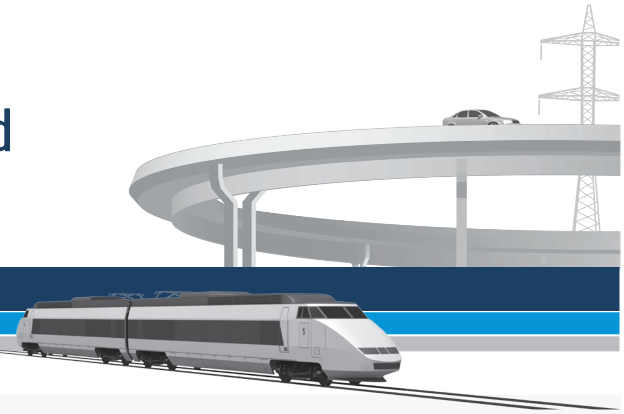
First State
Global Listed Infrastructure Fund

Monthly Review and Outlook

September 2017



- The Fund invests in global listed infrastructure and infrastructure-related securities.
- Investing in shares in a single sector may expose the Fund to greater volatility than investing in multiple sectors. The value of the Fund may be impacted by risks associated with listed infrastructure including changes in environmental regulations. It is possible that the entire value of your investment could be lost.
- All or part of the Fund's fees and expenses may be paid out of capital resulting in an increase in distributable income and effectively a distribution out of capital. Similarly in certain circumstances dividends may be paid out of capital. This amounts to a partial return of an investor's original investment, or from any capital gains attributable to that original investment, and may result in an immediate decrease of the Net Asset Value per share.
- You should not base your investment decision solely on this document. You should not invest unless the intermediary who sells it to you has advised you that the Fund is suitable for you and explained how it is consistent with your investment objectives.

Market Review

Global listed infrastructure fell in September as investors favoured equities more exposed to an improving economic environment. The FTSE Global Core Infrastructure 50/50 index (USD, Net TR) ended the month -1.7% lower, while global equities returned +2.2%.

The best performing sector was Railroads as US freight railroads responded to strong manufacturing surveys and the prospect of reduced corporate taxes.

The worst performing sector was Towers as strong underlying earnings growth was offset by concerns of pending consolidation of tower customers. Airports were also weak as strong passenger growth rolled over and airlines announced a number of capacity cuts.

The worst performing region was United Kingdom as utilities were impacted by ongoing political and regulatory tension and comments from the Bank of England that interest rates may rise in the coming months.

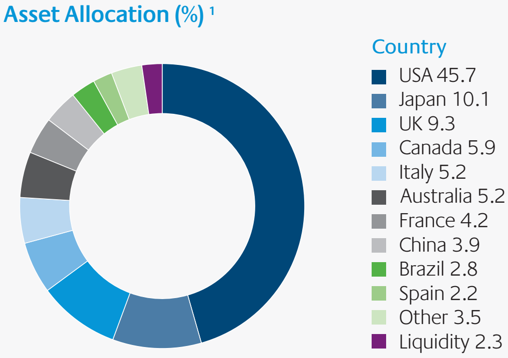
Performance Review

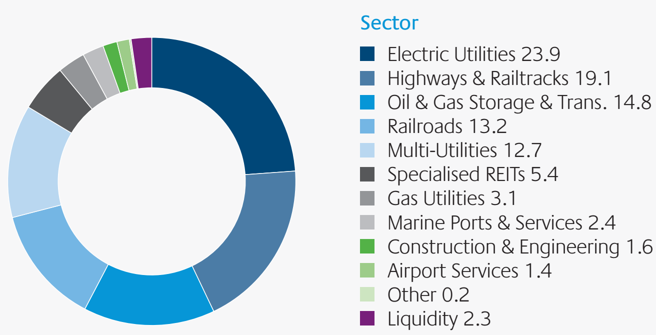
The Fund declined -0.5% in September[1], 121 basis points ahead of the FTSE Global Core Infrastructure 50/50 Index (USD, Net TR). The strong alpha reflected overweight positions in railroads and tollroads plus underweight positions in towers and airports.

Cumulative Performance in USD (%) [1]	3 mths	YTD	1yr	3yrs	5yrs	Since inception
Class I (USD - H Dist)	3.1	16.9	12.8	27.2	62.3	69.8
Benchmark*	3.0	16.4	12.1	25.5	67.5	63.4

Calendar Year Performance in USD (%) [1]	2016	2015	2014	2013	2012
Class I (USD - H Dist)	11.7	-5.7	12.3	17.3	10.4
Benchmark*	11.3	-6.0	13.6	17.9	12.7

Asset Allocation (%) [1]





[1] Source: Lipper & First State Investments, Nav-Nav (USD total return) as at 30 September, 2017. 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)	7.8
Transurban Group Ltd.	(Highways & Railtracks)	5.2
Atlantia S.p.A	(Highways & Railtracks)	5.0
American Tower Corporation	(Specialised REITs)	4.9
PG&E Corporation	(Electric Utilities)	4.5
East Japan Railway Co	(Railroads)	4.5
Enbridge Inc.	(Oil/Gas Storage & Trans.)	4.5
Kinder Morgan Inc Class P	(Oil/Gas Storage & Trans.)	4.2
NextEra Energy, Inc.	(Electric Utilities)	3.9
Dominion Resources, Inc.	(Multi-Utilities)	3.9

The best performing stocks in the portfolio were US freight railroads Union Pacific Norfolk Southern and CSX. Improved economic conditions were highlighted by the ISM Manufacturing survey result of 60.8, one of the highest readings in the last 30 years. These conditions are expected to translate into stronger volume growth and improved pricing over the coming quarters. US railroads are typically full tax payers with large capital investment needs and low leverage, making them key beneficiaries of the Trump administration's proposed changes to corporate tax.

Japanese passenger railroads Central Japan Railway and East Japan Railway performed well on the back of robust shinkansen volume growth, buoyed by strong employment and tourism. Rental growth and low vacancy rates also underpinned earnings growth in their high quality commercial property assets.

European highways & railtracks including Vinci, Eurotunnel and Abertis continued to deliver positive returns. Vinci and Eurotunnel continue to benefit from a recovery in passenger and truck traffic in France, and political intent to stimulate the economy through large-scale infrastructure investment. Abertis was supported by the proposed takeover bid from Atlantia and ongoing speculation of an alternative bid from Spain conglomerate ACS, in consortium with private infrastructure funds.

Energy stocks were mixed with Enbridge Inc and Vopak contrasting with Kinder Morgan and Plains All American Pipeline. Enbridge bounced on news of Federal Energy Regulatory Commission (FERC) regulatory approval to start construction on the $2 billion Nexus project, a 255-mile gas transmission pipeline linking Appalachian shale gas through Ohio to Michigan and beyond. Vopak recovered on news it had sold a majority stake in a refined product terminal to a private infrastructure fund. The Eemshaven terminal in the Netherlands is contracted for strategic reserves. We estimate it was sold at a 20-30% premium to Vopak's current trading multiple.

The worst performing stock in the portfolio was American Tower. Underlying earnings growth has been supported by strong demand for mobile data, the deployment of new spectrum and the new FirstNet first responder network. However, the market became concerned by pending consolidation of tower customers. T-Mobile and Sprint, the third and fourth largest US telecom operators, are speculated to be close to a merger deal. The overlap of sites may reduce the growth outlook for tower operators, though the impact would be limited to 4-5% of total revenue and spread over a number of years as contracts roll off.

Utilities including National Grid, American Electric Power, NextEra Energy and Dominion Energy were generally weak on concerns for rising interest rates. National Grid was impacted by weak currency translation of its US dollar earnings and concerns that large-scale projects may face competitive tendering. American Electric Power continued to make regulatory progress on its proposed $4.5 billion Wind Catcher project. The 2,000 MW wind farm and transmission project will be the largest in America and continues the trend of utilities adding renewable generation to their rate base.

During the month the fund divested its holding in Xcel Energy following a period of strong outperformance. The market is now pricing in earnings growth above the upper-end of company guidance and assuming all announced wind projects are approved and added to the rate base.

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.

The Fund has maintained its overweight exposure to the toll road sector, which contains high quality companies with inflation-linked pricing and high barriers to entry. We are attracted to their reasonable valuation multiples and well-supported dividend yields of between 3% and 5%. Long term, structural factors such as urbanisation and traffic congestion are likely to underpin growing demand.

Railroads are the Fund's second largest overweight position. Japan's stable, low beta passenger rail stocks including East Japan Railway and Central Japan Railway are trading at appealing valuations, and operating against an improving economic backdrop. US freight rail operators such as Union Pacific, Norfolk Southern and CSX are unique and valuable franchises with strong pricing power, and the ability to grow earnings over time by improving operational efficiency.

The Fund has an underweight exposure to utilities, where share price gains in recent months have made it more difficult to find clearly mispriced stocks. The Fund's utility exposure is focussed on companies such as NextEra Energy and PG&E, which are deriving low risk earnings growth by investing in transmission network enhancements and growth in renewables.

The Fund's largest underweight exposure remains the airport sector which continues to trade at valuation multiples that we find difficult to justify on fundamentals. The Fund has retained some exposure to European and Mexican airports, where valuations are more reasonable.

[2] Source: First State Investments as at 30 September, 2017.