

First Sentier Global Listed Infrastructure Fund Hedged Share Class

For Adviser use only

Portfolio Description

This Fund is suitable for investors seeking long term income and growth from global listed infrastructure companies.

Investment Strategy

The Fund invests 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. The Fund's Hedged Share Class uses derivatives to hedge its currency exposure to Australian dollars.

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 its Benchmark 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)
Edmund Leung	Senior Portfolio Manager	(2006 / 2007)

Product Overview

APIR code	FSF1241AU
Inception date	28 May 2012
Fund Size (AS)	262 million
Benchmark	FTSE Global Core Infrastructure 50-50 Net Index - AUD Hedged
Number of stock holdings	41
Buy / Sell spread	0.15% / 0.15%
Management fees and costs (p.a.)*	0.95%

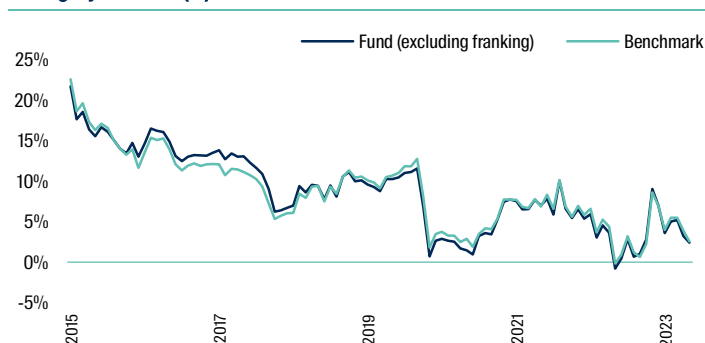
* Information on Management fees and costs (including estimated indirect costs) is set out in the Fund's PDS.

Performance Summary (%)

Period	3mth	1yr	3yr	5yr	7yr	10yr	SI
Net return	-8.4	-2.7	2.4	2.7	3.5	6.8	8.5
Benchmark return	-7.3	-2.7	2.6	2.8	4.0	6.9	8.8
Excess net return	-1.0	0.0	-0.2	-0.1	-0.4	-0.1	-0.3

Past performance is not a reliable indicator of future performance.

Rolling 3 year return (%)



Top 5 holdings

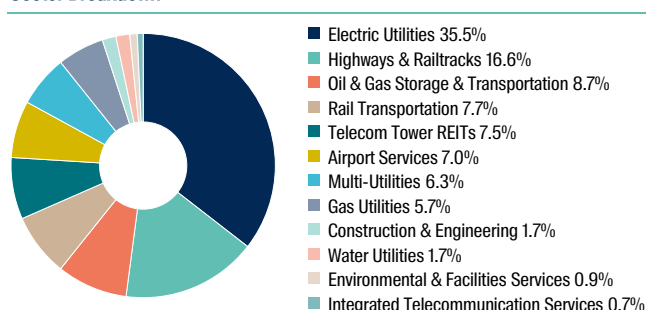
Stock
American Tower Corporation
Cheniere Energy, Inc.
Duke Energy Corporation
Southern Company
Transurban

Sorted alphabetically

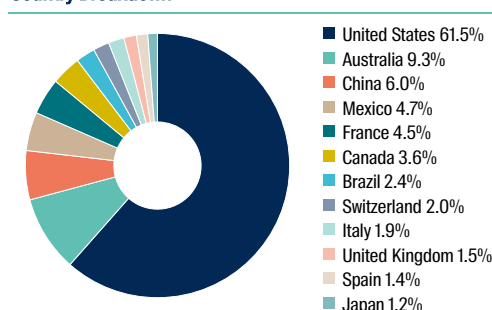
Risk Characteristics

Period	1yr	3yr	5yr	7yr	10yr	SI
Fund standard deviation (%)	13.2	14.2	14.8	13.1	11.9	11.6
Benchmark standard deviation (%)	12.2	13.6	14.3	12.7	11.6	11.5
Tracking error (%)	2.4	2.0	2.1	2.1	2.0	2.1
Fund Sharpe ratio	-0.5	0.1	0.1	0.2	0.4	0.5
Information ratio	0.0	-0.1	0.0	-0.2	0.0	-0.1
Beta	1.1	1.0	1.0	1.0	1.0	1.0

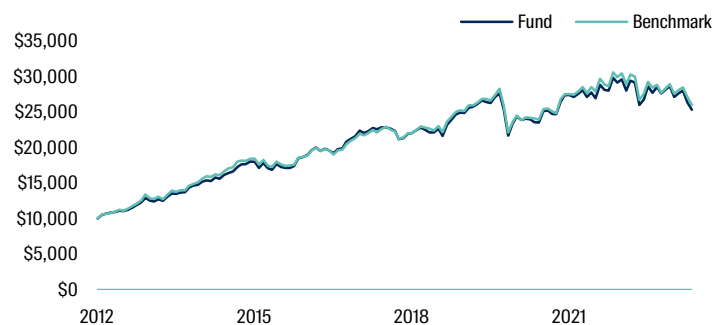
Sector Breakdown



Country Breakdown



Growth of AUD 10,000 Investment Since Inception



Top 5 Attributors To Performance (3 Months)

Stock	Value added
Targa Resources Corp.	0.37%
Cheniere Energy, Inc.	0.32%
Dt Midstream Inc Com USD0.01 WI	0.30%
AltaGas Ltd.	0.23%
NextEra Energy, Inc.	0.16%

Top 5 Detractors To Performance (3 Months)

Stock	Value added
ENN Energy Holdings Limited	-0.55%
Crown Castle International Corp	-0.24%
Adani Ports & Special Economic Zone Ltd.	-0.24%
Williams Companies, Inc.	-0.16%
Beijing Capital International Airport Co., Ltd. Class H	-0.15%

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 2023 Data as at: 30 September 2023

Market insights

Global Listed Infrastructure fell in the September quarter as market expectations that interest rates were likely to remain “higher for longer” were priced into valuations.

Sector and region performance

Energy Midstream held up relatively well, supported by rising energy prices and a positive demand outlook for energy storage and transportation services. Generally favourable passenger volume trends for Japanese passenger rail and European / Latin America airport stocks helped the Railroads and Airports sectors to limit their losses.

The bond yield-sensitive Towers sector came under pressure as the US 10-year treasury yield increased from 3.8% to 4.6% during the quarter. Water / Waste and Utilities / Renewables were also affected by this. Toll Roads gave up ground as investors took profits, following healthy share price increases in the first half of the year.

Portfolio activity

The Fund initiated a position in US utility / energy midstream company UGI Corp. The business consists of four distinct segments; regulated gas utilities in Pennsylvania and West Virginia; energy midstream in the Appalachia region; propane distribution in the US; and propane distribution in Europe. A growing focus on the structural headwinds facing its propane businesses, and concerns that the company may seek to acquire additional utility assets, had seen the stock trade down to very appealing levels. The stock was added after announcing plans to carry out a strategic review, with the aim of reducing earnings volatility and strengthening its balance sheet.

No stocks were divested from the Fund during the September quarter.

Market outlook

The Fund invests in a range of listed infrastructure assets including toll roads, airports, railroads, utilities and renewables, energy midstream, wireless towers and data centres. 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.

Having held up well in 2022 against a backdrop of falling global equities, global listed infrastructure has underperformed during 2023. This appears to be primarily a reflection of macro factors; rising interest rates have weighed on infrastructure valuations, while inflation (which listed infrastructure assets can typically pass through to the end user) has subsided.

Performance in 2023 also reflects some more sector-specific headwinds. While passenger / traffic volumes for transport infrastructure have recovered to pre-pandemic levels in most cases, airports have yet to see a full recovery in Chinese overseas passengers, and business travel remains below 2019 levels. Toll roads face regulatory challenges in France and Australia, with a tax on concessions (toll roads, airports) being proposed in France, and Australia's competition authority opposing Transurban's proposed acquisition of EastLink. Towers have flagged the prospect of lower growth as telecom companies (towers' main customers) ease back on their mobile network investment plans.

However, the fundamentals of infrastructure have not changed. Infrastructure companies are still delivering essential services to millions of people every day, generating stable and predictable earnings via regulated or contracted frameworks. The theses for a number of long term, structural growth drivers remain largely intact.

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.

www.firstsentierinvestors.com.au

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