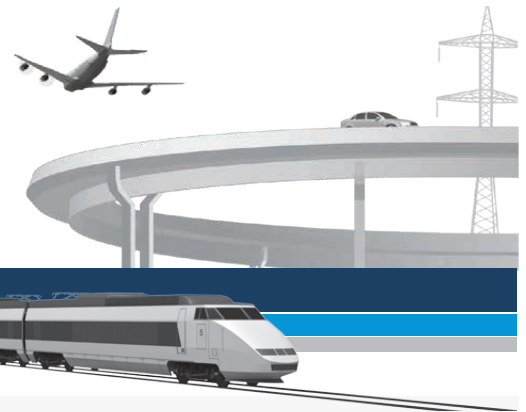


First State Global Listed Infrastructure Fund

Monthly Review and Outlook

June 2019



- 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 June, supported by increasingly dovish central bank rhetoric and persistently low bond yields. The FTSE Global Core Infrastructure 50/50 index rose +4.2%, while the MSCI World index^ ended the month +6.6% higher.

The best performing infrastructure sector was Airports (+8%). Malaysia Airports (+16%, not held), Airports of Thailand (+15%, not held), and Flughafen Zuerich (+9%, not held) received positive regulatory and duty-free revenue sharing outcomes; while European and Australian operators reported robust passenger volumes. The benign interest rate environment, along with the prospect of growth opportunities in Brazil from additional concession auctions, proved supportive of Toll Roads (+6%).

The worst performing sector was Towers (flat), which paused following a sustained period of significant outperformance on the back of exponential demand growth for mobile data. Pipelines (+1%) also delivered relatively muted gains following strong ytd performance.

The best performing infrastructure region was Australia / NZ (+9%), where airports, toll roads and ports were buoyed by the Reserve Bank of Australia's decision to cut interest rates for the first time in three years. The worst performing region was Japan (-2%), where low beta passenger rail and utilities stocks were out of favour in rising markets.

Fund Performance

	Cumulative Performance in USD (%) ¹					Since inception
	3 mths	YTD	1yr	3yrs	5yrs	
Class I (USD - H Dist)	4.2	17.6	12.4	24.1	33.0	83.5
Benchmark*	4.3	17.9	15.5	30.4	38.8	88.2

	Calendar Year Performance in USD (%) ¹				
	2018	2017	2016	2015	2014
Class I (USD - H Dist)	-8.3	17.2	11.7	-5.7	12.3
Benchmark*	-4.0	18.4	11.3	-6.0	13.6

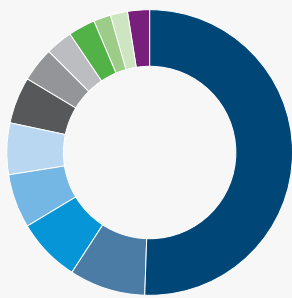
Top 10 holdings (%) ²

Stock name	Sector	%
Dominion Energy Inc COM	(Multi-Utilities)	5.5
Nextera Energy Inc	(Electric Utilities)	5.4
Transurban	(Highways/Railtracks)	5.2
TC Energy Corp COM	(Oil/Gas Storage & Trans.)	4.0
Williams Companies, Inc.	(Oil/Gas Storage & Trans.)	3.6
American Electric Power Company, Inc.	(Electric Utilities)	3.5
SBA Communications Corp Class A	(Specialised REITs)	3.4
East Japan Railway Co	(Railroads)	3.3
Union Pacific Corporation	(Railroads)	3.2
Crown Castle International Corp	(Specialised REITs)	3.2

The portfolio returned +3.8%³ in June, 41 basis points behind the FTSE Global Core Infrastructure 50/50 Index (USD, Net TR).

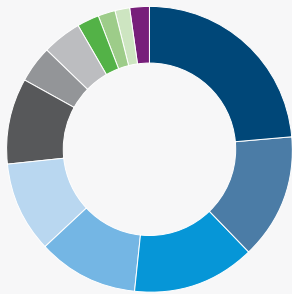
All stock and sector performance data expressed in local currency terms. Source: Bloomberg. ¹ Source: Lipper & First State Investments, Nav-Nav (USD total return) as at 30 June 2019. Allocation percentage is rounded to the nearest one decimal place and the total allocation percentage may not add up to 100%. Fund 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. ² Source: First State Investments as at 30 June 2019. ³ Performance is based on VCC ID share class, net of fees, expressed in USD. All stock and sector performance data expressed in local currency terms. Source: Bloomberg. *MSCI World Net Total Return Index, USD. *The benchmark displayed is UBS Global Infrastructure & Utilities 50-50 Index until 31 March 2015 and the FTSE Global Core Infrastructure 50/50 Index from 1 April 2015 onwards. Gross of tax benchmark performance is shown before 1 July 2016 and net of tax benchmark performance is shown after the aforementioned date.

Asset Allocation (%) ¹



Country

- USA 50.8
- Canada 8.5
- Japan 7.2
- Australia 6.1
- UK 6.0
- China 5.2
- Spain 3.8
- Italy 3.2
- France 2.9
- Brazil 2.0
- Other 1.8
- Liquidity 2.5



Sector

- Electric Utilities 22.5
- Oil/Gas Storage & Trans. 14.0
- Highways/Railtracks 13.6
- Multi-Utilities 12.9
- Railroads 9.6
- Specialised REITs 8.7
- Gas Utilities 6.2
- Construction & Engineering 4.4
- Airport Services 3.0
- Marine Ports & Services 1.4
- Other 1.3
- Liquidity 2.5

The best performing stock in the portfolio was Chinese gas utility ENN Energy (+10%) which remains well positioned to benefit from the Chinese government’s efforts to adjust the country’s energy mix away from coal and towards cleaner fuels such as natural gas. The company earns a fee for each new household that it connects to the gas supply and for each unit of gas sold; while improvements to China’s energy infrastructure are expected to support healthy volume and margin growth over the medium term.

The portfolio’s geographically diversified toll road holdings performed well. Australian-listed Transurban (+8%) pushed higher owing to lower interest rates and a robust earnings growth outlook. Jiangsu Expressway (+7%) gained on the winning of a new US\$840 million, 5km bridge project across the Yangtze River, as well as continuing to report solid traffic growth. Spanish-listed peer Ferrovial (+5%) rallied as investors welcomed the sale of its 65% stake in southern Spain’s Autopista del Sol toll road for €447 million at the remarkable price of ~21x forward EV/EBITDA.

UK utilities Severn Trent (+6%), National Grid (+5%) and SSE (+4%) gained as softer polling numbers for the opposition Labour Party saw renationalisation concerns recede somewhat, allowing investors to focus on the sector’s attractive valuation multiples. Severn Trent remains confident in its ability to improve efficiency and exceed its Outcome Delivery Incentives (operational metrics set by the regulator, which give the company the potential to earn additional returns). Severn Trent’s share price was further buoyed by news that Qatar’s sovereign wealth fund had built a 4.2% stake in the company. SSE reiterated that its dividend policy, rising in line with RPI inflation until 2023, remains in place. The stock currently yields over 7%.

The worst performing stock in the portfolio was Japanese gas utility Tokyo Gas (-6%), which fell alongside Osaka Gas (-3%). These defensive, cash generative utilities lagged as investors rotated towards

higher beta assets. Both stocks face lingering concerns that mounting competitive pressure, following the de-regulation of domestic energy markets, could weigh on medium term earnings growth.

Japanese passenger rail operator East Japan Railway (-2%) also underperformed in this environment, as investors overlooked its stable, commuter-driven earnings and undemanding valuation multiples. Smaller peer West Japan Railway (+3%) fared better, helped by a higher (albeit still small) exposure to inbound tourism growth, and the prospect of continued development along its rail network and property corridor.

Fund Activity

Large cap Canadian pipeline operator Enbridge Inc. was added to the portfolio. The company’s assets include the world’s longest crude oil and liquids transportation system; Canada’s largest natural gas distribution company; and substantial US natural gas gathering, transportation, processing and storage facilities. Regulatory delays to one of the company’s growth projects - the Line 3 Replacement Project - resulted in material share price underperformance, providing an opportunity to gain exposure to the company’s portfolio of unique, long life infrastructure assets at an appealing price.

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 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 with toll roads as its largest sector overweight. Transurban, Atlantia and Vinci have high barriers to entry, strong free cash flow and inflation linked pricing. We are attracted to their reasonable valuation multiples and well-supported dividend yields of between 3% and 6%. Growing urbanisation and worsening traffic congestion are likely to underpin long term demand. EM peers operate high growth toll roads with well-established concession agreements, providing an essential service to some of the most densely populated regions in the world.

The Fund is also overweight energy pipelines including TC Energy (TransCanada) and Williams. These companies own assets connecting North American oil and gas fields with processing facilities and export terminals, positioning them to benefit from rising production levels and US energy exports.

The Fund is underweight multi/electric utilities. A number of high quality US names continue to trade at valuations that we find difficult to justify based on company fundamentals. The Fund has also maintained its underweight exposure to Airports, with exposure limited to leading European and Mexican operators. Notwithstanding this month’s positive developments, the sector faces medium term headwinds following a long period of above-average growth.

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On 31 October 2018, MUFG’s trust banking entity, Mitsubishi UFJ Trust and Banking Corporation (MUTB) announced its intentions to acquire 100% of Colonial First State Global Asset Management/First State Investments (CFSGAM/ FSI) from the Commonwealth Bank of Australia (Transaction). The Transaction is expected to complete in mid-2019, subject to regulatory approvals.