GLOBAL INFRA-ENERGY FUND | MONTHLY UPDATE

30 June 2021

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 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

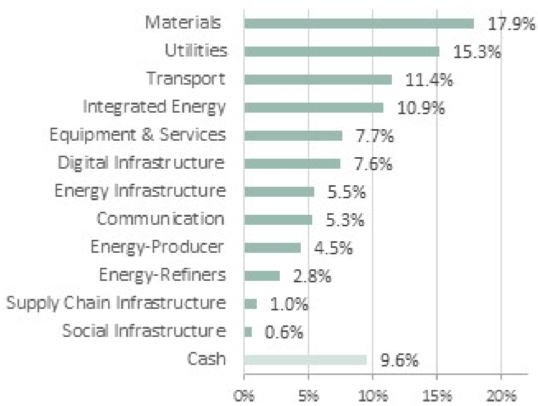
Portfolio Manager	Roy Chen
Performance Target	10% per annum
Asset Class	International Shares – Large Cap
Coverage	Developed and Emerging Markets
Currency	Unhedged
Cash Holdings	Up to 35%
Entry/Exit Price	**$1.0316/$1.0254**

PERFOMANCE

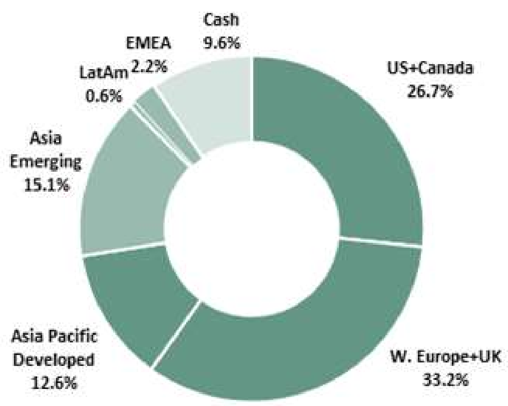
Total Return	**1 month**	**3 month**	**6 month**	**YTD**	**1 Year**	**Since Inception****
Global Infra-Energy Fund*	2.2%	4.2%	12.2%	12.2%	20.2%	18.0%
Performance Target					10.0%	

*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	Hoegh LNG Partners LP	United States	Energy Infrastructure	1	3.4	10.0%	2.3%
2	Telenor ASA	Norway	Communication	24	1.7	6.4%	2.1%
3	Shin-Etsu Chemical Co Ltd	Japan	Materials	70	-2.1	1.3%	2.0%
4	Schneider Electric SE	France	Equipment & Services	89	0.9	2.0%	1.9%
5	TotalEnergies SE	France	Integrated Energy	119	2.6	6.9%	1.9%
6	Deutsche Post AG	Germany	Transport	84	1.7	2.4%	1.8%
7	United Parcel Service, Inc. Class B	United States	Transport	150	1.8	2.0%	1.8%
8	Royal Dutch Shell Plc Class A	Netherlands	Integrated Energy	154	4.2	3.3%	1.8%
9	Iberdrola SA	Spain	Utilities	78	3.8	3.2%	1.8%
10	Linde plc	Germany	Materials	150	1.3	1.4%	1.7%

PORTFOLIO COMMENTARY

- In line with MSCI sector performance, Energy related segments contributed the most to the Fund's performance while Materials and Utilities detracted. Other than Energy, all our key segments, including Telecoms (Communications Sector), underperformed the broader market represented by the MSCI AC index.
- Disparity in regional performance worked against the Fund in June due to the relative underweight position to North America. Despite this, our 6-month performance of 12.2% and 1-year of 20.2% have been the best since its inception.
- We took some profits in two segments that did relatively better – energy-related and transport to take advantage of weakness in utilities sector and emerging markets.
- New purchases include two Italian Utilities-**Snam** (Gas Transport) and **ACEA** (multi-utilities of Rome), **DSM** Netherland (Specialty Chemical), Zim Integrated (Container Shipping and Logistics), all of which are in Developed Markets (DM).
- 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**.
- Last month, we mentioned increasing exposure in EM, which has lagged YTD. Our new purchases have been in Thailand- **Namyong** Terminal (Port Infrastructure) and Russia, which in our view, is currently one of the most attractive markets to invest. The two Russian stocks bought are, **Lukoil** (Integrated Energy) and **Mobile Telesystems** (Telecoms), both we held before 2020 and performed well for the portfolio. These companies offer great value with exceptional balance sheet strength and attractive dividend yields within the very strategic essential industries. As a result, our exposure to Emerging Markets has increased to 18%.

PORTFOLIO POSITIONING

- The mid-point in a calendar year is a time for reflection about what has happened and what the future may hold. For example, Q1 saw growth outperformed value in the first half and then underperformed in the second half of the quarter. In 2Q, the value rally exhausted itself by mid-May with Quality and Growth then outperforming Value.
- Factors responsible for these style shifts include changes in investors' perception in the direction of the inflation-disinflation pendulum.
- Some of the uncertainty's investors have to contend with are the prospects of less monetary and fiscal support, the likelihood of higher taxes and whether or not the inflation rises are transitory.
- While we have a value and economic-sensitive sectors bias, we believe it is important to have a resilient portfolio using a mix of Quality growth and Defensives to achieve stability during times of high volatility while securing secular value accretion.

Distribution: For the financial year-end, we are distributing 3.61 cents per unit(cpu) in line with our income investment objective (NB Dec distribution was 0.36 cpu), which represents an overall yield of **3.9%** based on NAV on 30 June before distribution.

PORTFOLIO CHARACTERISTICS

Net Asset Value	$1.0285
Number of stocks	80
Net cash position	9.6%
Dividend yield	3.6%
Price/Earnings FY1	15.8
Market capitalisation $USbn	57.2
EV/EBITDA	14.8
ND/EBITDA	2.5

TOP 5 PERFORMERS

	Company	Return
1	Nippon Yusen Kabushiki Kaisha	26.70%
2	KunLun Energy Co. Ltd.	25.90%
3	Occidental Petroleum Corporation	23.70%
4	Vermilion Energy Inc.	16.70%
5	Qualcomm Inc	9.60%

BOTTOM 5 PERFORMERS

	Company	Return
1	Top Glove Corporation Bhd.	-14.20%
2	Komatsu Ltd.	-12.40%
3	CHINA HONGQIAO GRO	-9.60%
4	Iberdrola SA	-6.50%
5	Mitsubishi Gas Chemical Company, Inc.	-6.20%