

Alma Recurrent Energy Infrastructure Income Fund

Data as of
30 September 2024

Fund AUM
\$15,367,756

Fund Launch
11 May 2023



Investment Strategy

- The fund seeks total return with substantial current income from a diversified portfolio of energy infrastructure companies specialising in the transportation of oil and gas.
- Energy infrastructure assets often generate revenues with inflation and interest rate pass-throughs, making investments in these companies potentially better insulated from inflation risks over time. Further, energy infrastructure assets have long lives and low variable costs, meaning they can generate high levels of free cash flow across the full economic cycle.
- The fund may invest in companies of any market size capitalisation, including IPOs.
- The investment process is strongly focused on company-level valuation analysis.

Investment Manager - Recurrent⁽¹⁾

- SEC-registered Houston-based independent investment advisor founded in 2017, with \$1bn in AUM.
- Portfolio is managed by Mark Laskin and Bradley Olsen, founders of the firm, who both worked at BP Capital Fund Advisors and have extensive experience in energy investing.
- Specialised in energy and natural resources investment.

Performance History (11 May 2023 - 30 September 2024)⁽²⁾



Fund Performance Summary (I USD C Share Class)⁽²⁾

	Return				Annualised Return		
	1M	6M	YTD	ITD	1Y	3Y	ITD
Alma Recurrent Energy Infrastructure Income Fund	-1.51%	7.08%	20.59%	39.81%	25.85%	-	27.22%

Volatility since Launch (%) 13.94%

Please refer to our website to find performances for other shares classes.

Alma Capital Commitments



Monthly Fund Performance (I USD C Share Class)⁽²⁾

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2024	0.90%	3.62%	7.71%	-1.46%	3.27%	0.26%	3.51%	2.94%	-1.51%				20.59%
2023					-2.22%*	7.07%	5.69%	0.52%	-0.13%	-2.35%	5.87%	0.95%	15.94%

*Performance has been calculated since the share class launch

Contact Details

+33 1 56 88 36 61 (FR)
info.investors@almacapital.com
www.almacapital.com

(1) Represents the views of Recurrent Investment Advisors LLC. Alma Capital Investment Management does not take any responsibility for these views and does not necessarily endorse or support such views. (2) Source: Alma Capital Investment Management. The Fund's performance above is shown net of all fund fees. Past performance is not a reliable indicator of future returns. All information as of 30 September 2024 unless otherwise specified. Please refer to the disclaimers at the end of this document.

Alma Recurrent Energy Infrastructure Income Fund

Data as of
30 September 2024

Fund AUM
\$15,367,756

Fund Launch
11 May 2023

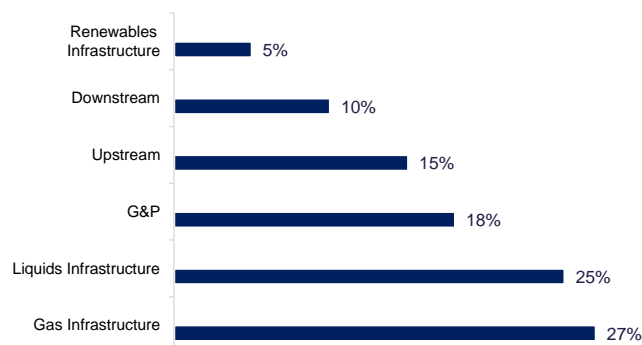


Fund Characteristics

Portfolio Characteristics ⁽³⁾

Main indicators	Fund
No. of securities	27
Weighted Average Market Cap (\$ bn)	30.7
Median Market Cap (\$ bn)	19.9
Price/Earnings (x)	15.7
Price/Book (x)	2.2
Estimated Dividend Yield (%)	4.2

Sector Exposure (% AUM) ⁽⁴⁾



Top 10 Issuers ⁽⁵⁾

Issuer name	Sector	% AUM
PEMBINA PIPELINE CORPORATION	Oil & Gas Transportation Services	7.53%
PLAINS GP HOLDINGS L.P.	Oil & Gas Transportation Services	6.22%
KEYERA CORP.	Oil & Gas Transportation Services	6.15%
ONEOK INC.	Oil & Gas Transportation Services	5.86%
TARGA RESOURCES CORP.	Oil & Gas Transportation Services	5.54%
CHENIERE ENERGY INC.	Oil & Gas Transportation Services	5.31%
CENOVUS ENERGY INC.	Oil & Gas Transportation Services	5.10%
THE WILLIAMS COMPANIES INC.	Integrated Oil & Gas	4.84%
KINDER MORGAN INC.	Integrated Oil & Gas	4.64%
SUNCOR ENERGY INC.	Oil & Gas Transportation Services	4.37%
TOTAL :		55.55%

Key Facts

Issuer / Manager	Alma Capital Investment Funds / Alma Capital Investment Management					
Fund Type	Luxembourg UCITS SICAV					
Share Classes *	I USD C	I EUR-H C	I EUR C	R USD C	R EUR-H C	
ISIN-Code	LU2568321942	LU2568322320	LU2568321785	LU2568322833	LU2568323211	
BBG Ticker	ALMAYUI LX	ALMAENQ LX	ALMNRCP LX	ALMAENR LX	ALMNRCS LX	
Currency	USD	EUR	EUR	USD	EUR	
Management Fee p.a. ⁽⁶⁾	1.05%	1.05%	1.05%	1.55%	1.55%	
Tax d'abonnement p.a.	0.01%	0.01%	0.01%	0.01%	0.01%	
Initial Issue Price	\$100	€100	€ 100	\$100	€ 100	
Launch Date	11 mai 2023					
Subscription and Redemption Cut-Off	12:00 p.m. CET (T-1)					
Valuation Day (T)	Daily					
NAV Publication	Daily, published on a T+1 basis					
Settlement	T+3					
Depository, Administrator, Transfer Agent	BNP Paribas S.A.					
Registered Countries ⁽⁶⁾	France, Luxembourg					
SRI	6					

* Note: additional share classes available, please refer to the Prospectus

(3) Source: Alma Capital Investment Management. (4) Source: Recurrent Investment Advisors LLC (5) Management Fee is payable monthly to the Management Company and is calculated on each Valuation Day on the basis of the Net Asset Value of the relevant Share Class. The Investment Manager is remunerated by the Management Company out of the Management Fee. (6) Registered countries where at least one share of the fund is registered. All information as of 30 September 2024 unless otherwise specified. Please refer to the disclaimers at the end of this document.

Alma Recurrent Energy Infrastructure Income Fund

Data as of
30 September 2024

Fund AUM
\$15,367,756

Fund Launch
11 May 2023



Commentary - Recurrent - September 2024 ⁽⁷⁾

In recent letters, we've highlighted how midstream infrastructure is one of the few yield-generating asset classes with low correlations to Fed policy. We've written about midstream discounts vs. REITs, utilities, and bonds... and how midstream should benefit from AI datacenters (while avoiding much of the capex required for the AI buildout). Still, many assume that the YTD rally bakes in much of the good news. Below, we see Wall Street's forecasted EBITDA growth implying that EV/EBITDA valuations are nearly flat YTD, despite nearly 20% YTD returns. Midstream offers comparable growth to Utilities, at a 30%+ EV/EBITDA valuation discount, before factoring in Wall Street's tendency to underestimate midstream EBITDA.

[Click here for our new midstream white paper, which explores midstream's excess \(and growing\) yield vs. fixed income](#)

Performance review

During the month of September 2024, the Alma Recurrent Energy Infrastructure Fund returned -1.51%. On a year-to-date basis the Fund has risen 20.59%.

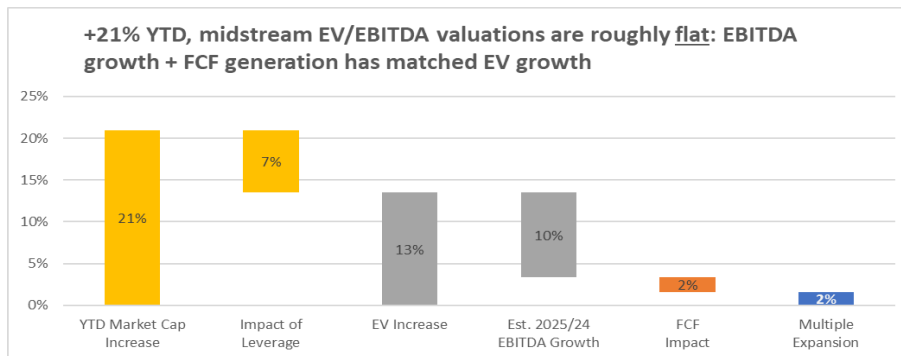
With the midstream sector up ~20% YTD, is it possible that valuations are only up 3%?

Year to date, midstream stock performance is unambiguously positive.

Naturally, after an already-robust three-year performance period from 2021-23, investors are cautious given such strong performance YTD. But how does the increase in market valuations compare to business fundamentals? When we account for EBITDA growth, FCF generation (in reducing net debt, FCF effectively reduces EVs over time), and the reduction in leverage (as measured by debt/EBITDA), midstream valuations are roughly flat since December 31, 2023 – and maybe even cheaper than they were at the beginning of the year, given Wall Street's tendency to underestimate midstream EBITDA.

How does this math add up? Let's walk through the chart below:

- Midstream sector market cap (including C-corps) has increased by 21% YTD.
- With debt roughly flat over that time, enterprise values (EVs) have only increased by 13% YTD.
- In December 2023, Wall Street consensus estimates for next year (2024E) EBITDA was \$108bn. As of September 30, 2024, next year (2025E) EBITDA is expected to be \$119bn (10% increase)
- In the next 12 months, midstream stocks are expected to generate \$51bn in FCF to cover \$32bn of dividends. The remaining \$20bn of FCF modestly reduces EV by 2%.
- The result is an EV/EBITDA that is, at least based on Wall Street consensus – comparably valued as it was in late 2023.

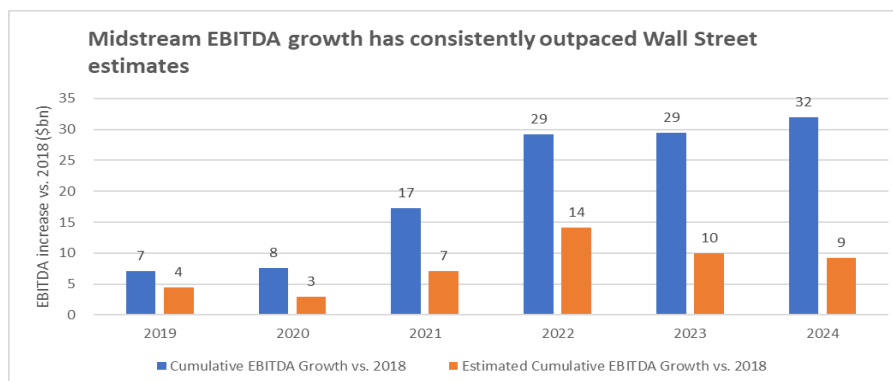


Source: Recurrent research, SEC filings, Bloomberg.

Notes: Compares public company EV as of 12/31/23 and 9/30/24, along with public EBITDA and FCF estimates for 2024 and 2025 as of those same dates.

Wall Street analysts have been slow to come around to the increased earnings power of the midstream sector... leaving more upside

So there's good news – the midstream sector, by one measure at least – has gone from 8.8x EV/EBITDA to 9.0x EV/EBITDA. In other words, valuations based on forward EBITDA estimates have only increased by 2% even as investors have seen 20%+ appreciation. But then there's better news – the same Wall Street analysis that makes midstream look attractively valued has systematically underestimated EBITDA over the last 5 years. If this trend continues, EBITDA growth could exceed the 10% modeled above – implying an even cheaper EV/EBITDA valuation next year.



Source: Recurrent research, SEC filings, Bloomberg.

Notes: reflects Bloomberg estimates immediately prior to quarterly reporting vs. actual reported EBITDA.

(7) Information provided by Recurrent Investment Advisors LLC. Alma Capital Investment Management and its affiliates take no responsibility for the content. All information as of 30 September 2024 unless otherwise specified. Please refer to the disclaimers at the end of this document.

Alma Recurrent Energy Infrastructure Income Fund

Data as of
30 septembre 2024

Fund AUM
\$15,367,756

Fund Launch
11 mai 2023



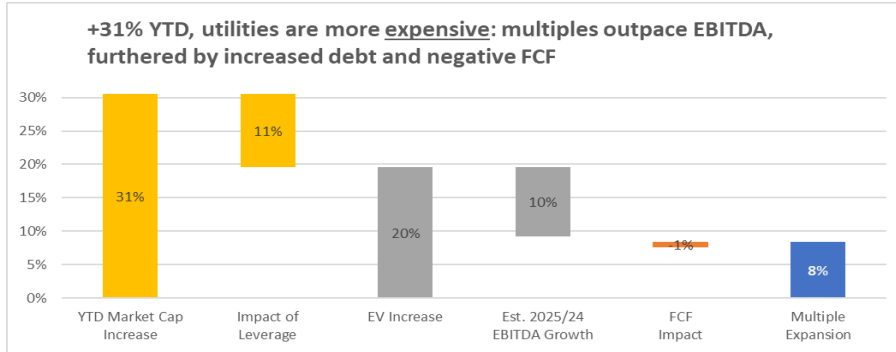
Commentary - Recurrent - September 2024 ⁽⁷⁾

How has YTD stock performance impacted valuations in comparable sectors?

Like Midstream, the Utility sector has also enjoyed strong YTD stock performance, with the sector rebounding after negative absolute performance and weak relative performance in 2023. Performance has been particularly bolstered by unregulated IPP companies, which are much more exposed to rising spot electricity prices vs. traditional regulated utilities.

While the YTD total return is comparable to midstream, the composition of the return is notably different, as the sector has become more expensive on an EV/EBITDA basis. Let's walk through the chart below:

- Utility sector market cap has increased by 31% YTD.
- With debt increasing alongside market caps, enterprise values (EVs) have increased by 20% YTD.
- Comparable to midstream, Wall Street forecasts expect 2025E EBITDA to increase 10% over 2024 EBITDA levels.
- However, unlike midstream, utility growth is being funded by negative FCF – funded by debt which will further inflate EV – of nearly \$60bn after dividends, inflating EVs by 2%.
- The result is an EV/EBITDA that has increased from 11.0x to 12.2x (+11% increase in valuation) since December 2023.

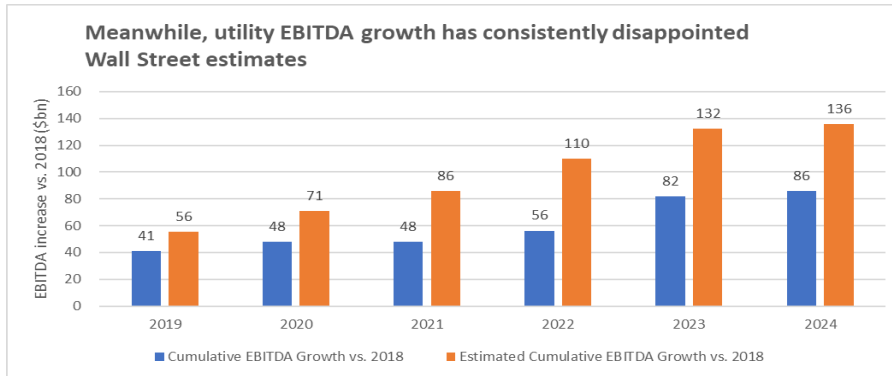


Source: Recurrent research, SEC filings, Bloomberg.

Notes: Compares public company EV as of 12/31/23 and 9/30/24, along with public EBITDA and FCF estimates for 2024 and 2025 as of those same dates.

Wall Street has systematically overestimated Utility EBITDA, primarily a result of unforeseen fires and freezes

In a nearly mirror image of Wall Street's underestimation of midstream, Wall Street has overestimated utility EBITDA. This is in large part due to weather events which have caused utilities to take charges against earnings, often without future recovery in regulated earnings.



MARKETING COMMUNICATION

Alma Capital Investment Funds is a Luxembourg undertaking for collective investment pursuant to Part I of the law of 17 December 2010 relating to undertakings for collective investment. It is registered with the Luxembourg Trade and Companies' Register under number B159458 and has its registered address at 22-24 Boulevard Royal, L-2449, Luxembourg, Grand Duchy of Luxembourg.

Alma Capital Investment Management S.A. acts as the management company. It is governed by chapter 15 of the law of 17 December 2010 and supervised by the Commission de Surveillance du Secteur Financier (CSSF) in Luxembourg under number S00000930. It is incorporated under the form of a société anonyme and has its registered address at 22-24 Boulevard Royal, L-2449, Luxembourg.

It is registered with the Luxembourg Trade and Companies' Register under number B171608 and its website is: www.almacapital.com

Recurrent Investment Advisors LLC acts as the delegated Investment Manager. Except as otherwise stated, Recurrent Investment Advisors LLC does not take any responsibility for the accuracy of the contents of this document, any representations made herein or the performance of the Fund. Recurrent Investment Advisors LLC disclaims any liability for any direct, indirect, consequential or other losses or damages including loss of profits incurred by you or by any third party that may arise from any reliance on this document or for the reliability, accuracy or completeness thereof.

Recurrent Investment Advisors LLC is not responsible for, nor involved in, the marketing, distribution or sales of shares or interests in the Fund and is not responsible for compliance with any marketing or promotion laws, rules or regulations; and no third party is authorised to make any statement about any of Recurrent Investment Advisors LLC's products or services in connection with any such marketing, distribution or sales.

This material is issued and has been prepared by the management company. It contains opinions and statistical data that are considered lawful and correct on the day of their publication according to the economic and financial environment at the time. This document does not constitute investment advice or form part of an offer or invitation to subscribe for or to purchase any financial instrument(s) nor shall it or any part of it form the basis of any contract or commitment whatsoever.

This document has been prepared without consideration of the investment needs, objectives or financial circumstances of any investor. Before making an investment decision, investors need to consider, with or without the assistance of an investment adviser, whether the investments and strategies described or provided by Alma Capital Investment Management, are appropriate, in light of their particular investment needs, objectives and financial circumstances. Any report or analysis within this document is shown for information, discussion or illustrative purposes and does not constitute an offer, recommendation or solicitation to conclude a transaction and should not be treated as giving investment advice.

Past performance does not predict future returns.

The performance figures disclosed in this document are based on the net asset values in US Dollar. Returns may increase or decrease as a result of currency fluctuations.

The information contained in this document is provided for information purposes only. Any investment decision in relation to a fund should be based solely on the latest version of the prospectus (which includes the specific risks that investors should consider before investing), the audited annual and, if more recent, un-audited semi-annual reports and the Key Investor Document (KID), all of which are available in English upon request to Alma Capital Investment Management S.A., 22-24 Boulevard Royal, L-2449, Luxembourg or on www.almacapital.com

All information referred to in the present document is available on www.almacapital.com

© Alma Capital Investment Management S.A. 2024. All rights reserved. No further distribution is allowed without prior written consent of the Issuer.

(7) Information provided by Recurrent Investment Advisors LLC. Alma Capital Investment Management and its affiliates take no responsibility for the content.

All information as of 30 September 2024 unless otherwise specified.

Please refer to the disclaimers at the end of this document.