

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

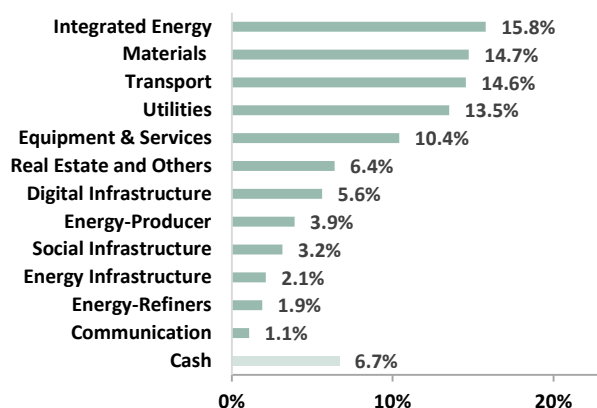
Portfolio Manager	Roy Chen
Performance Target	10% per annum
Asset Class	International Shares
Coverage	All Global Equity Markets
Currency	AUD Unhedged
Cash Holdings	Up to 35%
Entry/Exit Price	\$1.0106/\$1.0046 cum

PERFORMANCE

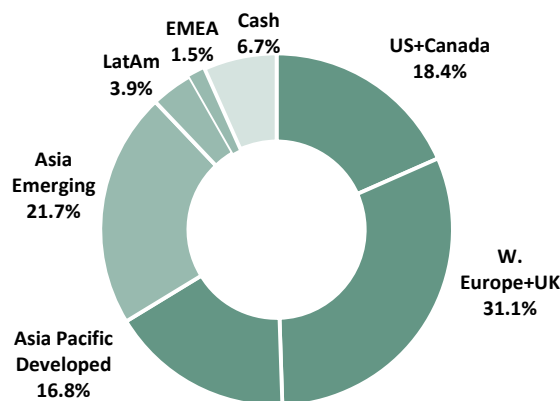
Total Return	1 month	3 month	6 month	YTD	1 Year	2021	Since Inception**
Global Infra-Energy Fund*	-3.0%	8.2%	6.9%	5.9%	5.9%	16.8%	32.2%
Performance Target					10.0%	10.0%	

*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	Linde plc	Germany	Materials	161	1.4	1.5%	1.8%
2	TotalEnergies SE	France	Integrated Energy	164	0.8	4.6%	1.6%
3	East Japan Railway Company	Japan	Transport	22	17.4	1.3%	1.6%
4	Eni S.p.A.	Italy	Integrated Energy	51	0.7	6.5%	1.6%
5	Woodside Energy Group Ltd	Australia	Energy-Producer	46	0.6	8.7%	1.6%
6	PETRONAS Chemicals Group	Malaysia	Materials	16	-1.7	5.6%	1.6%
7	Air Liquide SA	France	Materials	74	2.1	2.0%	1.5%
8	Worley Limited	Australia	Equipment & Services	5	2.3	3.3%	1.4%
9	Wallenius Wilhelmsen ASA	Norway	Transport	4	3.3	1.5%	1.4%
10	Schneider Electric SE	France	Equipment & Services	80	1.5	2.2%	1.4%

Market and PORTFOLIO COMMENTARY

- The Fund finished 2022 with a 5.9% gain for the year while the broader market was down over -12% in AUD. December's negative result hampered our efforts to achieve the Fund's target return of +10% pa.
- Despite the negatives, Europe was the best performing region for Dec 22 and 2022 (-1.2% & -8.9%) followed by Asia Pac (-1.5% & -11.3%) and N America the big laggard (-7% & -13.7%). LATAM did best +16.8%.
- Four sectors achieved positive returns in 2022 led by Energy +44.2%, Utilities +3%, Healthcare and Staples both with a 1% gain. As such, the segments that added most value in 2022 were energy, fertilisers and transport-shipping as well as Equipment and Utilities.
- The standout performers in 2022 all came from Energy sector: Woodside +76%, Shell +42%, Total +39% and BP +36%. Worst were Infineon (Digital Infrastructure) -30%, Enel (Utilities) -29% Telenor (Telecoms) -27%.
- Best realised gains in 2022 mainly in Food Security megatrend – 3 fertiliser companies OCI +67%, Nutrient +59%, CF Ind +56% and Food conglomerate +46%.

PORTFOLIO POSITIONING

- **Regional Weighting** - Compared to a year ago we increased weighting in Asia Pac by 10% to 39.5% and LATAM from 2% to 4% while reducing Europe by 9% to 31%. Both remained overweight relative to North America and unchanged at 18%.
- **Sector/Segment** – Integrated Energy is up 6.8% to 15.8% from last year which replaced Materials as our largest sector exposure down 5.2% to 14.7%. Transport (+3.4%) remained No 3, followed by Utilities (-4.3%) and Equipment & Services (+2.4%). These 5 segments total 69% of the Fund.
- **Top country weighting** – Top 5 - USA 18.4%, Japan 10.3%, China/HK 9.6%, France 7.9% and Thailand 7.5%.
- We believe **Integrated Energy** is still the best place within various energy segments given the strongest FCF generation and high dividend income even though 2023 earnings are unlikely to repeat the 2022 bonanza.
- Three years after Covid19, we believe the re-opening in all regions is emerging as a powerful megatrend. However, heightened volatility can be expected given the uncertainty relating to the fight against inflation, rise in interest rate and prolonged conflict in Ukraine.
- **Transport** is a key beneficiary of this megatrend – Airports, Airlines, Rails and others like hotels, real estate related to leisure, shopping centres and associated consumer staples plays are other beneficiaries.
- Rail Transport/Road Transport will emerge more important modes of transport. We like both rail

equipment makers like Alstom and passenger rail operators - Japan Rail East and JR West.

- Transport - Vehicles Shipping (cars, trucks etc) are prime beneficiaries and Transport-Energy benefits from increase in demand and lack of new vessels.
- Demand for Renewable Energy and increase in capex spend by Oil & Gas majors will benefit Equipment & Services companies such as Schneider Electric and Schlumberger respectively.
- Material sector - Benefiting from China reopening and a pro-growth emphasis as well as EV growth, we see value emerging in Chemicals in both higher valued segments as well as those benefiting from lower energy prices and selected metals (copper and aluminium).
- Another wildcard - even now with lower oil, gas and crop prices, the Energy and Food crisis is not over. If China growth accelerates, we expect high prices will resurface.

PORTFOLIO CHARACTERISTICS

Net Asset Value	\$1.0076
Number of stocks	82
Net cash position	6.7%
Dividend yield	5.3%
Price/Earnings FY1	9.2
Market capitalisation \$USbn	53.8
EV/EBITDA	10.1
ND/EBITDA	3.4

TOP 5 PERFORMERS

	Company	Return
1	Shandong Weigao Group	11.7%
2	ACEN Corporation	7.9%
3	Meridian Energy Limited	7.6%
4	B.Grimm Power Public Company Ltd	6.6%
5	Wallenius Wilhelmsen ASA	6.5%

BOTTOM 5 PERFORMERS

	Company	Return
1	New Fortress Energy Inc. Class A	-17.5%
2	COSCO SHIPPING	-14.8%
3	ASML Holding NV ADR	-11.3%
4	Golar LNG Limited	-10.2%
5	Petroleo Brasileiro SA	-10.0%

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