

Monthly Fact Sheet October 2022

Fund Performance

PATRIZIA Low Carbon Core Infrastructure Fund (the Fund) Performance (after fees) as at 31 October 2022.

Performance ¹	1 month %	Quarter %	CYTD %	1 year %	3 years % p.a.	5 years % p.a.	Inception % p.a. ²
Fund return (net)	6.5	-2.4	-3.2	2.6	1.1	-	1.7
OECD CPI + 5% pa	1.0	2.7	13.3	15.8	10.8	-	10.6
FTSE Developed Core Infrastructure Index, TR	3.7	-3.5	1.0	8.3	4.9	-	4.5
Active return	5.5	-5.2	-16.5	-13.2	-9.7	-	-8.8

Source: Fidante Partners Limited, 31 October 2022.

¹ Returns are calculated after fees have been deducted and assume distributions have been reinvested. No allowance is made for tax when calculating these figures. Past performance is not a reliable indicator of future performance. Past performance figures that are less than 12 months are for informational purposes only and are not to be relied upon when considering the likely future performance of the Fund.

² The inception date of the Fund is 29 August 2019.

Track Record of Investment Strategy

Historical performance of the investment strategy of the Fund³ - as at 31 October 2022.

Performance ³	1 month %	Quarter %	CYTD %	1 year %	3 years % p.a.	5 years % p.a.	Inception % p.a. ³
Fund return (net)	6.5	-2.4	-3.2	2.6	1.1	5.8	7.2
OECD CPI + 5% pa	1.0	2.7	13.3	15.8	10.8	9.4	8.9
Active return	5.5	-5.2	-16.5	-13.2	-9.7	-3.6	-1.7

³ The Fund was launched on 29 August 2019. For informational purposes only, we have set out the track record of the Fund's investment strategy by showing the historical performance of the Class A USD (Unhedged) shares of another fund, being the PATRIZIA Low Carbon Core Infrastructure Fund launched in Ireland on 30 May 2016 a sub-fund on the Fidante Partners Liquid Strategies ICAV (the ICAV Fund), on the basis that the ICAV Fund and the Fund are managed by the same investment manager and the investment strategy, process, methodology and universe of the ICAV Fund and of the Fund are identical. The Fund's investment strategy is represented here as the ICAV Fund's performance on an after fees basis whereby returns are adjusted to deduct the fees applicable to the Fund as if applied throughout the relevant performance period of the ICAV Fund. The ICAV Fund's performance is also adjusted to be expressed in Australian dollars (converted from US dollars by applying the MSCI AUD USD 4PM London closing spot rate on the last business day of each month, sourced from Reuters DataStream). Returns are calculated after fees have been deducted and assume distributions have been reinvested. No allowance is made for tax when calculating these figures. Past performance is not a reliable indicator of future performance.

An Overview of the Strategy of the Fund

- The Fund provides investors with exposure to a diversified portfolio of global core infrastructure stocks.
- The Fund invests in assets that protect the real value of the investment whilst providing predictable cash returns; this is achieved through investing in high quality assets that have clear and measurable cash flows.
- A thorough investment process ensures that each stock is assessed against the same core infrastructure criteria used to assess infrastructure in private markets:
 - Stable operational cash flows
 - Inflation linkage
 - High capital cost, high operating margin
 - Monopoly characteristics
 - Low correlation with economic activity

Fund Facts

Domicile	Australia
Inception date	29 August 2019
Portfolio manager	Ursula Tonkin, PATRIZIA SE
Base Currency	AUD Unhedged
Management fee	0.75% p.a.
Minimum investment	\$10,000
Fund size	\$0.66 million
Distribution frequency	Quarterly

PATRIZIA Low Carbon Core Infrastructure Fund

Monthly Fact Sheet – AUD Unhedged



ARSN 631 299 084 APIR HOW7305AU

Fund Characteristics	
Universe	Global Developed Markets: Infrastructure and Utilities Sectors
Number of stocks	30-60 equal weighted
Benchmark	OECD CPI +5% p.a.
Expected volatility	~20-30% less than global equities over the long term
Expected returns	OECD CPI +5% p.a. over a 5 year horizon
Expected dividend yield	3.3%
Expected distribution yield	2.8%

Portfolio Characteristics and Construction

Value

	PATRIZIA LCCIF	FTSE DCI INDEX ⁴
Dividend yield	3.7%	3.3%
Price/book	1.6	2.5
EV/EBITDA	10.3	13.8
FCF yield	5.3%	3.9%

Quality

	PATRIZIA LCCIF	FTSE DCI INDEX
RoIC	5.1%	5.4%
RoA	2.7%	1.7%
Debt/equity	141%	210%
Payout ratio	71%	69%

Risk

	PATRIZIA LCCIF	FTSE DCI INDEX
Tracking error	7.9%	
Beta vs. MSCI	0.64	0.69
Volatility	12.5%	13.8%
Concentration – Top 5	13.9%	24.0%

⁴The FTSE Developed Core Infrastructure Index.

Sources: PATRIZIA SE, Bloomberg.

Investment Philosophy

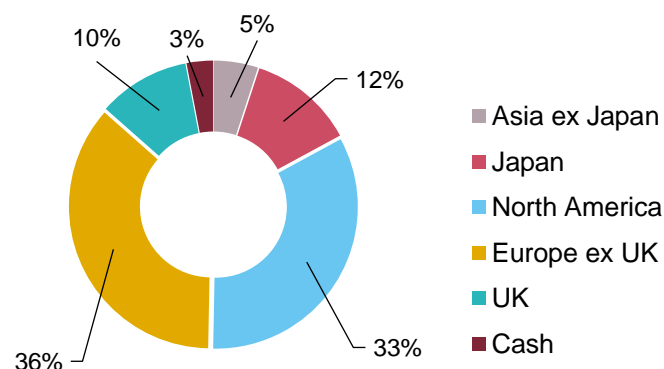
PATRIZIA adopts a strict investment philosophy and approach to listed infrastructure that shapes the way it invests:

- Only invest in ‘core’ infrastructure
- Build diversified portfolios of quality assets
- Ensure every acquisition has a conservative capital structure and a sustainable cash yield
- Don’t overpay, and be a patient investor

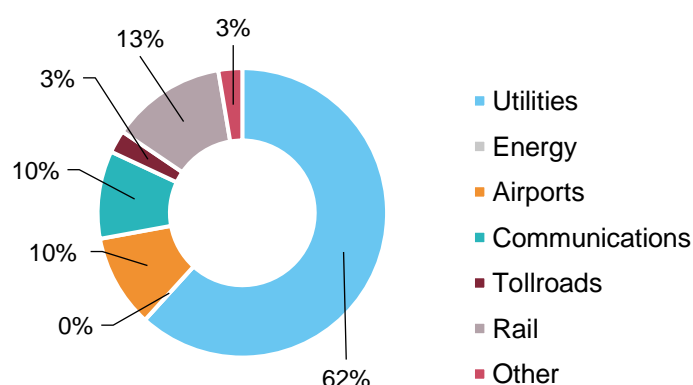
This investment philosophy has been built on the decades of experience PATRIZIA has in investing and managing infrastructure assets.

Asset Allocation	Actual %	Range %
Security	97.3	90-100
Cash	2.7	0-10

Country Exposure



Sector Exposure



PATRIZIA Low Carbon Core Infrastructure Fund

Monthly Fact Sheet – AUD Unhedged



ARSN 631 299 084 APIR HOW7305AU

Manager Commentary

The PATRIZIA Low Carbon Core Infrastructure Fund (AUD unhedged) returned 6.5%, net of fees, in October. The Fund has returned 1.7% p.a. net of fees since its inception in August 2019.

Global equities remained volatile but recovered most of the losses experienced in September with the MSCI World Index recovering 7.8%. With bond markets stabilising and the jump in yields across developed markets now under control, the defensiveness of the Fund's investment in core, regulated utilities stocks was illustrated this month. The Fund's North American utilities holdings returned 6.6% compared to the S&P 500 Utilities index return of 3.0%, and the Fund's European utilities delivered 8.1% compared to the Stoxx 600 Utilities Index return of 5.2%. The Fund's transportation infrastructure stocks also returned strongly this month, however, the communication sector detracted from the performance.

Stock Performance

- U.S. water utilities company SJW Group has been the best performing stock this month (+22.7%). SJW reported 3Q22 EPS of \$0.82 and recurring EPS of \$0.83, beating the \$0.61 median estimate. To date in 2022, SJW's water utility subsidiaries have received rate increases or regulatory surcharges of approximately \$37.9 million in annualized revenue. The company has rate and surcharge decisions pending, that if authorized as proposed, would add an estimated \$500,000 in incremental revenue illustrating the inflation linked nature of the stock.
- Crown Castle International (-7.8%) has been the worst performing stock in the portfolio. It released Q3 earnings highlighting its new tower leasing activity is weakening, expected to be \$135-145m, down from \$150-160m in 2022. Cash leasing revenue was better than expected along with services for the quarter and 2022 guidance was maintained, but the 2023 guidance was light on towers and fiber, and better on small cells and services.

- UK utilities United Utilities (+5.7%), Pennon (+6.4%) and National Grid (+1.9%) underperformed the US and European utilities, but still held up well against the FTSE 100 Index, which returned 2.3%. The UK's new government is yet to announce credible economic policy going forward, however, as the GILT market has now stabilized, we expect the UK positions to perform well.
- German multi utility EON (+8.4%) recovered previous losses and although the sudden and unexplained gas leaks detected in the Nord Stream 1 and 2 pipelines from Russia to Germany still result in no gas flows, the likely operation extension of Isar 2 (owned by a subsidiary of EON) should support future top-line growth.

Economic indicators such as producer and manufacturing indices are continuing to slow across the globe, global housing markets are teetering and a prolonged Russian war in the Ukraine looks likely. This deterioration of economic conditions while persistent double-digit inflation and consequent surging interest rates in most developed markets are yet to be controlled, gives us comfort of our defensive portfolio positioning. No changes in holdings were made in October, and the Fund remains well positioned in high quality core infrastructure assets, including 62% invested in fully regulated utilities with stable dividend yields and direct inflation linkage of revenue streams.

Morningstar Rating™ of the ICAV Fund

	Morningstar Returns	Morningstar Risk	Morningstar Rating
5-Year	Above Average	Low	★★★★★
Overall	Above Average	Low	★★★★★

Morningstar category: Sector Equity Infrastructure as at 31/10/2022

© 2022 Morningstar, Inc. All rights reserved. The information contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete, or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information. Past performance is no guarantee of future results.



Head of Listed Strategies
URSULA TONKIN

- Extensive portfolio management and analytical experience in Australian and global equities.
- Prior roles include portfolio manager of an international equity fund targeting investment in companies involved in global sustainable energy supply and use, and lead analyst responsible for covering energy infrastructure, natural gas and renewable energy.
- The Low Carbon Core Infrastructure team is embedded in PATRIZIA's broader unlisted infrastructure team and is overseen by the PATRIZIA Listed Infrastructure Strategies Investment Committee which comprises the most experienced infrastructure investors in the firm.