

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

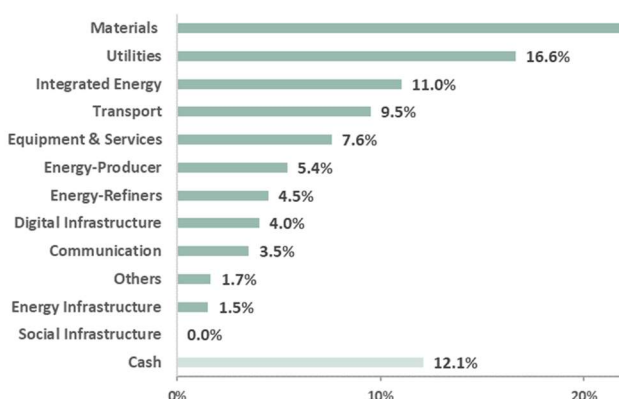
Portfolio Manager	Roy Chen
Performance Target	10% per annum
Asset Class	International Shares
Coverage	All Global Equity Markets
Currency	AUD Unhedged
Cash Holdings	Up to 35%
Entry/Exit Price	\$1.0071/\$1.0011

PERFORMANCE

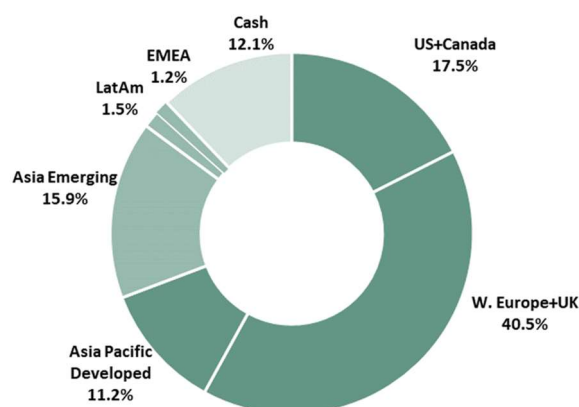
Total Return	1 month	3 month	6 month	YTD	1 Year	Since Inception**
Global Infra-Energy Fund*	-1.3%	2.2%	5.9%	13.4%	26.9%	19.1%
Performance Target					10.0%	

*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 Shin-Etsu Chemical Co Ltd	Japan	Materials	74	-2.3	1.4%	1.9%
2 Royal Dutch Shell Plc Class A	Netherlands	Integrated Energy	178	3.4	3.1%	1.9%
3 Schneider Electric SE	France	Equipment & Services	98	1.6	1.7%	1.9%
4 TotalEnergies SE	France	Integrated Energy	133	2.4	6.1%	1.8%
5 Telenor ASA	Norway	Communication	22	2.0	6.7%	1.8%
6 Linde plc	Germany	Materials	165	1.4	1.3%	1.7%
7 Yara International ASA	Norway	Materials	13	1.6	4.5%	1.7%
8 United Parcel Service, Inc.	United States	Transport	155	1.4	1.9%	1.6%
9 CHINA PETROLEUM &	China	Integrated Energy	76	1.3	11.1%	1.6%
10 Electricite de France SA	France	Utilities	47	5.4	1.6%	1.6%

PORTFOLIO COMMENTARY

- The segments that did well this month were Integrated Energy, Energy Producers, Energy Refiners & Marketing, Materials-Chemicals, and Industrials-Transport with Communication and Equipment & Services lagging.
- While the exposure to North America and Europe benefited the Fund, it was in Asia (including China) that hindered overall results. The good results at the stock level were more than offset by the strong AUD in October, negatively impacting returns for the Fund.
- Reducing our weightings in the more volatile segments in September did shield the Fund from the heavy selling in late October. We made similar moves this month in the Energy sector to lock in some profits - Kunlun Energy China (Infrastructure) +39%, Lukoil Russia (Integrated) +16%, Inpex Japan (Producer) +12%, Idemitsu Kosan Japan (Refining & Marketing) +11%.
- Other stocks we realised good profits included TSMC Taiwan in Digital Infrastructure +100%, Emerson Electric US in Equipment & Services +55% and Cosco Shipping Energy Transport China +11%.
- The proceeds enabled us to capitalise on market weakness and bought **ASML** – maker of top quality EUV critical for other chips-makers like TSMC and Samsung. We also added **Chevron US** (Integrated Energy), **Devon Energy** (Producer) and **ENEOS Japan** (Refiner).

PORTFOLIO POSITIONING

- **Integrated Energy** (e.g. Shell, TotalEnergies) is still the preferred segment in Energy followed by Energy Producers (e.g. Woodside - beneficiary of higher energy prices) and Oil Refining/marketing (e.g. Phillips 66 - beneficiary of re-opening of economies with renewed demand in jet fuels and gasoline/diesel for road transport).
- **Material** – We still prefer various chemicals (e.g. Shin-Etsu Japan and Linde Germany) over metals/miners and so we are topping up on fertiliser names because we believe the energy crunch will have substantial flow on effects on “food security”, another megatrend we like.
- **Utilities** – Our preferred segment among defensives versus Communication, especially power companies that generate electricity using hydro (Verbund Austria and BKW Switzerland) and nuclear (EDF France) both types benefit from high European power prices caused by high gas prices while having low operating costs.
- **Industrials** – We are maintaining our core Transport holdings - UPS and Deutsche Post (air freight), Union Pacific and Globaltrans Russia (both rail freight), port infrastructure (Hamburg and Qingdao).

- We favour **Quality Growth** companies like those mentioned above that are able to grow earnings and are less impacted by the supply chain issues while being able to pass on costs increases. We also believe Digital Infrastructure plays like ASML, NXP and Infineon possess these advantages.
- **Emerging Market** - we have reduced our weighting from a recent high of 25% down to 21% by taking some profits in China, Mexico and Russia. Our EM holdings have added value to the portfolio.
- **Developed Markets** – we’ve increased our exposure to the US at the expense of Japan while maintaining the biggest exposure to Europe where we have an overweight in Germany followed by France. We are also increasingly tilting towards the Nordic countries - Norway/Sweden/Finland/Denmark. Many of these Nordic companies are less dependent on China.

PORTFOLIO CHARACTERISTICS

Net Asset Value	\$1.0041
Number of stocks	81
Net cash position	12.1%
Dividend yield	3.9%
Price/Earnings FY1	14.4
Market capitalisation \$USbn	52.8
EV/EBITDA	13.8
ND/EBITDA	2.3

TOP 5 PERFORMERS

Company	Return
1 Union Pacific Corporation	18.44%
2 BKW AG	17.82%
3 Iberdrola SA	12.96%
4 United Parcel Service, Inc.	12.74%
5 Electricite de France SA	12.26%

BOTTOM 5 PERFORMERS

Company	Return
1 CGN Power Co., Ltd. Class H	-14.72%
2 China Everbright Environment Group	-12.43%
3 Intel Corporation	-11.55%
4 BASF SE	-9.18%
5 SINOPEC S/PETROCHE	-8.32%

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