

**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.

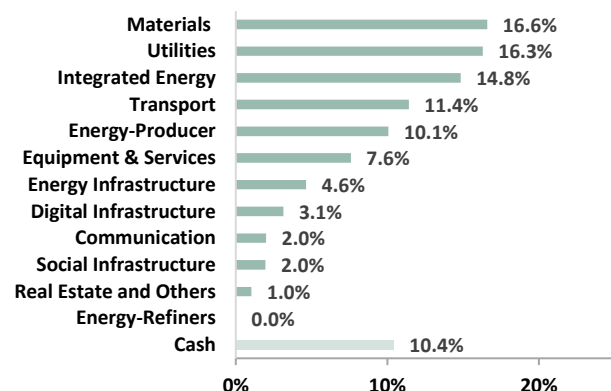
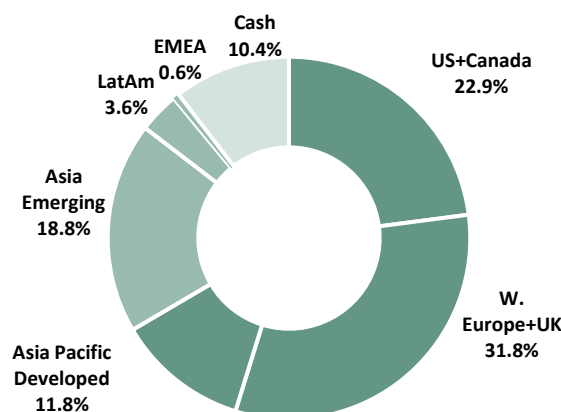
**FUND OVERVIEW**

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	\$0.9262/\$0.9206

**PERFORMANCE**

Total Return	1 month	3 month	6 month	YTD	1 Year	2021	Since Inception**
Global Infra-Energy Fund*	-4.2%	-1.9%	-4.1%	-2.8%	-1.1%	16.8%	21.1%
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	180	1.0	3.6%	2.0%
2 Linde plc	Germany	Materials	134	1.4	1.5%	1.7%
3 CF Industries Holdings, Inc.	United States	Materials	19	0.3	1.5%	1.6%
4 PETRONAS Chemicals Group	Malaysia	Materials	14	-1.8	5.7%	1.6%
5 Woodside Energy Group Ltd	Australia	Energy-Producer	39	0.6	9.7%	1.5%
6 Gaztransport & Technigaz SA	France	Utilities	4	-1.0	2.7%	1.4%
7 Santos Limited	Australia	Energy-Producer	15	1.5	1.5%	1.4%
8 OCI NV	Netherlands	Materials	8	0.4	3.9%	1.4%
9 B.Grimm Power	Thailand	Utilities	2	6.4	0.9%	1.4%
10 Cheniere Energy, Inc.	United States	Energy Infrastructure	41	4.1	0.6%	1.4%

## PORTFOLIO COMMENTARY

- Except for the Healthcare sector, all other sectors came under price pressure in September. Even defensive Utilities did worse than Energy with WTI oil price falling below \$80, its lowest level since Jan 2022.
- Asia Pacific was the worst performing region followed by North America while Europe suffered the least. Latam +4.6% was again the standout region.
- The only Segments that added value were transport-shipping and social infrastructure.
- We continue to realise some profits in Transport with the best being Cosco Shipping Energy Transport (+15%).
- Initiations included **Cheniere Energy Partners** (Energy Infrastructure), **Alstom France** (Rail Equipment) **JR East Japan** (Passenger Rail), **OrronEnergy** Sweden (Renewable Energy), **Chiyoda Japan** (E&C), **Scorpio Tankers and DHT** – both US (Transport-oil tankers).

## PORTFOLIO POSITIONING

- Just as we believe the euphoric rally in July and August became excessive, the sharp correction in September seemed equally overdone. Despite more earnings downgrades expected and recession in some countries unavoidable, we believe worst news could be priced in many stocks. Hence, we are more positive about equities in segments such energy and transport.
- We became cautious on Oil when WTI price shot up as the Ukraine conflict broke out and reached levels around \$130/bbl. Now at around \$80/bbl and China expected to come out of covid lockdown along with Japan, Taiwan and HK all relaxing restrictions, we believe the oil price has more upside. Integrated and Producers are segments to benefit and outperform. We have increased our weighting in Energy to over 28%.
- Equipment & Services companies will benefit from the increase in Capex by oil and gas companies operating in upstream after years of under-investment.
- We are negative on Energy downstream segments like refiners (US an exception) and petrochemicals-both facing higher input costs, reduced demand and more capacity coming onstream.
- We still believe in the **LNG Value Chain**, especially companies with long-term contracts such as Cheniere Energy & Cheniere Energy Partners, New Fortress Energy and integrated like Shell, TotalEnergies and those providing vital technologies such as GTT and Air Products.
- Materials segment – with a total 16% weight, we are more defensive here with Industrial Gases and Fertilisers making up more than 10%.
- Transport –we previously mentioned Container and Dry Bulk both have peaked and now it seems Air Freight as

well. Thus, we prefer **transport of energy** (oil, LPG & LNG) given an acute shortage of vessels available and an increase in demand to ship the commodities. The sector has gone full circle with transport of people again more promising than goods. Hence, our 2 airports - **AOT** Thailand and **GAP** Mexico (a switch from ASUR) and Rail transport related plays such as **JR East** and **Alstom**.

- Our positioning is based on in-depth industry analysis combined with valuation and balance sheet considerations preferring strong FCF and the ability to protect profit margins.
- **Region Weightings** – The Fund is moving back to having equal weight in Americas, Europe and Asia Pac. As Asia Pac corrected more sharply in September, we expect a bigger rebound. Within Americas, we are maintaining a 5% weight in Latam which we believe offers great value. Currently, only 4 countries are positive YTD – India, Indonesia, Thailand and Brazil. The Fund is in the last 3.

## PORTFOLIO CHARACTERISTICS

Net Asset Value	\$0.9234
Number of stocks	83
Net cash position	10.4%
Dividend yield	5.4%
Price/Earnings FY1	8.3
Market capitalisation \$USbn	42.3
EV/EBITDA	9.9
ND/EBITDA	2.9

## TOP 5 PERFORMERS

	Company	Return
1	BW LPG Ltd.	22.47%
2	Cheniere Energy, Inc.	10.44%
3	OCI NV	4.20%
4	Linde plc	3.70%
5	Chularat Hospital PCL	3.63%

## BOTTOM 5 PERFORMERS

	Company	Return
1	ACEN Corporation	-23.7%
2	Wacker Chemie AG	-22.4%
3	New Fortress Energy Inc. Class A	-18.6%
4	INPEX CORPORATION	-13.5%
5	Orsted	-13.2%

DISCLAIMER - This material has been prepared by RC Global Funds Management Pty Limited ABN 38 600 792 710 AFSL 491119 (RC Global or we or us) for investors who qualify as wholesale clients under sections 761G of the Corporations Act 2001 (Cth) or to any other person who is not required to be given a regulated disclosure document under the Corporations Act and is for information purposes only. Although we believe that the material is correct, no warranty of accuracy, reliability or completeness is given, except for liability under statute which cannot be excluded. The material contained in this document is for general information only and is not intended to provide you with financial advice or take into account your objectives, financial situation or needs. You should consider, with your professional adviser, whether the information is suitable for your circumstances. Before you decide to invest or continue to invest, you should consider the Information Memorandum for the Fund dated issued by us. Please note that past investment performance is not a reliable indicator of future investment performance and that no guarantee of performance, the return of capital or a particular rate of return is provided.