

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

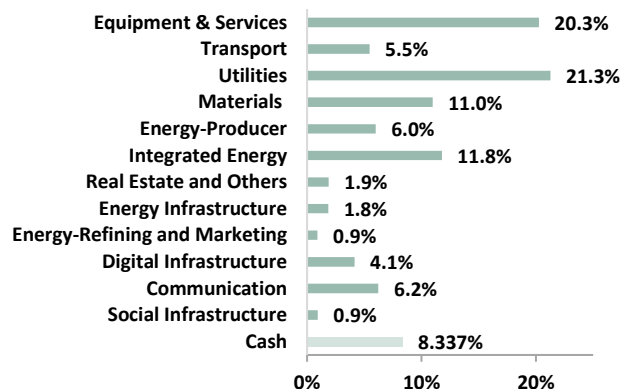
Portfolio Manager	Roy Chen
Performance Target	10% per annum
Asset Class	International Shares
Coverage	All Global Equity Markets
Currency	AUD Unhedged
Cash Holdings	Up to 35%
Entry/Exit Price	\$1.0440/\$1.0378

PERFORMANCE - Performance target 10% p.a.

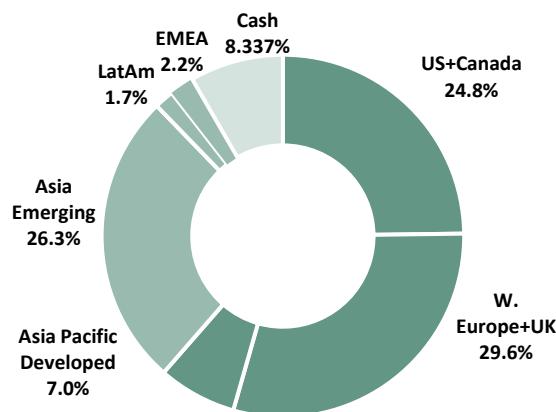
Total Return	1 month	3 month	6 month	YTD	1 yr pa	2 yr pa	3 yr pa	5 yr pa	SI**
Global Infra-Energy Fund*	2.4%	7.9%	4.6%	9.3%	9.3%	6.2%	6.1%	5.0%	49.0%

*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, 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	144	1.4	1.5%	1.9%
2	Siemens Energy AG	Germany	Equipment & Services	42	-1.8	0.0%	1.7%
3	Linde plc	Germany	Materials	199	1.4	1.3%	1.6%
4	Vistra Corp.	United States	Utilities	47	3.1	0.6%	1.5%
5	Iberdrola SA	Spain	Utilities	88	3.7	3.4%	1.4%
6	GE Vernova Inc.	United States	Equipment & Services	91	-5.0	0.1%	1.4%
7	TechnipFMC plc	United States	Equipment & Services	12	1.2	0.7%	1.4%
8	Fraport AG	Germany	Transport	6	8.2	0.0%	1.3%
9	Talen Energy Corp	United States	Utilities	9	14.1	0.0%	1.3%
10	TSMC	Taiwan	Digital Infrastructure	850	-0.7	0.9%	1.3%

PORTFOLIO COMMENTARY

- The Fund returned +2.4% in December despite tech-heavy sectors dominating returns. While our overweight sectors underperformed, regionally our overweight positions in Asia Pac and Europe outperformed which benefitted overall returns.
- Best Segments in Dec were Digital Infrastructure, Energy Infrastructure, Energy -Refiners and Transport.
- Worst Segments in Dec were Materials and Oil Services.
- Contributors to returns: In Asia, YTL Power Malaysia (Utilities), Yangzijiang Shipbuilding China (Equipment & Service), Bangchak Thailand (Energy-Diversified Refiner), and in the USA, Alphabet (Digital Infrastructure) and New Fortress Energy (Energy Infrastructure).
- Detractors included two from the Materials sector: POSCO Korea, a steel-maker and Cameco (top two listed Uranium producer), KT Korea -Telecom service, Vistra US and Transocean US (oil service offshore driller). *NB Korea was the worst performing Asian market in 2024 and second worst in Dec 24.*

PORTFOLIO POSITIONING

- No change in geographical and sector allocations. Three key regions: Asia Pac 33.6%, Europe 29.6% and North America 24.8%. The top 4 segments were Utilities, Equipment & Services, Integrated Energy and Materials.
- Our last 2 articles highlighted the [Investment case for Europe](#) and the [Broader Energy & Power market trends in 2024](#) in which we named **Natural Gas** value chain as one of the most promising areas in 2025
- This month we focus on segments that have not done well in 2024. Two obvious pockets of weakness are **(1) Oil Services** and **(2) Materials sector**. We can add another sector which is not shown in the 2024 numbers yet- **Transport**, especially shipping.
- Our exposure to the transport sector had been as high as 19.4% but reduced in 2024 from 14.5% in Jan to just 5.5% currently, the lowest it has ever been since the pandemic. Why have we changed our view so much? A congruence of factors - Container Shipping (the biggest segment) is witnessing record number of vessels entering service and the cessation of attacks by Yemeni rebels across Red Sea will impact freight rates. We now hold 3 airports and 2 specialised energy shipping stocks.
- **Materials** - Our weighting has ranged between 10 and 20% and currently at 11%. Our view has been very much impacted by what happened in China and recognising this is a volatile sector. As such, buy and hold is not the best strategy. The only constant for us since the pandemic has been our holdings in the Industrial Gases segment with two core holdings of **Linde Germany** and **Air Liquide**. We

began to rebuild our positions in October as valuations were depressed and we believe China will ultimately turn the corner. By year end, we now have 3 other chemicals companies: Shin-Etsu and Nippon Sanso of Japan and BASF Germany. We also have 6 in metals/miners - Posco Korea (steel), Cameco Canada (Uranium) , Buenaventura Peru (precious metals) and 3 from China- Aluminium Co of China, CGN Mining (Uranium) and Jiangxi Copper.

- **Oil Services** -This month we review this segment in our Insights article. Currently, the 7.3% weight is held in Schlumberger, TechnipFTI, Tranocean and Noble Corp in US, three in Europe - Technip Energies France, SBM Offshore Netherland and Subsea 7 Norway. Though there are challenges in this segment, we believe it is a very mispriced value proposition and has minimum downside at current levels.

PORTFOLIO CHARACTERISTICS

Net Asset Value	\$1.0409
Number of stocks	86
Net cash position	8.3%
Dividend yield	4.0%
Price/Earnings FY1	18.9
Market capitalisation \$USbn	86.5
EV/EBITDA	12.4
ND/EBITDA	6.0

TOP 5 PERFORMERS

Company	Return
1 New Fortress Energy Inc. Class A	49.1%
2 YTL Power International Bhd.	36.0%
3 Yangzijiang Shipbuilding	28.3%
4 Bangchak Corporation	23.4%
5 Alphabet Inc. Class A	18.0%

BOTTOM 5 PERFORMERS

Company	Return
1 POSCO Holdings Inc.	-11.6%
2 Transocean Ltd.	-10.3%
3 KT Corporation	-10.0%
4 Vistra Corp.	-9.1%
5 Cameco Corporation	-9.0%

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