GLOBAL INFRA-ENERGY FUND | MONTHLY UPDATE

31 March 2023

RC GLOBAL FUNDS MANAGEMENT

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

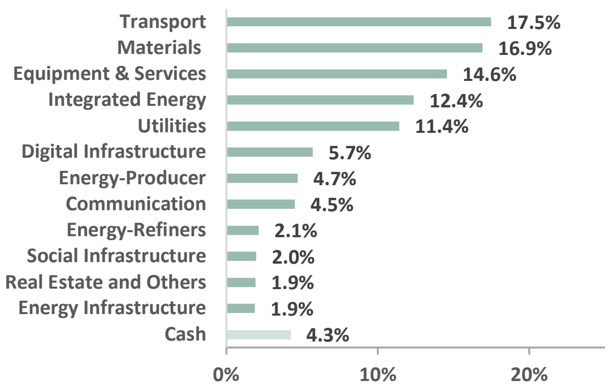
Portfolio Manager	Roy Chen
Performance Target	10% per annum
Asset Class	International Shares
Coverage	All Global Equity Markets
Currency	AUD Unhedged
Cash Holdings	Up to 35%
Entry/Exit Price	$1.0206/$1.0144

PERFOMANCE - Performance target 10% p.a.

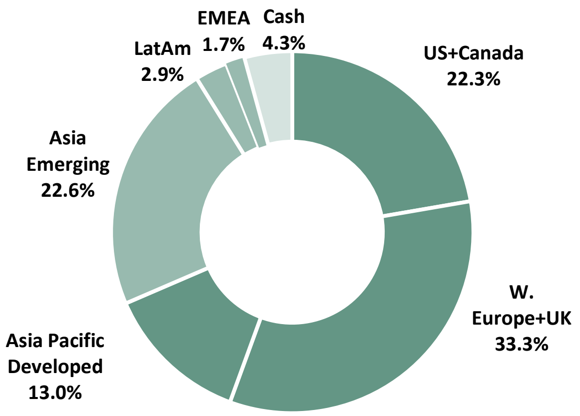
Total Return	1 month	3 month	6 month	YTD	1 yr pa	2 yr pa	3 yr pa	5 yr pa	SI**
Global Infra-Energy Fund*	0.6%	2.0%	11.3%	2.0%	6.5%	8.3%	11.4%	4.7%	34.8%

*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	88	1.6	1.8%	1.8%
2	CHINA PETROLEUM &	China	Integrated Energy	92	1.1	15.4%	1.7%
3	Schneider Electric SE	France	Equipment & Services	95	1.1	1.9%	1.7%
4	Woodside Energy Group Ltd	Australia	Energy-Producer	42	0.0	8.5%	1.6%
5	TotalEnergies SE	France	Integrated Energy	147	0.3	4.6%	1.6%
6	Shin-Etsu Chemical Co Ltd	Japan	Materials	65	-1.8	2.5%	1.5%
7	Mitsui O.S.K.Lines,Ltd.	Japan	Transport	9	7.0	16.9%	1.4%
8	Telenor ASA	Norway	Communication	16	2.7	8.0%	1.4%
9	COSCO SHIPPING	China	Transport	8	-10.9	0.0%	1.4%
10	Shell Plc	United Kingdom	Integrated Energy	196	0.6	3.5%	1.4%

PORTFOLIO COMMENTARY

- The Fund returned a modest +0.6% in March as tech-heavy sectors drove markets higher while Utilities was the only sector in which we were overweight that did better than the MSCI AC. The March quarter 2023 gain was 2%.
- Our only Segments with positive contribution were lowly weighted Digital Infrastructure, Telecoms and Social Infrastructure. All other segments detracted as markets became concerned about global recession as a result of US financial woes and bank collapses in early March and a plunge in oil and commodities prices (except gold).
- Main Contributors to returns came from-**Shin-Etsu** Japan (Material-Chemicals), **Sinopec** China (Integrated Energy), **Infineon** Germany (Digital Infrastructure), **BDMS** Thailand (Social Infrastructure) and **East Japan Rail** (Transport)
- In March we took some profits in overweight Transport segment -**Nippon Yusen** Japan and **Norden** Denmark and in the Material segment, we reduced exposure to more cyclical metal/miners by switching to gold equities - **Newmont US, Newcrest Australia and Zijin China**
- Other than gold stocks we also added more defensive Utilities and Telecoms, hence new positions in **Engie France, NextEra Energy US, Cosan Brazil** (Utilities), China Mobile and SK Telecom Korea (Telecoms). We also took advantage of weakness and increased both industrials (eg ABB, ZRRC) and Digital Infrastructure (Cadence Design and Qualcomm).

PORTFOLIO POSITIONING

- In terms of geography, there was a slight increase in US exposure to 21.2% and a decrease in Asia Pac to 35.6% with Europe largely unchanged at 32.3%.
- **Sector highlights** – the fund's exposure to **Equipment & Services** saw the biggest increase up 4% to 14.6% as we took advantage of price weakness. Our new gold positions brought a small increase in Materials (+1.6% to 16.9%).
- **Transport Segment** exposure decreased from 19.4% to 17.5%. As we explained in our recent insight article, we nevertheless remain very positive on the Transport segment and in particular, Energy Shipping which benefits from both the increase in volume being carried and the distance travelled coupled with very low order book of new vessels.
- **Within Energy-related Segments,** we continue to overweight Integrated Energy (12.4%). However, at current depressed oil and gas prices we are increasingly positive on two segments most sensitive to energy prices - **Energy Producers and Oil Services (**the latter we classify as Equipment Services). We have 4.7% in the former comprising **Woodside Australia, CNOOC China, ConococoPhillips and Devon Energy of US.** The latter accounts for 4% comprising **of SLB (Schlumberger) and Halliburton,-**both US **,Schoeller Brickmann** of Austria and top offshore driller **Noble Corp US**.
- Further **Oil and Gas** prices retreat in early March was compounded by hedge funds shorting. Investors chose to ignore the recovery of China and other poorer EM nations which last year were priced out of high gas prices and had begun importing again.
- 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.
- By conducting in-depth analysis of industries in our ambit 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	$1.0175
Number of stocks	86
Net cash position	4.3%
Dividend yield	5.0%
Price/Earnings FY1	11.0
Market capitalisation $USbn	51.0
EV/EBITDA	8.8
ND/EBITDA	1.2

TOP 5 PERFORMERS

	Company	Return
1	Shin-Etsu Chemical Co Ltd	16.5%
2	CHINA PETROLEUM &	16.5%
3	Infineon Technologies AG	16.0%
4	Bangkok Dusit Medical Services	10.8%
5	East Japan Railway Company	10.2%

BOTTOM 5 PERFORMERS

	Company	Return
1	Wallenius Wilhelmsen ASA	-17.2%
2	CF Industries Holdings, Inc.	-15.0%
3	Halliburton Company	-12.1%
4	New Fortress Energy Inc. Class A	-9.9%
5	Euronav NV	-8.5%