GLOBAL INFRA-ENERGY FUND | MONTHLY UPDATE

31 January 2025

RC GLOBAL FUNDS MANAGEMENT

INVESTMENT OBJECTIVE

The Global Infra-Energy Fund (the Fund) focuses on infrastructure- and energy-related equities, providing exposure to companies operating in essential industries worldwide. 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 an income component exceeding 3.5% dividend yield.

Our investment approach is bottom-up, value-oriented with a quality overlay, theme-driven, and index-agnostic.

FUND OVERVIEW

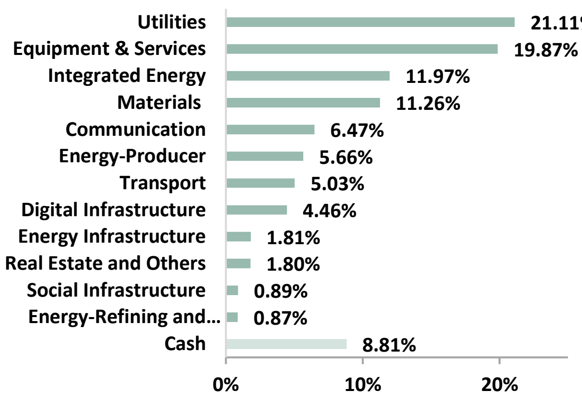
Portfolio Manager	Roy Chen
Performance Target	10% per annum
Asset Class	International Shares
Coverage	All Global Equity Markets
Currency	AUD Unhedged
Cash Holdings	Up to 35%
Entry/Exit Price	$1.0552/$1.0488

PERFORMANCE - Performance target 10% p.a.

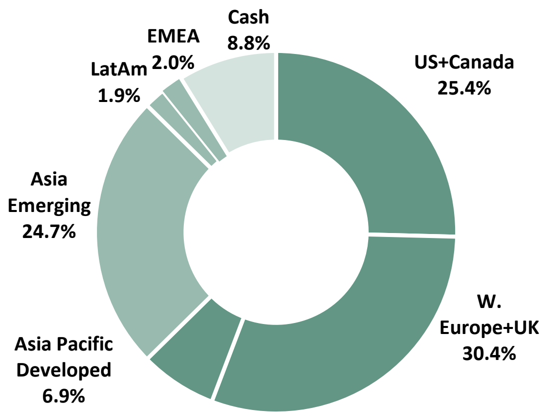
Total Return	**1 month**	**3 month**	**6 month**	**YTD**	**1 yr pa**	**2 yr pa**	**3 yr pa**	**5 yr pa**	**SI****
Global Infra-Energy Fund*	1.1%	4.7%	3.2%	1.1%	9.4%	6.4%	5.6%	5.5%	50.6%

*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	Schneider Electric SE	France	Equipment & Services	147	1.0	1.4%	1.9%
2	Siemens Energy AG	Germany	Equipment & Services	48	-3.0	0.0%	1.7%
3	Linde plc	Germany	Materials	211	1.4	1.2%	1.6%
4	Vistra Corp.	United States	Utilities	57	1.8	0.5%	1.5%
5	Iberdrola SA	Spain	Utilities	90	3.2	3.5%	1.4%
6	GE Vernova Inc.	United States	Equipment & Services	103	-3.9	0.1%	1.4%
7	TechnipFMC plc	United States	Equipment & Services	13	0.5	0.7%	1.4%
8	Fraport AG	Germany	Transport	6	8.2	0.0%	1.3%
9	Talen Energy Corp	United States	Utilities	10	7.4	0.0%	1.3%
10	TSMC	Taiwan	Digital Infrastructure	899	-0.7	0.9%	1.3%

PORTFOLIO COMMENTARY

- The Fund returned a modest +1.1% in January. Except for IT, all sectors generated positive returns and Europe was the best-performing market.
- Segments with positive contribution were Digital Infrastructure, Telecoms and Oil Services.
- Strongest contributors to returns came from three US Utilities (Constellation Energy, Vistra and NRG Energy) and Equipment & Services companies Siemens Energy Germany and GE Vernova, both in the top three gas turbine equipment companies globally.
- Weighing on returns were four Utilities, all from APAC: YTLP Power (Malaysia); ACEN (Philippines); B Brimms (Thailand); CGN Power (China) and wind turbine equipment company Goldwind (China).

PORTFOLIO POSITIONING

- We made no material changes to geography and sector exposures in the portfolio, and as such, weightings stayed broadly the same as the previous month: APAC 31.6%, Europe 30.4% and N America 25.4%.
- Top four segment weights at month-end were Utilities 21.1%, Equipment & Services 19.9%, Integrated Energy 12% and Materials 11.3%.
- Last month we highlighted the two worst performing segments in 2024, **Energy Equipment & Services** and **Material**s, with an article on the former. Available soon will be an article covering the **Materials** sector and the rationale for owning the 11 stocks, consisting of five chemical companies and six metals/miners.
- We have a high conviction call on aluminium companies. We currently hold **Aluminium Co of China** (Chalco), but will look for price weakness to add from our focus list of peers which include China Hongqiao, Norsk Hydro Norway and Alcoa US. We expect the weighting in Materials to increase as China's growth gains momentum.
- Within **Energy-related Segments**, we continue to be overweight Integrated Energy (12%). In an environment of greater uncertainty, we view this group of companies as offering both value and defensiveness. Given the total shareholder returns (dividend + share buyback) of 10-12%, we consider this to be highly attractive. Our holdings here include: Shell UK; TotalEnergies France (both core holdings); ENI Italy, Equinor Norway and BP UK. In the US, we hold Exxon Mobil and Chevron, and in Asia PetroChina and PTT Thailand as well as Petrobras of Brazil in Latam.
- Outside the four sectors where we are overweight, we see Telecom Services as most promising, where we have 5 holdings – Advanced Info Service and True Corp (Thailand) given it is the most attractive market with a rare duopoly and NTT Japan, KT Korea and Telenor Norway.
- We also believe there are opportunities to invest in Healthcare with benefits arising from greater application of AI and in Digital Infrastructure with further weakness.
- We continued to decrease the Transport Segment to 5%, the lowest it has been since the pandemic. At these levels, we can see value emerging and potentially become buyers as opportunities arise.
- We believe the portfolio is well diversified and by adhering to our strict investment criteria, 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	$1.0520
Number of stocks	86
Net cash position	8.3%
Dividend yield	4.0%
Price/Earnings FY1	19.1
Market capitalisation $USbn	90.9
EV/EBITDA	12.3
ND/EBITDA	5.3

TOP 5 PERFORMERS

	Company	Return
1	Constellation Energy Corporation	33.1%
2	Vistra Corp.	21.0%
3	Siemens Energy AG	14.6%
4	NRG Energy, Inc.	12.7%
5	GE Vernova Inc.	12.5%

BOTTOM 5 PERFORMERS

	Company	Return
1	YTL Power International Bhd.	-29.5%
2	ACEN Corporation	-23.5%
3	B.Grimm Power Public Company Ltd	-21.3%
4	Goldwind Science & Technology	-17.5%
5	CGN Power Co., Ltd. Class H	-12.9%