulk which have both peaked. Demand to transport energy (refined products, crude oil, LPG & LNG) is strong and after years of neglect and low freight rates, there is now an acute shortage of vessels available. It takes years to build a vessel and most shipyards are full. To complement this segment, we have three others- **AOT** Thailand, **ASUR** Mexico (both Airports) and Air Freight company **Deutsche Post**.
- To round up our high conviction calls we hold dominant players in Renewable Energy (18.6%) which does not include many integrating energy companies with growing renewable portfolios and **Materials**, in particular, Industrial Gases essential for diverse industries and Fertiliser important for Food production.

PORTFOLIO CHARACTERISTICS

Net Asset Value	\$0.9638
Number of stocks	84
Net cash position	9.3%
Dividend yield	4.0%
Price/Earnings FY1	8.8
Market capitalisation \$USbn	45.6
EV/EBITDA	9.5
ND/EBITDA	2.0

TOP 5 PERFORMERS

Company	Return
1 New Fortress Energy Inc. Class A	19.21%
2 ConocoPhillips	14.87%
3 Grupo Aeroportuario del Sureste SAB	14.61%
4 OCI NV	10.70%
5 CF Industries Holdings, Inc	10.70%

BOTTOM 5 PERFORMERS

Company	Return
1 Xinyi Energy Holdings Limited	-16.5%
2 Orsted	-13.6%
3 Schneider Electric SE	-11.4%
4 VERBUND AG Class A	-11.0%
5 Intel Corporation	-9.6%

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