First State Investments
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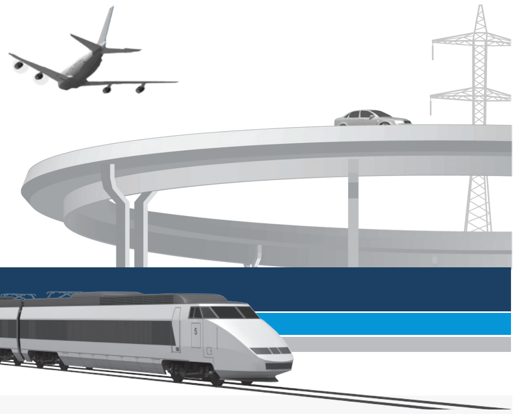


First State Global Listed Infrastructure Fund

Monthly Review and Outlook

November 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 climbed in November as a softening global growth outlook spurred demand for defensive assets. The FTSE Global Core Infrastructure 50/50 index gained +3.0%, while global equities^ increased by +1.1%.

The best performing infrastructure sector in this environment was Water Utilities (+6%), which rallied on the appeal of their predictable cashflows and income generation. Towers (+5%) also outperformed. Global mobile data traffic in the September quarter was 79% higher than the previous year, reflecting growing numbers of smartphone subscriptions and the ever-increasing popularity of video on these devices.

The worst performing sector was Airports (-3%). Swiss operator Flughafen Zuerich (-18%, not held) sold off after proposed revisions to regulated aviation charges triggered a negative market reaction. Mexican airports also lagged on mounting concerns that the "direct democracy" approach of the country's President-elect, Andrés Manuel López Obrador, could weaken Mexico's institutions and drag on the economy.

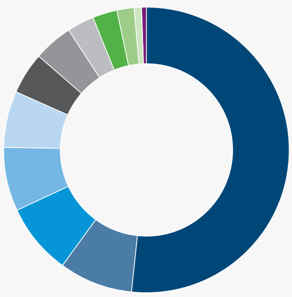
The best performing regions included Canada (+7%) and the US (+4%), where pipelines and most utilities delivered strong returns. The worst performing region was Europe ex-UK (flat) where slowing economic indicators and gilets jaunes protests in France held back transport infrastructure stocks.

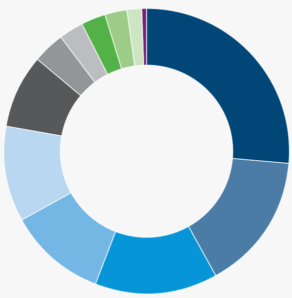
Fund Performance

Cumulative Performance in USD (%) [1]						
	3 mths	YTD	1yr	3yrs	5yrs	Since inception
Class I (USD - H Dist)	-0.7	-4.2	-4.1	23.9	34.4	63.0
Benchmark*	0.6	-0.4	-1.7	29.7	42.0	65.5

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]





All stock and sector performance data expressed in local currency terms. Source: Bloomberg. [1] Source: Lipper & First State Investments, Nav-Nav (USD total return) as at 30 November 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. ^MSCI World Net Total Return Index, USD.
*The benchmark displayed is the FTSE Global Core Infrastructure 50/50 Index.

Top 10 holdings (%) [2]

Stock name	Sector	%
Transurban Group Stapled Deferred	(Highways/Railtracks)	6.5
Dominion Energy Inc COM	(Multi-Utilities)	6.5
NextEra Energy, Inc.	(Electric Utilities)	5.7
TransCanada Corporation	(Oil/Gas Storage & Trans.)	5.1
Kinder Morgan Inc Class P	(Oil/Gas Storage & Trans.)	4.8
East Japan Railway Co	(Railroads)	4.1
American Electric Power Company, Inc.	(Electric Utilities)	4.0
Evergy Inc Com	(Electric Utilities)	3.2
Williams Companies, Inc.	(Oil/Gas Storage & Trans.)	3.0
Crown Castle International Corp	(Specialised REITs)	3.0

The portfolio rose +1.4%[3] in November, 152 basis points behind the FTSE Global Core Infrastructure 50/50 Index (USD, Net TR).

The best performing stock in the portfolio was Brazil tollroad operator CCR (+18%) which announced it had agreed to settle a Sao Paulo state civil lawsuit relating to the alleged illegal transfer of funds to politicians. Under the terms of the settlement, CCR has agreed to pay BRL81.5 million (~US$21m). Although it could yet face questions in the other Brazilian states where it operates concessions, São Paulo state is the company's largest and most important market. Investors welcomed the reduction in uncertainty surrounding the stock, and the smaller than expected amount being paid (equivalent to ~0.4% of CCR's market capitalisation).

Canadian electric utility Emera (+10%) announced the sale of three New England natural gas-fired power plants to private equity firm Carlyle Group for US$590 million, as part of its strategy to sell peripheral assets and re-focus on organic rate base growth. US utilities, which earn a return on capital spent maintaining and improving their assets (rate base), highlighted ongoing opportunities for earnings growth. American Electric Power (+7%) emphasised its target EPS growth rate of between 5% and 7% pa as it upgrades and modernises its 40,000 mile electric transmission network. Dominion Energy (+4%) re-iterated a positive capex outlook for its Virginia service territory over the next five years as a result of the Grid Transformation & Security Act, which encourages investment into transmission grids and the build-out of renewable energy.

The portfolio's pipeline holdings also delivered strong returns over the month. TransCanada (+10%) recovered ground as investors became increasingly aware of its compelling valuation multiples. At its recent analyst day the company maintained its dividend growth guidance of between 8% and 10% pa through to 2021, and gave a bullish account of its future growth projects. Williams (+4%) achieved better than expected September quarter earnings from its pipeline networks connecting natural gas production regions in the North-East US and Texas with East Coast US population centres; and signalled that full year earnings were likely to be at the upper end of guidance.

The worst performing stock in the portfolio was North California utility PG&E (-44%), which was affected by a new outbreak of wildfires in its extensive service territory. The company's equipment may have been involved in starting the devastating Camp Fire, to the north of Sacramento. Owing to the extent of the fire; and the political challenge of implementing legislation in the current environment, the portfolio's position in PG&E has been reduced. We believe this decision was prudent, given the difficult circumstances.

UK electric utility SSE (-4%) underperformed as fresh obstacles to the planned merger of its electricity retail business with rival Npower emerged. Falling customer numbers and the introduction of a new price cap by the UK energy regulator Ofgem have led SSE and Npower's parent company Innogy to reconsider the merger's agreed terms.

Fund Activity

During the month the Fund initiated a position in Eversource Energy, New England's largest energy company, which services 3.7 million electric and natural gas customers in Massachusetts, Connecticut and New Hampshire. The company is run by an experienced management team with a history of strong execution and acting in the best interests of all stakeholders. Its high quality transmission, distribution and water assets are a source of healthy rate base growth. At current valuation multiples, we believe that limited value is being ascribed to the company's medium-term potential growth projects. Examples include the build-out of offshore wind projects; and transmission projects linking Canadian power generation with the New England population.

The fund divested its holdings in Canadian pipeline operators Enbridge Inc. and Gibson Energy. Enbridge, owner of a substantial portfolio of energy infrastructure assets, was sold after the company simplified its corporate structure and sold assets to strengthen its balance sheet. Gibson Energy was sold following a period of material outperformance as the company successfully sold non-core assets in order to focus on its strategically located energy storage and transportation facilities in Western Canada. The company's valuation multiples expanded as this process took place, moving the stock to a lower position within our Value/Quality rankings and causing us to sell.

Market Outlook and Fund Positioning

The Fund invests in a range of global listed infrastructure assets including tollroads, airports, ports, 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.

The Fund is positioned today with Tollroads as its largest sector overweight. We are attracted to their high operating margins, stable cash flows and effective barriers to entry. European operators are positioned to benefit from resilient traffic volumes over long time frames. Transurban's successful bid for WestConnex adds a substantial, high quality and long life asset to the listed infrastructure opportunity set. Peers in China and Latin America operate high growth tollroads with well-established concession agreements, providing an essential service to some of the most densely populated regions in the world.

[2] Source: First State Investments as at 30 November 2018. [3] Performance is based on VCC ID share class, net of fees, expressed in USD.

Energy pipelines are the portfolio's second largest sector overweight. Investor concerns about earnings growth have presented the Fund with opportunities to build positions in several companies with unique and long life energy infrastructure networks, at appealing valuation multiples. Sentiment towards the sector has begun to improve, helped by simpler corporate structures and clarity for substantial growth projects; while surging North American production growth is providing a favourable operating environment.

The Fund's largest underweight position is the Airports sector. The sector has faced a number of headwinds in recent months (unfavourable regulatory decisions in Europe and China; a challenging political environment in Mexico; indications of moderating passenger growth rates). However, in our view, airport stocks valuations have not yet reached a point that justifies repositioning the portfolio and we are content to remain underweight. A number of high quality US utilities also continue to trade at valuations that we find difficult to justify based on company fundamentals.