

**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**

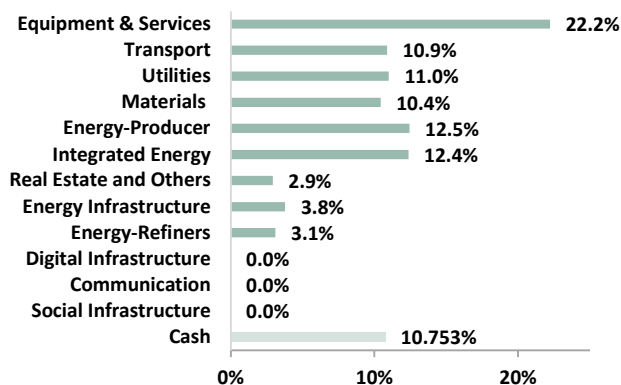
Portfolio Manager	Roy Chen
Performance Target	10% per annum
Asset Class	International Shares
Coverage	All Global Equity Markets
Currency	AUD Unhedged
Cash Holdings	Up to 35%
Entry/Exit Price	\$1.0245/\$1.0183

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

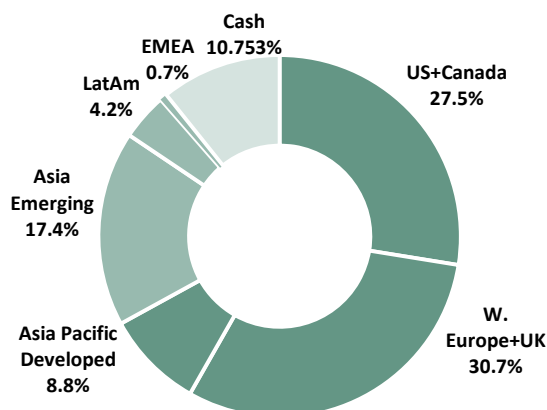
Total Return	1 month	3 month	6 month	YTD	1 yr pa	2 yr pa	3 yr pa	5 yr pa	SI**
Global Infra-Energy Fund*	-1.0%	4.4%	4.8%	7.0%	16.7%	7.4%	13.8%	4.5%	41.4%

\*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	159	0.5	4.6%	1.8%
2	Woodside Energy Group Ltd	Australia	Energy-Producer	45	0.3	9.3%	1.6%
3	Shell Plc	United Kingdom	Integrated Energy	211	0.5	3.6%	1.6%
4	Inpex Corporation	Japan	Energy-Producer	21	0.5	3.1%	1.5%
5	New Fortress Energy Inc.	United States	Energy Infrastructure	7	6.0	1.2%	1.5%
6	CNOOC Limited	Hong Kong	Energy-Producer	87	-0.3	9.7%	1.4%
7	Schlumberger N.V.	United States	Equipment & Services	83	1.6	1.6%	1.4%
8	Mitsui O.S.K. Lines,Ltd.	Japan	Transport	10	5.4	9.0%	1.4%
9	Noble Corporation PLC	United States	Equipment & Services	7	0.9	0.6%	1.3%
10	Cheniere Energy, Inc.	United States	Energy Infrastructure	40	1.8	1.0%	1.3%

## PORTFOLIO COMMENTARY

- September was the worst month for global equities in 2023. Energy was the only sector in the positive (+3%) while IT was the worst performing sector (-6.2%).
- The Fund returned -1%, outperforming the MSCI AC's return of -3.8% and similarly generated +4.4% for Q3 2023 compared to the return of the MSCI AC of -0.8%.
- The best segments that contributed most to portfolio performance were again Energy-related - Infrastructure, Integrated and Producers followed by within Industrials-Transport-Shipping. All others detracted including Utilities, Materials and Industrials ex Transport-Shipping.
- Top 5 contributors to returns were all Energy-related - PetroChina (Integrated Energy), CNOOC China and Inpex Japan (both Energy Producers), Technip Energies France (Oil Equipment & Services) and Scorpio Tankers (Transport-Energy Shipping).
- Detractors led by Sino-Thai Engineering (Equipment & Services), Shiseido Japan (Staples), BASF Germany (Chemicals), SBM Offshore Netherland (Oil Services) and Snam Italy (Utilities).
- Realised profits in Sept included in Transport -Singapore Airlines +32%, BWLPG Norway +16.5%, Stolt-Nielsen Norway +14.1%, Energy-PTT Thailand +18.7%, Utilities - YTL Power Malaysia +25% and Equipment Services MMHE Malaysia + 14.3%.
- New additions to the portfolio included 3 from Integrated Energy - ENI Italy, Repsol Spain and GALP Portugal, 2 Utilities - Engie France and NextEra Energy US, Transport - W Wilhelmsen Holding Norway and TORM Denmark, Energy Producer - Medco Indonesia.

## PORTFOLIO POSITIONING

- Our concern about the macro environment in Europe now extends beyond Germany, despite this we remained overweight in the continent at 31% and concentrated in Energy, Transport and Utilities sectors. North America saw further increase to 27.5% highest ever and came at the expense to Asia Pac now lower at 26% as China's economy our other concern is impacting the entire region.
- The portfolio continued to benefit from our sector positioning heavily weighted towards Energy, Transport, Equipment & Services followed by Utilities and Materials (Chemicals) which together comprise 86% of the portfolio.
- Within these 4 overweight sectors - exposure to Equipment & Services now at its highest 22% of which 16% is in Oil Services led by Schlumberger and Noble both US.
- Though we recognised back in March WTI oil price at US\$70 had minimum downside and projected higher 2H23 oil price, the recovery came faster than expected due to OPEC+ production cut. This called for some adjustments in

our tactical weighting as we head into the Q3 reporting season which should show better results than 2Q.

- We thus increased our Integrated Energy weighting and bought back 2 refiners (Marathon Pet US and Bangchak Thailand) given the much-improved refining margin.
- The biggest decrease in exposure was in the Transport segment with an 8% reduction in a month. We see headwinds ex Energy Shipping especially air travel airlines and airports as well as Air Freight and Shipping companies with exposure to Container Shipping
- Our process is one of applying in-depth analysis of industries, monitoring key trends across the full value chain of our targeted segments followed by our strict investment criteria- balance sheet strength and high free cash flow generation which is pivotal to our stock selection process for the Fund.

## PORTFOLIO CHARACTERISTICS

Net Asset Value	\$1.0214
Number of stocks	81
Net cash position	10.8%
Dividend yield	4.3%
Price/Earnings FY1	11.4
Market capitalisation \$USbn	40.3
EV/EBITDA	8.4
ND/EBITDA	0.8

## TOP 5 PERFORMERS

Company	Return
1 PetroChina Company Limited Class H	9.1%
2 Inpex Corporation	8.5%
3 CNOOC Limited	8.0%
4 Technip Energies NV	8.0%
5 Scorpio Tankers Inc.	7.5%

## BOTTOM 5 PERFORMERS

Company	Return
1 Sino-Thai Engineering & Construction	-24.4%
2 Shiseido Company Limited	-13.1%
3 BASF SE	-10.1%
4 SBM Offshore NV	-9.0%
5 Snam S.p.A.	-8.6%

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