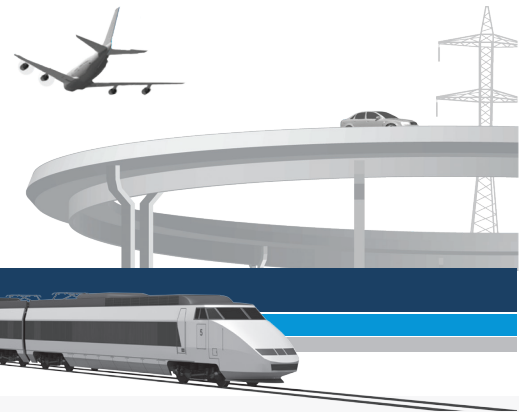


First State Global Listed Infrastructure Fund

Monthly Review and Outlook

April 2018



- The Fund invests primarily in global listed infrastructure and infrastructure-related equity and equity related securities worldwide. Investments in infrastructure projects may involve risks including projects not being completed on time and within budget, changes in environment laws and regulations.
- The Fund's investments may be concentrated in a single and limited/specialist sector or in fast growing economies which may have higher volatility or greater loss of capital than more diversified portfolios.
- Small/ mid-capitalisation securities may have lower liquidity and their prices are more volatile to adverse economic developments.
- The Fund may use FDIs for hedging and efficient portfolio management purposes, which may subject the Fund to additional liquidity, valuation, counterparty and over the counter transaction risks
- For certain share classes, the Fund may at its discretion pay dividend out of capital or pay fees and expenses out of capital to increase distributable income and effectively a distribution out of capital. This amounts to a return or withdrawal of your original investment or from any capital gains attributable to that, and may result in an immediate decrease of NAV per share.
- It is possible that a part or entire value of your investment could be lost. You should not base your investment decision solely on this document. Please read the offering document including risk factors for details.

Market Review

Global Listed Infrastructure gained in April, supported by robust earnings growth and a healthy economic backdrop. The FTSE Global Core Infrastructure 50/50 index rose +1.9%, while global equities^ ended the month +1.1% higher.

The best performing infrastructure sector was Satellites (+14%), reflecting relief that earnings guidance was not subject to further cuts. Airports (+5%) outperformed on robust volume growth for Asian and LatAm operators; while Railroads (+5%) climbed on strong operational performance from North American freight rail companies. The worst performing infrastructure sector was Towers (-5%), which fell after US telecom operators Sprint and T-Mobile (both significant tower customers) resurrected their merger plans.

Every region ended the month in positive territory, led by Japan (+9%) which rallied as North Korean geopolitical tensions eased. Europe ex UK (+6%) rose as healthy economic data was reflected in favourable earnings numbers from its transport infrastructure stocks. The worst performing region, North America (+1%), was held back by underperformance from its large-cap Tower stocks, but still delivered positive absolute returns.

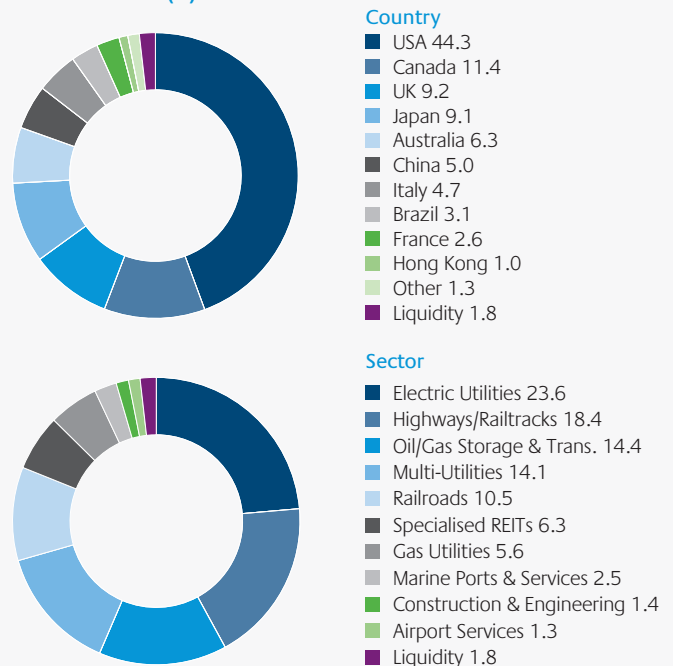
Performance Review

The Fund ended the month +2.7% higher¹, 80 basis points ahead of the FTSE Global Core Infrastructure 50/50 Index (USD, Net TR).

	Cumulative Performance in USD (%) ¹					Since inception
	3 mths	YTD	1yr	3yrs	5yrs	
Class I (USD - H Dist)	-3.7	-3.8	2.1	13.3	39.5	63.7
Benchmark*	-2.8	-2.7	5.0	16.7	41.3	61.8

	Calendar Year Performance in USD (%) ¹				
	2017	2016	2015	2014	2013
Class I (USD - H Dist)	17.2	11.7	-5.7	12.3	17.3
Benchmark*	18.4	11.3	-6.0	13.6	17.9

Asset Allocation (%)¹



[^] MSCI World Net Total Return Index, USD. ¹ Source: Lipper & First State Investments, Nav-Nav (USD total return) as at 30 April 2018. Since inception date: 27 June 2008. Performance is based on First State Global Listed Infrastructure Fund Class I (USD - H-Dist). This is the semi-annually dividend distribution class of the fund. The performance quoted are based on USD total return (with dividend reinvested). Dividends are not guaranteed and may be paid out of capital. *The benchmark displayed is the FTSE Global Core Infrastructure 50/50 Index.

Top 10 holdings (%) ²

Stock name	Sector	%
National Grid plc	(Multi-Utilities)	7.2
Transurban Group Stapled Deferred	(Highways/Railtracks)	6.3
Dominion Energy Inc COM	(Multi-Utilities)	5.7
American Tower Corporation	(Specialised REITs)	5.4
Kinder Morgan Inc Class P	(Oil/Gas Storage & Trans.)	5.2
NextEra Energy, Inc.	(Electric Utilities)	5.0
Atlantia S.p.A	(Highways/Railtracks)	4.7
Southern Company	(Electric Utilities)	4.7
East Japan Railway Co	(Railroads)	4.5
Enbridge Inc.	(Oil/Gas Storage & Trans.)	3.9

The best performing stock in the portfolio was Osaka Gas, whose full year earnings beat market consensus. Concerns about increased competition, following the recent de-regulation of local gas markets, are beginning to give way to renewed investor appreciation of the company’s cash generation and under-levered balance sheet. Japan Airport Terminal, which manages facilities and retail sales at Tokyo’s Haneda airport, continued to benefit from structural growth in Chinese overseas tourism. Passenger rail operators Central Japan Railway and East Japan Railway gained as business and leisure demand underpinned continued steady passenger growth on their high quality bullet train (shinkansen) services during the March quarter.

US east coast freight rail operator CSX announced better than expected March quarter earnings, helped by a disciplined approach to cost control. Earnings from peer Norfolk Southern, which services the same regions as CSX, also beat consensus as a result of very strong pricing, productivity improvements and higher volumes. The company also raised its share buyback program. These positive developments suggest that both companies are being spurred to lift their performance by the Precision Scheduled Railroading strategy being implemented by CSX’s new management team.

Most utilities shrugged off rising bond yields and gained during the month. US-listed gas utility UGI rallied ahead of its second quarter earnings result on growing market recognition of its earnings growth potential and strong financial metrics. Normalised (cooler) weather conditions proved supportive of its utility and midstream business segments. Alliant Energy received approval from the Iowa Utilities Board to build a further 500 megawatts (MW) of wind-powered generation capacity, in addition to an already-approved 500MW. The approval adds certainty to Alliant’s forecast rate base growth of between 5% and 7% pa. PG&E regained ground as work to fix the regulatory uncertainty surrounding Californian utilities’ wildfire liabilities continued. The main exception to this upward trend for utilities, and the worst performing stock in the portfolio this month, was Hong Kong-listed Power Assets Holdings, which gave up ground after paying out a HK\$6 per share special dividend.

Tower stocks Crown Castle and American Tower fell on concerns that their revenue growth rates may be curtailed by the proposed merger between Sprint and T-Mobile, as overlapping tower sites are decommissioned. The new combined company is forecast to require ~85,000 sites, compared to the ~109,000

used across both wireless operators today. The deal still requires regulatory approval, and could face opposition from consumer groups concerned about reduced competition.

Pipelines delivered mixed returns. Canada’s Enbridge Inc received approval to replace Line 3, a mature pipeline connecting Alberta oil sands to US refineries, but was denied permission to revise its route. The requirement to maintain the existing route – which makes it a more challenging project – is the latest reminder of the regulatory headwinds faced by the sector. More positively, Plains All American Pipeline rallied as robust Permian Basin volume growth highlighted the value of its strategically located West Texas-focused pipeline networks and storage assets. Kinder Morgan also outperformed as March quarter earnings came in ahead of consensus, helped by a strong result from its substantial gas pipelines division. As expected, the company raised its 2018 dividend by 60%, taking its yield to ~5%.

During April the Fund sold pipeline operator Enterprise Products Partners after significant outperformance compared to its peers reduced mispricing. Holdings in Dutch-listed energy storage company Vopak were sold after strong earnings and positive guidance saw the share price rally, and we became concerned about increasing competition at its core Rotterdam operations. Spanish toll road Abertis was also sold as the Atlantia / ACS takeover saga drew close to a resolution.

Market Outlook and Fund Positioning

The Fund invests in a range of global listed infrastructure assets including toll roads, airports, ports, railroads, utilities, pipelines and mobile 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.

Two key risks for Global Listed Infrastructure investors – (i) a sharp rise in interest rates, and (ii) political and regulatory interference – came to the forefront of investors’ minds during the first quarter of 2018. After the resulting pullback, our outlook for the asset class is now more positive. Valuation multiples are at or below historic averages, and continue to be supported by growing earnings and sustainable dividends.

There are encouraging signs that management teams are moving to address market concerns - reduced leverage, non-core asset sales, more capital discipline, a focus on improved governance and customer satisfaction. We believe that these improved fundamentals will be increasingly recognised over the coming year.

Although recent volatility has been unsettling, we remain confident that essential volumes, inflation-linked pricing and strong cash flows will benefit infrastructure investors over the medium and long term. Importantly, we also see significant mispricing within sectors which should reward active management.

² Source: First State Investments as at 30 April 2018.

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