

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

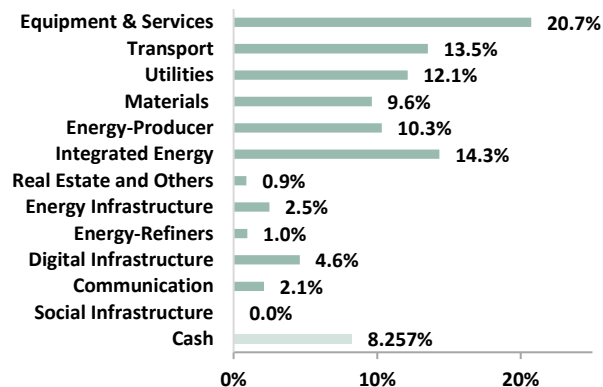
Portfolio Manager	Roy Chen
Performance Target	10% per annum
Asset Class	International Shares
Coverage	All Global Equity Markets
Currency	AUD Unhedged
Cash Holdings	Up to 35%
Entry/Exit Price	\$0.9878/\$0.9818 cum price

PERFORMANCE - Performance target 10% p.a.

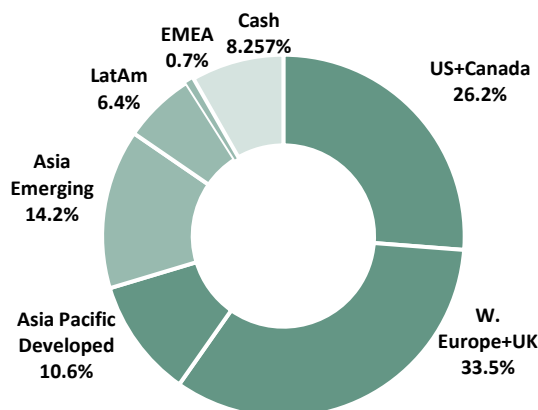
Total Return	1 month	3 month	6 month	YTD	1 yr pa	2 yr pa	3 yr pa	5 yr pa	SI**
Global Infra-Energy Fund*	0.3%	-3.6%	0.6%	3.2%	3.2%	4.5%	8.5%	5.6%	36.3%

*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	TotalEnergies SE	France	Integrated Energy	164	0.5	4.6%	1.9%
2	Shell Plc	United Kingdom	Integrated Energy	214	0.6	3.9%	1.6%
3	Odfjell Drilling Ltd.	United Kingdom	Equipment & Services	1	2.4	3.3%	1.5%
4	Woodside Energy Group Ltd	Australia	Energy-Producer	40	0.3	10.9%	1.5%
5	Air Liquide SA	France	Materials	102	1.6	1.7%	1.5%
6	Linde plc	Germany	Materials	199	1.3	1.2%	1.4%
7	Schneider Electric SE	France	Equipment & Services	115	1.8	1.7%	1.4%
8	Hafnia Ltd.	Norway	Transport	4	1.4	16.4%	1.4%
9	BYD Company Limited	China	Equipment & Services	63	-0.8	0.6%	1.4%
10	Cheniere Energy, Inc.	United States	Energy Infrastructure	41	1.8	0.9%	1.4%

PORTFOLIO COMMENTARY

- The Fund gained a modest +0.23% in December and +3.2% for 2023. The portfolio peaked in Sept +10% YTD and has corrected 6.9% since. Q4 saw substantial gains by 3 tech-heavy sectors which finished as the best sectors in 2023 while 2 of our overweight sectors, Energy (with stellar +44% in 2022) rose by a modest +4.3% and Utilities +0.2%. Combined with weak Asian markets ex Japan, China-HK/Thailand explained our disappointing performance.
- There were positive returns in December from most segments after 3 months of declines led by Shin-Etsu and BASF (Materials-Chemicals) and Odfjell and Borr (Oil Services). Digital Infrastructure also did very well.
- We held 15 stocks in 2023 that rose > +25% vs MSCI AC of +22% and still hold 9: 3 in Chemicals -Shin-Etsu +83%, Air Liquide +33% and Linde +26%, 3 in Energy Petrobras +76%, Ecopetrol +41% and CNOOC +25%, 2 Utilities - Enel+34%, YTL Power +25% and Schneider Elect +39%.
- We realised gains in another 6 stocks – Three in Shipping; BWLPG +65%, W Wilhelmsen +57%, Dorian +39% and one Airline -Singapore Airlines +33%), The Rail Equipment maker Alstom +33% and Energy major BP +34%.

PORTFOLIO POSITIONING

- Compared to a year ago we increased N America exposure to 26% from 18% and decreased Asia Pac to 25% from 36%. Europe became the largest region at 34% from 31% while Latam also saw an increase from 3.9% to 6.4%.
- Sector/Segment** – Equipment & Services increased to 20.7% from 10.4% as the largest segment displacing Integrated Energy which reduced from 15.8% to 14.3%. No 3 and No 4 remained the same Transport (13.5%) and Utilities (12.1%). Materials exposure dropped substantially from No 2 at 14.7% down to 9.6%.
- Top 5 country weighting** –US 26%, China/HK 8.7%, Japan 7.3%, France 7% and Norway 7% (replacing Thailand).
- The Fund’s exposure to **Equipment & Services** is a diversified segment which consists of oil service majors like Schlumberger, leading offshore drillers Noble and Valaris, FPSO specialist SBM Offshore, Energy Equipment co Schneider Elect to Shipbuilder Yangzijiang.
- Integrated Energy** is still the most preferred energy segment ahead of Oil Services followed by Energy Producers. Shell and TotalEnergies, our highest conviction core holdings but Petrobras Brazil and Galp Portugal have the best upside at current prices.
- Transport Segment** – We are most positive on Energy Shipping and Car Carriers segments. Our analysis points to benefits from the increase in volume being carried and the distance travelled (ie ton-miles) and very low order book of new vessels.

- We have been cautious in two areas and hence, reduced exposure – Metals and Miners in Materials and travel-related names in Transport. Both have been impacted by the slow pace of recovery in China, the effects of which have been felt across Asia and Europe.
- We believe the portfolio is well diversified to preserve capital. By adhering to our strict investment criteria which includes balance sheet strength and high free cash flow generation, we believe we can deliver a less volatile path for investors to achieve both income and growth.
- Applying a strict sell discipline, we managed to limit losses with only 6 stocks showing unrealised losses of >20%.
- While we can’t time our entry perfectly, we believe by conducting in-depth analysis of industries and in the full value chain across the various segments, we can participate in multiple megatrends which can benefit the portfolio at different periods in the cycle.

PORTFOLIO CHARACTERISTICS

Net Asset Value	\$0.9848
Number of stocks	83
Net cash position	8.3%
Dividend yield	4.2%
Price/Earnings FY1	11.8
Market capitalisation \$USbn	51.2
EV/EBITDA	8.5
ND/EBITDA	1.6

TOP 5 PERFORMERS

Company	Return
1 Odfjell Drilling Ltd.	17.4%
2 Shin-Etsu Chemical Co Ltd	15.7%
3 Borr Drilling Limited	13.5%
4 BASF SE	12.4%
5 Shiseido Company, Limited	10.0%

BOTTOM 5 PERFORMERS

Company	Return
1 ACEN Corporation	-11.1%
2 Cheniere Energy, Inc.	-8.9%
3 China Oilfield Services Limited Class H	-7.7%
4 Sk Telecom Co Ltd Sponsored ADR	-7.6%
5 VISTA ENERGY S.A.B. DE C.V.	-7.0%

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