

# First Sentier Global Listed Infrastructure Fund

Formerly the Colonial First State Global Listed Infrastructure Securities Fund-Class A

## Quarterly Factsheet

30 June 2021

For Adviser use only

### Portfolio Description

The Fund invests in the shares of listed companies from around the world that own or operate infrastructure assets.

### Investment Strategy

The Fund invests directly or indirectly in shares of infrastructure companies around the world. The infrastructure sector includes operating assets from the transport, utilities, energy and communications sectors. The strategy is based on active, bottom-up security selection which seeks to identify mispricing. The Fund seeks to minimise risk through on-the-ground research, focus on quality and sensible portfolio construction. This fund aims to hedge its currency exposure.

### Investment Objective

To deliver capital growth and inflation protected income by investing in a globally diversified portfolio of infrastructure securities. The Fund aims to outperform the FTSE Global Core Infrastructure 50/50 Index hedged to Australian dollars over rolling three-year periods before fees and taxes.

### Key Investment Personnel and Experience (Industry / Firm)

Peter Meany	Head of Global Listed Infrastructure	(1996 / 2007)
Andrew Greenup	Deputy Head of Global Listed Infrastructure	(1996 / 2005)

### Product Overview

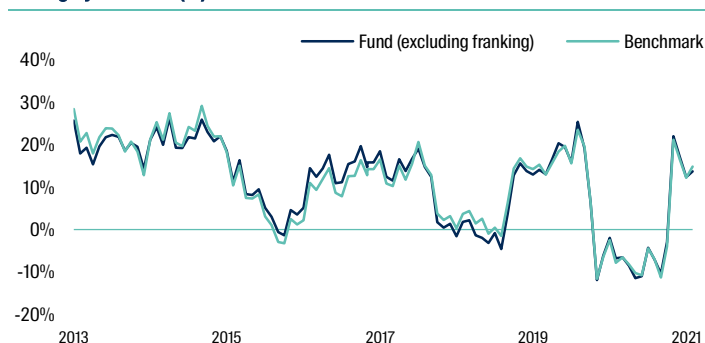
APIR code	FSF1241AU
Inception date	28 May 2012
Fund Size (AS)	394 million
Benchmark	FTSE Global Core Infrastructure 50-50 Net Index - AUD Hedged
Number of stock holdings	47
Buy / Sell spread	0.10% / 0.10%
Management cost (p.a.)*	0.95%

\* Information on Management Costs (including estimated indirect costs) is set out in the Fund's PDS.

### Performance Summary (%)

Period	3mth	1yr	3yr	5yr	7yr	10yr	SI
Net return	2.5	13.7	6.5	6.7	8.4	-	11.6
Benchmark return	2.5	14.9	6.9	7.0	8.0	-	11.7
Excess net return	0.1	-1.1	-0.3	-0.3	0.4	-	-0.1

### Rolling 1 year return (%)



### Top 5 holdings

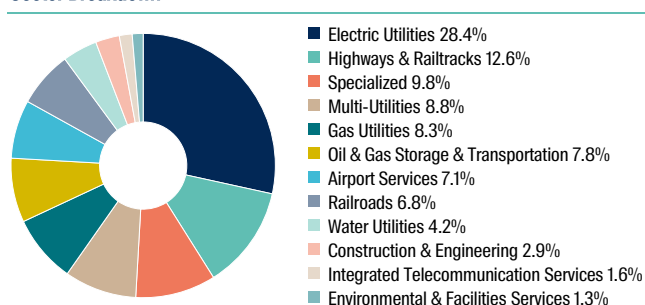
Stock
Aena SA
American Tower Corporation
Dominion Energy Inc COM
Nextera Energy Inc
Transurban

Sorted alphabetically

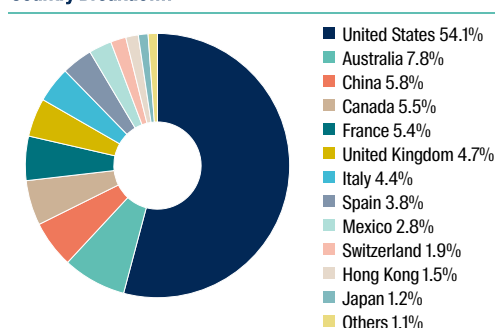
### Risk Characteristics

Period	1yr	3yr	5yr	7yr	10yr	SI
Fund standard deviation (%)	10.3	14.2	12.0	11.3		10.6
Benchmark standard deviation (%)	9.8	13.8	11.7	11.0		10.6
Tracking error (%)	2.2	2.2	2.1	2.1		2.1
Fund Sharpe ratio	1.3	0.5	0.5	0.6		0.9
Information ratio	-0.5	-0.1	-0.1	0.2		-0.1
Beta	1.0	1.0	1.0	1.0		1.0

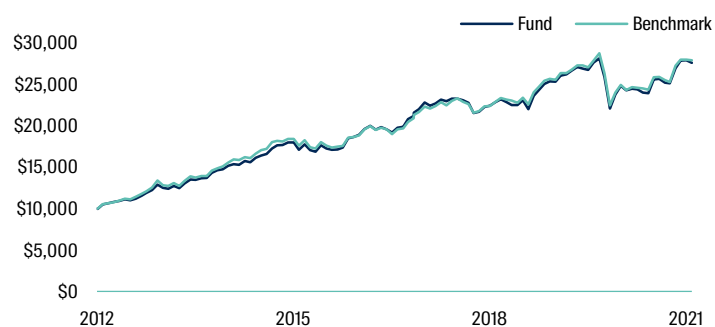
### Sector Breakdown



### Country Breakdown



## Growth of AUD 10,000 Investment Since Inception



## Top 5 Attributors To Performance (3 Months)

Stock	Value added
SBA Communications Corp Class A	0.37%
Magellan Midstream Partners LP	0.27%
Pembina Pipeline Corporation	0.21%
Airports of Thailand Public Co, Ltd	0.20%
Enterprise Products Partners L.P.	0.20%

## Top 5 Detractors To Performance (3 Months)

Stock	Value added
China Gas Holdings Limited	-0.48%
Crown Castle International Corp	-0.36%
Enbridge Inc.	-0.31%
Cellnex Telecom SA	-0.19%
Tokyo Gas Co Ltd	-0.17%

Performance returns are calculated net of management fees and transaction costs. Performance returns for periods greater than one year are annualised. Past performance is not a reliable indicator of future performance.

Data source: First Sentier Investors 2021

Data as at: 30 June 2021

## Market insights

Global listed infrastructure gained in the June quarter, aided by generally resilient quarterly earnings numbers and rapid progress in the US vaccination rollout. The asset class also continued to expand, with the announcement of a €9 billion IPO for Spanish renewables-focused utility Acciona Energia, and the planned government privatization of Brazil's largest electric utility, Eletrobras. The Fund returned +2.5% after fees, in line with its benchmark index. Global equities gained +7.6% over the same period.

## Sector and region performance

Towers / Data Centres rose strongly on positive earnings results, moderating bond yields and the anticipation of higher earnings growth as telecom operators ready themselves to deploy 5G equipment onto tower sites at scale. Pipelines also outperformed, reflecting exceptionally strong March quarter earnings numbers, a disciplined approach to capex spending, undemanding valuation multiples and a higher oil price.

Airports underperformed as the spread of the Delta coronavirus variant added uncertainty to the timeframe for a return to normal travel and economic activity levels. North American freight rail stocks achieved consistently strong volumes, but lagged on concerns that unusually hot weather in the US and Canada may affect Agricultural haulage volumes.

## Portfolio activity

The Fund initiated a position in Duke Energy, a large-cap, North Carolina-based utility with 7.8 million electric customers in six states and 1.6 million natural gas customers in five states. Its forecast rate base growth of 6% per annum until 2024 is expected to support earnings growth of between 4% and 6% per annum. Having agreed to sell a 20% stake in its Duke Indiana subsidiary for a price well above its listed valuation multiples earlier this year, Duke may carry out further shareholder-friendly measures over coming months.

The Fund divested its holding in East Japan Railway after a more positive outlook for passenger numbers since the start of the year drove significant share price gains and reduced the stock's mispricing.

## Market outlook

The Fund invests in a range of global listed infrastructure assets including toll roads, airports, railroads, utilities, pipelines, and wireless towers. These sectors share common characteristics, like barriers to entry and pricing power, which can provide investors with inflation-protected income and strong capital growth over the medium-term.

A key question for investors is whether current rising prices are a transitory phenomenon, or whether the global economy is now about to embark on a sustained period of higher inflation. Infrastructure assets are typically able to increase prices in line with inflation. This can be achieved via the terms of their regulatory frameworks, concession agreements or customer contracts; or in some cases by operating from a strong strategic position with limited competition. Accordingly, infrastructure assets can often maintain and grow earnings in real terms, supporting a stable and growing distribution yield over time. This history gives us confidence that listed infrastructure would fare relatively well in the event of a higher inflation environment.

The asset class is also set to benefit from a number of other positive drivers. Government attempts to bolster economic fundamentals through infrastructure and green energy stimulus plans are likely to prove supportive of many global listed infrastructure firms. In particular, the ongoing repair and replacement of old energy transmission and distribution grids, along with the accelerating build-out of renewables, should represent a steady source of utility earnings growth over many years.

Ever-increasing demand for mobile data / connectivity continues to underpin steady earnings growth for Towers and Data Centres, insulating them from the ebbs and flows of the broader global economy. There is also scope for a material recovery in traffic / passenger volumes across coronavirus-impacted infrastructure sectors such as toll roads, airports and passenger rail, as vaccine programs ramp up globally.

**Portfolio Beta** measures the portfolio's sensitivity to benchmark movements. Mathematically, it is the covariance of the portfolio vs the benchmark divided by the variance of the benchmark. The covariance and variance are ex ante calculations based on current weights and historic patterns of return over the past five years.

[www.firstsentierinvestors.com.au](http://www.firstsentierinvestors.com.au)

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