

# First Sentier Global Listed Infrastructure Fund (Irish VCC)

Quarterly Investment Report

30 June 2021

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## Risk Factors

This document is a financial promotion for the First Sentier Global Listed Infrastructure Fund in the EEA and elsewhere where lawful. Investing involves certain risks including:

- **The value of investments and any income from them may go down as well as up and are not guaranteed. Investors may get back substantially less than the original amount invested.**
- **Single sector risk:** investing in a single economic sector may be riskier than investing in a number of different sectors. Investing in a larger number of sectors helps to spread risk.
- **Currency risk:** The Fund invests in assets which are denominated in other currencies; changes in exchange rates will affect the value of the Fund and could create losses. Currency control decisions made by governments could affect the value of the Fund's investments and could cause the Fund to defer or suspend redemptions of its shares.
- **Listed Infrastructure Risk:** the infrastructure sector and the value of the Fund is particularly affected by factors such as natural disasters, operational disruption and national and local environmental laws.
- **Emerging market risk:** Emerging markets tend to be more sensitive to economic and political conditions than developed markets. Other factors include greater liquidity risk, restrictions on investment or transfer of assets, failed/delayed settlement and difficulties valuing securities.

Reference to specific securities (if any) is included for the purpose of illustration only and should not be construed as a recommendation to buy or sell. Reference to the names of any company is merely to explain the investment strategy and should not be construed as investment advice or a recommendation to invest in any of those companies.

For a full description of the terms of investment and the risks please see the Prospectus and Key Investor Information Document.

**If you are in any doubt as to the suitability of our funds for your investment needs, please seek investment advice.**

**If you are unsure of the terminology used in this report, please seek independent financial advice.**

# Portfolio Overview

30 June 2021

## Investment objective and policy

The Fund aims to achieve income and growth on your investment.

The Fund invests at least 70% of its assets in listed shares of companies of any size that are involved in infrastructure around the world.

The infrastructure sector includes utilities (e.g. water and electricity), highways and railways, airports services, marine ports and services, oil and gas storage and transportation.

The Fund may invest up to 100% in companies of any size. The Fund may use derivatives with the aim of risk reduction or efficient management.

## Fund Information

Fund Launch Date	27 June 2008
Fund Size (US\$m)	1725.2
Benchmark	FTSE Global Core Infrastructure 50/50 Net Index*
Number Of Holdings	47
Fund Manager(s)	Peter Meany/Andrew Greenup/Edmund Leung
Research Rating ^	Morningstar®:Silver

\* The benchmark changed from the UBS Global Infrastructure & Utilities 50-50 Index to the above on 01/04/2015. The benchmark of the Fund changed from FTSE Global Core Infrastructure 50-50 Gross to FTSE Global Core Infrastructure 50-50 Net with effect from 1 July 2016. This change has been reflected in the calculation of the benchmark performance.

^ This does not constitute an investment recommendation and is not indicative of future results. Methodology available on rating provider's website.

## Available Share Classes

ISIN	Sedol	Share Class
IE00BKKL4448	BKKL444	First Sentier Global Listed Infrastructure Fund CHF Class VI Hedged P (Accumulation)
IE00B29SXX94	B29SXX9	First Sentier Global Listed Infrastructure Fund USD Class I (Accumulation)
IE00B29SXL02	B29SXL0	First Sentier Global Listed Infrastructure Fund USD Class I (Distributing)
IE00B29SXM19	B29SXM1	First Sentier Global Listed Infrastructure Fund USD Class III (Accumulation)
IE00BJSBDG44	BJSBDG4	First Sentier Global Listed Infrastructure Fund USD Class III (Distributing)
IE00BK8FXL82	BK8FXL8	First Sentier Global Listed Infrastructure Fund USD Class VI (Accumulation)
IE00BK8FXM99	BK8FXM9	First Sentier Global Listed Infrastructure Fund USD Class VI (Distributing)
IE00BFY85H60	BFY85H6	First Sentier Global Listed Infrastructure Fund EUR Class I (Distributing)
IE00BFY85J84	BFY85J8	First Sentier Global Listed Infrastructure Fund EUR Class VI (Distributing)
IE00BYSJTY39	BYSJTY3	First Sentier Global Listed Infrastructure Fund EUR Class I (Accumulation)
IE00BYSJV039	BYSJV03	First Sentier Global Listed Infrastructure Fund EUR Class VI (Accumulation)
IE00BFMC6449	BFMC644	First Sentier Global Listed Infrastructure Fund EUR Class VI Hedged (Accumulation)
IE00BYSJ TZ46	BYSJ TZ4	First Sentier Global Listed Infrastructure Fund GBP Class VI (Distributing)
IE00BFMC6555	BFMC655	First Sentier Global Listed Infrastructure Fund GBP Class VI Hedged (Distributing)

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# Performance

30 June 2021

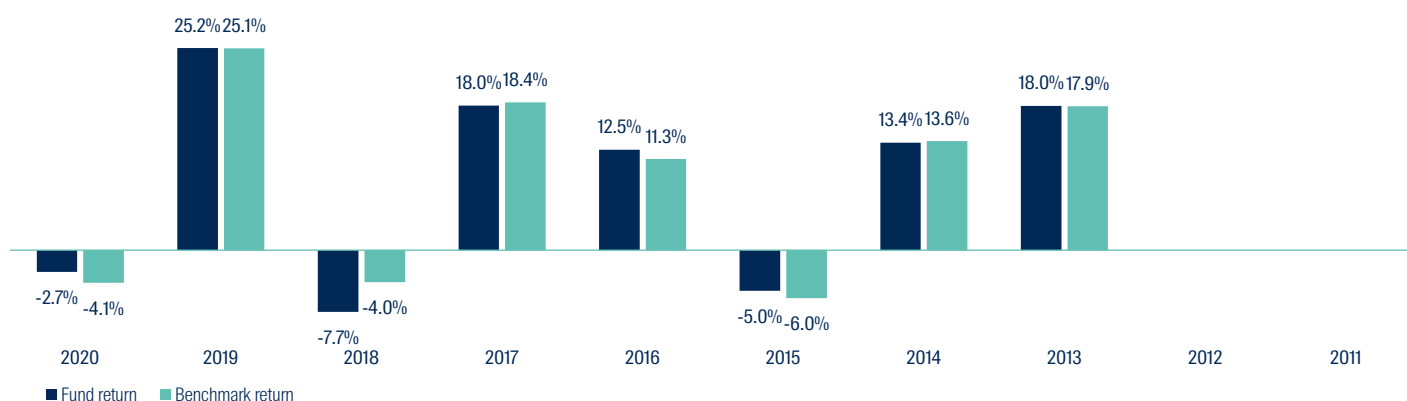
## Annual Performance (% in USD) to 30 June 2021

	12 mths to 30/06/21	12 mths to 30/06/20	12 mths to 30/06/19	12 mths to 30/06/18	12 mths to 30/06/17
First Sentier Global Listed Infrastructure Fund	18.1	-6.0	13.2	-0.2	12.2
FTSE Global Core Infrastructure 50/50 Net Index	18.5	-8.0	15.5	2.8	9.9

## Cumulative Performance (% in USD) to 30 June 2021

	Since Inception	10 yrs	5 yrs	3 yrs	1 yr	YTD	6 mths	3 mths
First Sentier Global Listed Infrastructure Fund	105.2	-	40.6	25.6	18.1	7.5	7.5	3.1
FTSE Global Core Infrastructure 50/50 Net Index	107.7	-	42.1	25.9	18.5	7.1	7.1	2.9

## Calendar Year Performance (% in USD) to 30 June 2021



These figures refer to the past. Past performance is not a reliable indicator of future results. For investors based in countries with currencies other than USD, the return may increase or decrease as a result of currency fluctuations. Since inception performance figures have been calculated from 11 December 2012. All performance data for the First Sentier Global Listed Infrastructure Fund Class III (Accumulation) USD as at 30 June 2021. Source for fund - Lipper IM / First Sentier Investors (UK) Funds Limited. Performance data is calculated on a net basis by deducting fees incurred at fund level (e.g. the management fee and other fund expenses), save that it does not take account of initial charges or switching fees (if any). Income reinvested is included on a net of tax basis. Source for benchmark - FTSE, income reinvested net of tax.

On 22 September 2020, First State Global Listed Infrastructure Fund was rebranded as First Sentier Global Listed Infrastructure Fund.

# Commentary

30 June 2021

## Market Review

Global listed infrastructure gained in the June quarter, aided by generally resilient quarterly earnings numbers and rapid progress in the US vaccination rollout. The asset class also continued to expand, with the announcement of a €9 billion IPO for Spanish renewables-focused utility Acciona Energia, and the planned government privatization of Brazil's largest electric utility, Eletrobras.

## Performance Review

Towers / Data Centres rose strongly on positive earnings results, moderating bond yields and the anticipation of higher earnings growth as telecom operators ready themselves to deploy 5G equipment onto tower sites at scale. Pipelines also outperformed, reflecting exceptionally strong March quarter earnings numbers, a disciplined approach to capex spending, undemanding valuation multiples and a higher oil price.

Airports underperformed as the spread of the Delta coronavirus variant added uncertainty to the timeframe for a return to normal travel and economic activity levels. North American freight rail stocks achieved consistently strong volumes, but lagged on concerns that unusually hot weather in the US and Canada may affect Agricultural haulage volumes.

## Fund Activity

The Fund initiated a position in Duke Energy, a large-cap, North Carolina-based utility with 7.8 million electric customers in six states and 1.6 million natural gas customers in five states. Its forecast rate base growth of 6% per annum until 2024 is expected to support earnings growth of between 4% and 6% per annum. Having agreed to sell a 20% stake in its Duke Indiana subsidiary for a price well above its listed valuation multiples earlier this year, Duke may carry out further shareholder-friendly measures over coming months.

The Fund divested its holding in East Japan Railway after a more positive outlook for passenger numbers since the start of the year drove significant share price gains and reduced the stock's mispricing.

## Outlook

The Fund invests in a range of global listed infrastructure assets including toll roads, airports, 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.

A key question for investors is whether current rising prices are a transitory phenomenon, or whether the global economy is now about to embark on a sustained period of higher inflation. Infrastructure assets are typically able to increase prices in line with inflation. This can be achieved via the terms of their regulatory frameworks, concession agreements or customer contracts; or in some cases by operating from a strong strategic position with limited competition. Accordingly, infrastructure assets can often maintain and grow earnings in real terms, supporting a stable and growing distribution yield over time. This history gives us confidence that listed infrastructure would fare relatively well in the event of a higher inflation environment.

The asset class is also set to benefit from a number of other positive drivers. Government attempts to bolster economic fundamentals through infrastructure and green energy stimulus plans are likely to prove supportive of many global listed infrastructure firms. In particular, the ongoing repair and replacement of old energy transmission and distribution grids, along with the accelerating build-out of renewables, should represent a steady source of utility earnings growth over many years.

Ever-increasing demand for mobile data / connectivity continues to underpin steady earnings growth for Towers and Data Centres, insulating

them from the ebbs and flows of the broader global economy. There is also scope for a material recovery in traffic / passenger volumes across coronavirus-impacted infrastructure sectors such as toll roads, airports and passenger rail, as vaccine programs ramp up globally.

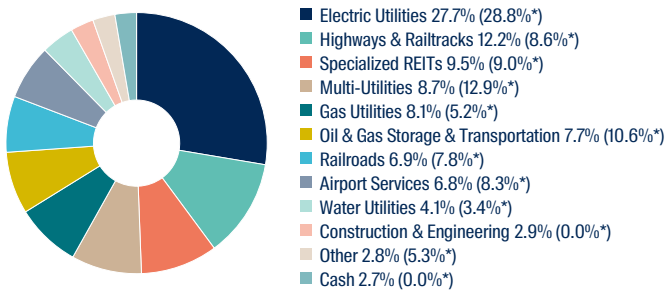
# Portfolio Allocation and Stock Holdings

30 June 2021

## Ten Largest Holdings as at 30 June 2021

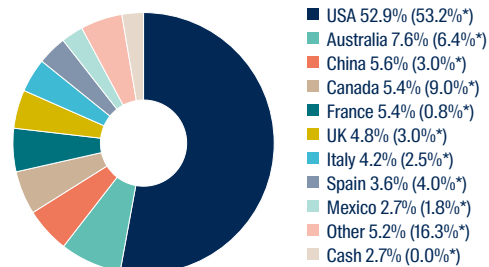
Stock Name	Country	Sector	Portfolio Weight (%)	Index Weight (%)
American Tower Corporation	USA	Specialized REITs	6.2	4.5
Transurban	Australia	Highways & Railtracks	5.7	4.4
Dominion Energy Inc COM	USA	Multi-Utilities	4.6	2.4
Nextera Energy Inc	USA	Electric Utilities	3.9	4.8
Aena SA	Spain	Airport Services	3.6	1.7
SBA Communications Corp Class A	USA	Specialized REITs	3.4	1.3
Eversource Energy	USA	Electric Utilities	3.2	1.1
Pembina Pipeline Corporation	Canada	Oil & Gas Storage & Transportation	2.8	0.7
Xcel Energy Inc.	USA	Electric Utilities	2.6	1.5
Emera Inc	Canada	Electric Utilities	2.6	0.5

## Sector Breakdown



\*Index Weight

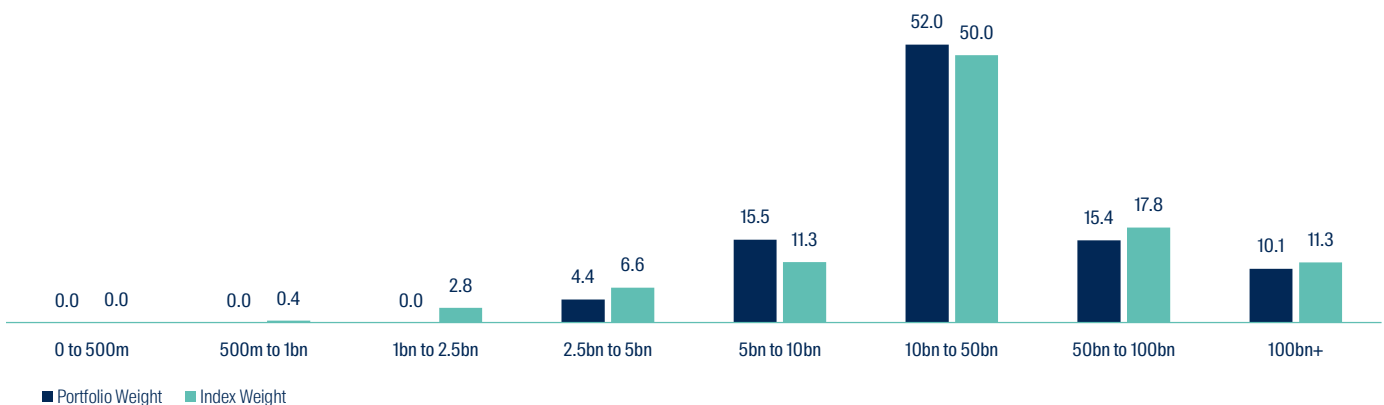
## Country Breakdown



\*Index Weight

Sector and Country classifications provided by Factset and First Sentier Investors. The Fund may hold multiple equity securities in the same company, which have been combined to provide the Fund's total position in that company. Index weights, if any, typically include only the main domestic-listed security. The above Fund weightings may or may not include reference to multiple securities.

## Market Capitalisation Breakdown (USD)



Data source: For illustration purposes only. Portfolio weights may not add up to 100% as cash holdings are excluded and full coverage of stocks is not always available. This information is calculated by First Sentier Investors.

# Stock Contribution

30 June 2021

## Top 5 contributors to absolute performance

3 months to 30 June 2021

Stock Name	Country	Sector	Value added (bps*)
American Tower Corporation	USA	Specialized REITs	77
SBA Communications Corp Class A	USA	Specialized REITs	57
Transurban	Australia	Highways & Railtracks	39
Magellan Midstream Partners LP	USA	Oil & Gas Storage & Transportation	31
Pembina Pipeline Corporation	Canada	Oil & Gas Storage & Transportation	30

12 months to 30 June 2021

Stock Name	Country	Sector	Value added (bps*)
Nextera Energy Inc	USA	Electric Utilities	158
Norfolk Southern Corporation	USA	Railroads	103
CenterPoint Energy, Inc.	USA	Multi-Utilities	90
Transurban	Australia	Highways & Railtracks	86
Enterprise Products Partners L.P.	USA	Oil & Gas Storage & Transportation	83

## Bottom 5 contributors to absolute performance

3 months to 30 June 2021

Stock Name	Country	Sector	Value added (bps*)
China Gas Holdings Limited	China	Gas Utilities	-47
Tokyo Gas Co Ltd	Japan	Gas Utilities	-21
Eversource Energy	USA	Electric Utilities	-20
Guangdong Investment Limited	China	Water Utilities	-15
Aurizon	Australia	Railroads	-13

12 months to 30 June 2021

Stock Name	Country	Sector	Value added (bps*)
Tokyo Gas Co Ltd	Japan	Gas Utilities	-27
Dominion Energy Inc COM	USA	Multi-Utilities	-27
Aurizon	Australia	Railroads	-25
Guangdong Investment Limited	China	Water Utilities	-17
China Gas Holdings Limited	China	Gas Utilities	-12

Stock Contributions show the impact of the individual stock's performance to the total fund performance. These stock contributions show the top 5 and bottom 5 contributors to the fund and are not representative of the performance of the fund as a whole.

**These figures refer to the past. Past Performance is not a reliable indicator of future results. For investors based in countries with currencies other than USD, the return may increase or decrease as a result of currency fluctuation.**

This stock information does not constitute any offer or inducement to enter into investment activity.

Contributions are calculated at the investee company level before the deduction of any fees incurred at fund level (e.g. the management fee and other fund expenses) but after the deduction of transactional costs.

Stocks held/listed in non-index countries have economic activity > 50% from developing economies.

\* A basis point is a unit of measure used in finance to describe the percentage change in value or rate of a financial instrument. One basis point is equivalent to 0.01% (1/100th of a percent) or 0.0001 in decimal form.

Data source: This information is calculated by First Sentier Investors.

# Risk Analysis

30 June 2021

## Portfolio Risk Analysis - Ex-Post 3 Years Annualised to 30 June 2021

Risk Measure	Value	Risk Description
Beta	0.98	Beta is a measure of volatility relative to the market. A beta of 1 would indicate that the fund tended to move in line with the market; a beta greater than 1 would indicate that the fund has been more volatile than the market; whereas a beta less than 1 would indicate that the fund has been less volatile than the market.
Information Ratio	0.28	The fund's excess return divided by its tracking error. It is designed to assess a portfolio's performance relative to its level of benchmark risk. The higher the fund's information ratio, the more excess return it generates for each unit of tracking error.
Portfolio Standard Deviation	14.91%	A measure of how much the returns of the fund vary relative to the arithmetical average. The higher the fund's standard deviation, the more its returns tend to deviate from the mean.
Benchmark Standard Deviation	15.07%	A measure of how much the returns of the index vary relative to the arithmetical average. The higher the index's standard deviation, the more its returns tend to deviate from the mean.
Tracking Error	2.15%	The standard deviation of the difference between the fund's returns and those of the index. The higher the fund's tracking error, the more its performance relative to the benchmark may vary.

## Portfolio Risk Analysis - Ex-Ante at 30 June 2021

Risk Measure	Value	Risk Description
Dividend Yield (Fund)	3.03%	The annual dividend yield paid per share divided by the share price. This factor measures the value of company shares according to the stream of dividend income resulting from share ownership.
Dividend Yield (Index)	2.94%	The annual dividend yield paid per share divided by the share price. This factor measures the value of company shares according to the stream of dividend income resulting from share ownership.
Price to Book (Fund)	2.41	The ratio of the company's book value (the sum of shareholders' equity plus accumulated retained earnings from the P & L account) to its share price. This factor has been one of the most successful measures of the intrinsic value of company shares.
Price to Book (Index)	2.17	The ratio of the company's book value (the sum of shareholders' equity plus accumulated retained earnings from the P & L account) to its share price. This factor has been one of the most successful measures of the intrinsic value of company shares.
Price to Earnings (Fund)	22.06	Annual earnings (adjusted for amortizations of intangibles, extraordinary charges and credits) per share divided by the share price. This factor measures the worth of a company's ability to support each share with after tax earnings.
Price to Earnings (Index)	6.88	Annual earnings (adjusted for amortizations of intangibles, extraordinary charges and credits) per share divided by the share price. This factor measures the worth of a company's ability to support each share with after tax earnings.

Data source: Ex-Post information is calculated by First Sentier Investors, Ex-Ante information is provided by FactSet.



# Disclaimer

30 June 2021

This document has been prepared for informational purposes only and is only intended to provide a summary of the subject matter covered and does not purport to be comprehensive. The views expressed are the views of the writer at the time of issue and may change over time. It does not constitute investment advice and/or a recommendation and should not be used as the basis of any investment decision. This document is not an offer document and does not constitute an offer or invitation or investment recommendation to distribute or purchase securities, shares, units or other interests or to enter into an investment agreement. No person should rely on the content and/or act on the basis of any material contained in this document.

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Representative and Paying Agent in Switzerland: The representative and paying agent in Switzerland is BNP Paribas Securities Services, Paris, succursale de Zurich, Selnaustrasse 16, 8002 Zurich, Switzerland. Place where the relevant documentation may be obtained: The prospectus, key investor information documents (KIIDs), the instrument of incorporation as well as the annual and semi-annual reports may be obtained free of charge from the representative in Switzerland.

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