

## 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

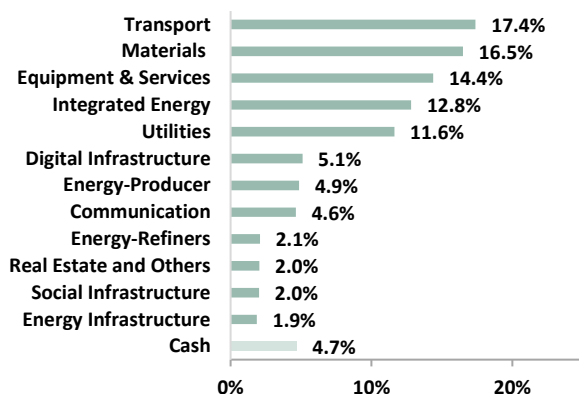
Portfolio Manager	Roy Chen
Performance Target	10% per annum
Asset Class	International Shares
Coverage	All Global Equity Markets
Currency	AUD Unhedged
Cash Holdings	Up to 35%
Entry/Exit Price	\$1.0456/\$1.0394

## PERFORMANCE - Performance target 10% p.a.

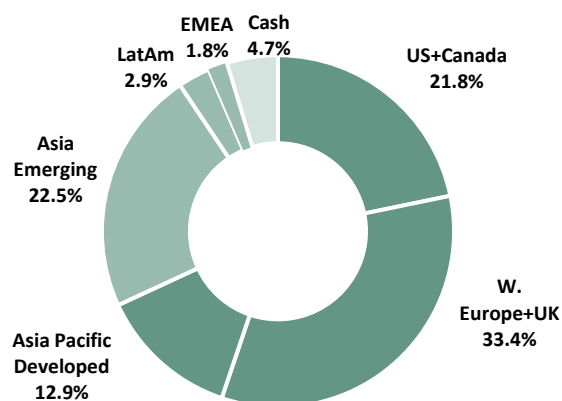
Total Return	1 month	3 month	6 month	YTD	1 yr pa	2 yr pa	3 yr pa	5 yr pa	SI**
Global Infra-Energy Fund*	2.5%	3.9%	5.1%	4.5%	8.3%	9.9%	11.1%	4.5%	38.1%

\*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 Air Liquide SA	France	Materials	94	1.6	1.6%	1.9%
2 CHINA PETROLEUM &	China	Integrated Energy	108	1.3	12.1%	1.9%
3 Schneider Electric SE	France	Equipment & Services	100	1.1	1.8%	1.7%
4 TotalEnergies SE	France	Integrated Energy	159	0.5	4.7%	1.7%
5 Woodside Energy Group Ltd	Australia	Energy-Producer	42	0.0	11.1%	1.6%
6 Telenor ASA	Norway	Communication	17	2.7	7.0%	1.5%
7 Shell Plc	United Kingdom	Integrated Energy	211	0.6	3.6%	1.5%
8 Newcrest Mining Limited	Australia	Materials	17	0.9	1.8%	1.4%
9 Shiseido Company,Limited	Japan	Real Estate and Others	20	1.8	1.5%	1.4%
10 Mitsui O.S.K.Lines,Ltd.	Japan	Transport	9	5.2	16.7%	1.4%

## PORTFOLIO COMMENTARY

- The Fund returned its best monthly result this year in April +2.5% and +4.5% YTD 2023.
- Segments that contributed the most to performance were Energy - both Integrated and Producers, more defensive Utilities, Telecoms, Social Infrastructure and Consumer plays. Sectors that detracted-from performance were Digital Infrastructure and Equipment & Services.
- Main contributors to returns on a stock basis were: **CRRC** China (Equipment-Rail); **Copel** Brazil and **Enel** Italy (both Utilities); **Petrobras** Brazil and **Sinopec** China (both Integrated Energy) and Consumer plays - **Symrise** Germany and **Shiseido** Japan.
- Working in our favour was the Fund's overweight in Europe which was the best performing region albeit offset somewhat by our overweight in Asia Pacific which lagged. Of note however, the team's stock-picks in our two highest weighted China/HK and Japan markets delivered much better returns than the respective country indices.
- No new transactions in April, but we maximised existing positions leaving our cash level lower than normal at 4.7%.

## PORTFOLIO POSITIONING

- In terms of our geographical exposure, we maintained our overweight in Asia Pacific and Europe at 35.6% and 32.3% respectively with North America at 21.5%.
- **Energy-related Segments totalled (24.5%)** - Integrated Energy accounts for 12.8% followed by Energy Producers (5.3%) and Equipment -Oil Services (3.9%). Higher oil price benefited these segments more than downstream refining and infrastructure segments in which we now are underweight. Our three biggest holdings are Sinopec China, TotalEnergies France and Shell UK-all integrated energy companies which we have held for over 5 years.
- **Transport Segment (17.4%)** We have broad exposure to Shipping segment (9%) followed by exposure to Airlines, Rail and Airport operators. Two biggest holdings are Mitsui OSK Japan-Diversified Shipping and Cosco Shipping Energy Transport China-Diversified Energy Shipping.
- **Materials Segment (16.5%)**- Our new gold positions in March benefited the portfolio as did our positions in Industrial Gases (Linde and Air Liquide) and select Chemicals (Symrise, LyondellBasell), but both Miners/Metals and Fertilisers were a drag on returns.
- **Utilities Segment (11.6%)** – the last few years have shown that integrated players provide the best value and risk/reward outcomes such as our core holdings Enel in Italy and Iberdrola in Spain. We also selectively invest in renewable pure plays (Verbund Austria, Longyuan China).
- **Equipment & Services ex oil service (10.5%)** -Diversified plays in Energy Efficiency eg Schneider Elect France, ABB

Switzerland, Rails - Alstom France, CRRC China, truck and engine – Daimler Germany, Weichai Power China to aircraft services AAR US to shipbuilder Yangzijiang China.

- The fear of a global recession, the risk of more US bank failures and US reaching its debt ceiling are uncertainties which we expect to impact the price of commodities, including oil. Much also depends on the speed and the strength of China's recovery.
- The best results from the recent earnings season came from Integrated Energy, Oil Service, Rail Transport, Chips maker for Autos.
- As we have consistently tried to do in the past, at this juncture we will give priority to maximising dividend income supplemented by some realised gains as we head towards the end of the FY and June distribution.

## PORTFOLIO CHARACTERISTICS

Net Asset Value	\$1.0425
Number of stocks	86
Net cash position	4.7%
Dividend yield	5.1%
Price/Earnings FY1	11.7
Market capitalisation \$USbn	53.6
EV/EBITDA	8.9
ND/EBITDA	1.0

## TOP 5 PERFORMERS

Company	Return
1 CRRC Corporation Limited Class H	20.1%
2 Companhia Paranaense de Energia	16.7%
3 Petroleo Brasileiro SA	14.3%
4 Enel SpA	13.5%
5 Symrise AG	12.5%

## BOTTOM 5 PERFORMERS

Company	Return
1 STMicroelectronics NV	-18.8%
2 Prima Marine Public Company Ltd	-14.5%
3 OCI NV	-10.8%
4 Shin-Etsu Chemical Co Ltd	-10.5%
5 Infineon Technologies AG	-10.1%

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