

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

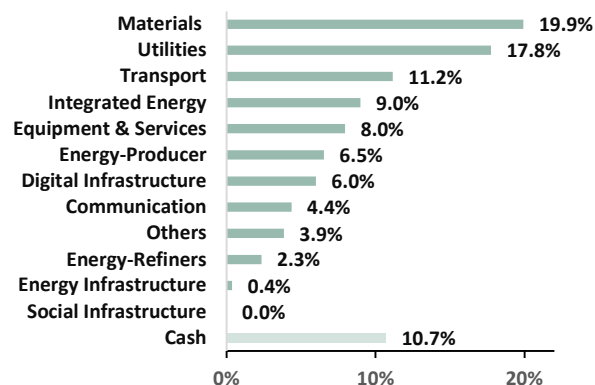
| | |
|--------------------|---------------------------|
| Portfolio Manager | Roy Chen |
| Performance Target | 10% per annum |
| Asset Class | International Shares |
| Coverage | All Global Equity Markets |
| Currency | AUD Unhedged |
| Cash Holdings | Up to 35% |
| Entry/Exit Price | \$1.0377/\$1.0315 |

PERFORMANCE

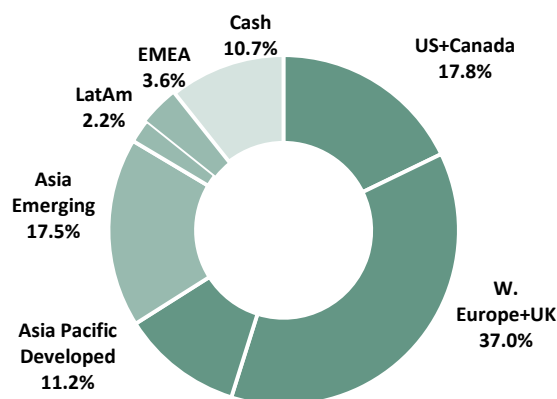
| Total Return | 1 month | 3 month | 6 month | YTD | 1 Year | Since Inception** |
|---------------------------|---------|---------|---------|-------|--------|-------------------|
| Global Infra-Energy Fund* | 2.4% | 5.3% | 4.3% | 16.8% | 16.8% | 23.2% |
| Performance Target | | | | | 10.0% | |

*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 and calculated cumulatively

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 | 112 | 1.6 | 1.5% | 1.9% |
| 2 CF Industries Holdings, Inc. | United States | Materials | 15 | 2.0 | 1.7% | 1.7% |
| 3 Linde plc | Germany | Materials | 176 | 1.4 | 1.2% | 1.7% |
| 4 Shin-Etsu Chemical Co Ltd | Japan | Materials | 72 | -2.3 | 1.5% | 1.7% |
| 5 TotalEnergies SE | France | Integrated Energy | 134 | 2.4 | 5.9% | 1.7% |
| 6 Telenor ASA | Norway | Communication | 22 | 2.0 | 6.5% | 1.6% |
| 7 Royal Dutch Shell Plc Class A | Netherlands | Integrated Energy | 169 | 3.4 | 3.5% | 1.6% |
| 8 E.ON SE | Germany | Utilities | 36 | 5.1 | 3.9% | 1.5% |
| 9 Nippon Yusen Kabushiki Kaisha | Japan | Transport | 13 | 4.4 | 4.3% | 1.5% |
| 10 Yara International ASA | Norway | Materials | 13 | 1.6 | 4.5% | 1.5% |

PORTFOLIO COMMENTARY

- December was a positive month for the Fund and our sector strategy where all segments were positive as 68 stocks advanced and only 13 stocks declined.
- The Transport segment emerged as the best performer again in December with Integrated Energy, Energy Producers, Equipment & Services, Material and Supply Chain segments also doing well for the Fund.
- The following stocks were standout performers in 2021: Equipment & Services -Schneider Electric France, Kurita Water Japan, Materials- Linde Germany, Energy – ENI Italy, Shell, BP and in Transport- Deutsche Post Germany and UPS US. The best gains realised during the year (all >+70%) many were in Transport - Hapag-Lloyd, Nippon Yusen, Mitsui OSK as well as TSMC Taiwan in Digital Infrastructure.
- The most disappointing stocks in 2021 (from -11% to -32%) were mostly in Utilities, especially those in “clean energy” - Orsted Denmark, Iberdrola Spain, Enel Italy and Guangdong Investment China. The worst loss realised was in Komatsu Japan -20%.
- In December, we exited a number of marginal holdings and replaced with previous holdings that became very oversold or victims of irrational selling during the recent correction such as AT&T US (Communications), Panasonic Japan (Equipment), Globaltrans Russia (Transport - Rail Freight), Devon Energy US (Energy Producer) and Nippon Yusen Japan (Transport Shipping).

PORTFOLIO POSITIONING

- We revisited many of the megatrends and themes that played a pivotal role in our positioning: Energy Transition & Environment, Automation, Digitisation, Transport of Goods and Food Security.
- The focus on **energy** may shift from gas/LNG (beyond winter in Europe and N Asia) to oil as demand recovers and more barrels being processed, refined, and transported (even with delayed re-opening).
- We believe that **Integrated Energy** is still the best place to be, but we are also increasing exposure to other energy segments – infrastructure, production, and refining.
- We are seeing value emerging in **Utilities**, especially in Renewable Power after a year in correction. Those companies benefiting from high power prices in Europe may lose traction as Europe comes out of winter. We expect China will continue to witness double-digit growth in solar/wind and other clean energy segments including hydrogen.
- Material sector** – currently we are very overweight in the chemical segments and will continue to favour Food

and Agri names (benefiting from the Food Security mega-trend) and the very defensive Industrial Gases segment. However, we may reduce others in favour of metals which have a promising future after recently being sold off e.g. aluminium/copper to lithium.

- Industrial sector – Equipment** segment captures many of our megatrends and provides stable growth (including dividends). For example, Schneider Electric/ABB/Honeywell in Energy Transition, Kurita (Water), Panasonic (Battery) and Deere (Agri Equipment) should remain core holdings.
- In terms of regional allocation – We are likely to reduce our very overweight European exposure in favour Asia Pac with RCEP free-trade agreement coming into effect from 1 Jan 2022. We believe global funds are very underweight in the ASEAN region. We also continue to adopt a very constructive but active approach to EM with a maximum exposure limit of 25%.

PORTFOLIO CHARACTERISTICS

| | |
|------------------------------|----------|
| Net Asset Value | \$1.0346 |
| Number of stocks | 80 |
| Net cash position | 10.7% |
| Dividend yield | 3.6% |
| Price/Earnings FY1 | 15 |
| Market capitalisation \$USbn | 58.5 |
| EV/EBITDA | 10.7 |
| ND/EBITDA | 2.5 |

TOP 5 PERFORMERS

| Company | Return |
|--|--------|
| 1 Vermilion Energy Inc. | 23.40% |
| 2 China Everbright Environment Grp Ltd | 17.90% |
| 3 Energy Absolute Public Co. Ltd | 15.40% |
| 4 CF Industries Holdings, Inc | 13.90% |
| 5 Nutrien Ltd | 11.60% |

BOTTOM 5 PERFORMERS

| Company | Return |
|------------------------------------|--------|
| 1 Electricite de France SA | -17.9% |
| 2 Guangdong Investment Limited | -6.90% |
| 3 BKW AG | -6.20% |
| 4 Pacific Basin Shipping Limited | -6.10% |
| 5 Occidental Petroleum Corporation | -4.60% |

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