

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 chains which benefit under different economic scenarios that lead to higher returns.

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, index agnostic, and thematic-driven.

FUND OVERVIEW

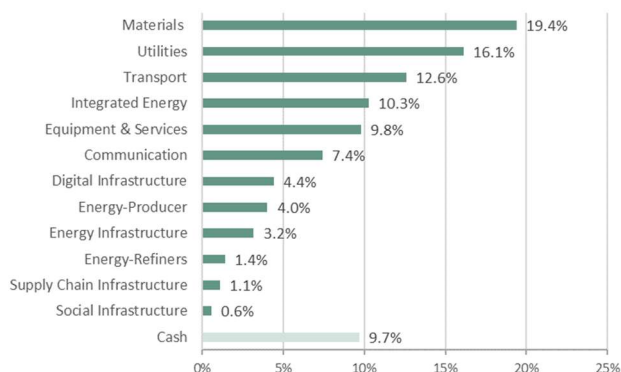
Portfolio Manager	Roy Chen
Performance Target	10% per annum
Asset Class	International Shares – Large Cap
Coverage	Developed and Emerging Markets
Currency	Unhedged
Cash Holdings	Up to 35%
Entry/Exit Price	<b>\$0.9855/\$0.9797</b>

PERFORMANCE

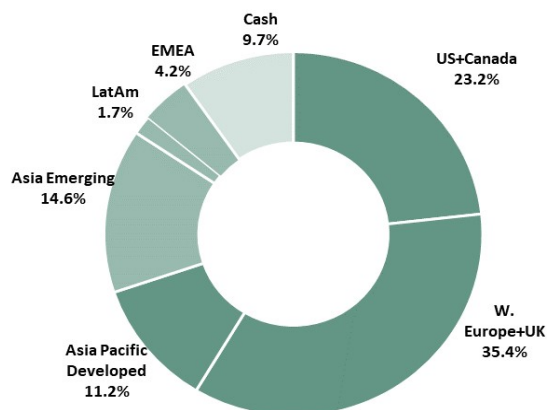
Total Return	1 month	3 month	6 month	YTD	1 Year	Since Inception**
Global Infra-Energy Fund*	-1.0%	3.8%	10.0%	11.1%	19.8%	17.0%
Performance Target					10.0%	

\*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 Telenor ASA	Norway	Communication	24	2.1	6.1%	2.2%
2 Schneider Electric SE	France	Equipment & Services	95	1.6	1.8%	2.0%
3 Shin-Etsu Chemical Co Ltd	Japan	Materials	67	-2.1	1.4%	2.0%
4 Linde plc	Germany	Materials	159	1.4	1.3%	1.9%
5 Deutsche Post AG	Germany	Transport	84	1.9	2.4%	1.8%
6 Royal Dutch Shell Plc Class A	Netherlands	Integrated Energy	155	3.9	3.3%	1.8%
7 Total Energies SE	France	Integrated Energy	115	2.5	7.2%	1.8%
8 Enterprise Products Partners L.P.	United States	Energy Infrastructure	49	4.0	8.0%	1.8%
9 Iberdrola SA	Spain	Utilities	77	3.8	3.4%	1.8%
10 United Parcel Service, Inc. Class B	United States	Transport	138	1.5	2.1%	1.7%

## PORTFOLIO COMMENTARY

- The best performing segments in the portfolio were Materials followed by Utilities and Equipment & Services. However, all the energy-related segments detracted from overall performance.
- Europe, our largest regional weight provided solid results with three of the best performers coming from this region - two materials stocks and a third - **Brenntag** Germany, the largest global chemical distributor.
- Asian exposure including China was a drag on returns.
- All five worst performers came from energy-related segments.
- We exited with good gains - **Nippon Yusen Japan** (Transport-Shipping) +75%, **Magellan Midstream US** (Energy Infrastructure) +23% and a quick trading profit +18% in a fertiliser company **China Bluechemical**.
- We exited Mitsubishi Electric -10%, as it admitted to previous cheating in equipment it supplied as we exercised a zero tolerance on governance issues.
- New purchases - three more non-Asian EM- **America Movil** Mexico, the largest telecom provider in LATAM region with strategic holdings in Europe, **Globaltrans**, the only listed Russian private freight rail operator and **Kazapotrom**, a major miner of Kazakhstan. In the Developed Markets (DM) we bought **Mitsui OSK**, Japan second largest shipping company, **Asahi Kasei** Japan, a diversified chemical business with a skew to specialty and **Honeywell International US** -Equipment & Services

## PORTFOLIO POSITIONING

- Given the spotlight on China, we would highlight that we apply a max 12% weight to an EM and 30% weight to a DM no matter how large the market as a risk control measure.
- Our investments in Chinese equities have been and will always be in strategic or essential industries and despite the recent crackdown, regulatory risks in these industries are low.
- Having taken the exposure in EM weighting from 15.8% to 20.5%, we will adhere to a max of 25%.
- 38 companies reported during the month with results overwhelmingly beating expectations but some falling slightly short of expectation or presenting less rosy outlook were penalised. Three of our top 10 and core holdings are among those with exceptionally strong results - **Shell, Linde and Schneider Electric**.
- Signs of inflation and margin pressures are becoming more apparent with material cost increased and supply chain constraints are impacting many industries e.g. automobile due to chip shortages.

- Delays in the delivery goods and increased transportation costs due to port congestion and shipping bottlenecks.
- On the positive side certain trends continue unabated. These include the E-commerce boom and the recovery of energy demand and the trend to carbon reduction.
- Many worst hit companies a year ago are now increasing dividends and recommencing share buybacks -integrated energy like **Shell** and **ENI** are good examples.
- We believe the above trends should benefit the portfolio and we continue to look for mispricing opportunities in areas being ignored or unfairly penalised for missing consensus estimates yet experiencing tangible signs of growing free cash flow that should ultimately result in value creation.

## PORTFOLIO CHARACTERISTICS

Net Asset Value	\$0.9826
Number of stocks	80
Net cash position	9.7%
Dividend yield	3.7%
Price/Earnings FY1	15.2
Market capitalisation \$USbn	57.6
EV/EBITDA	17.7
ND/EBITDA	2.7

## TOP 5 PERFORMERS

	Company	Return
1	America Movil SAB de CV	14.8%
2	Globaltrans Investment Plc	12.0%
3	Aurubis AG	11.5%
4	Koninklijke DSM N.V.	10.3%
5	ABB Ltd. Sponsored ADR	10.0%

## BOTTOM 5 PERFORMERS

	Company	Return
1	Hoegh LNG Partners LP	-68.2%
2	Vermilion Energy Inc.	-16.3%
3	Occidental Petroleum Corporation	-14.8%
4	Phillips 66	-12.6%
5	PTT Public Co., Ltd.	-11.8%

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