

# First Sentier Responsible 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 Responsible 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.
- **Concentration risk:** The Fund invests in a relatively small number of companies which may be riskier than a Fund that invests in a large number of companies.
- **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. Pursuant to the EU Sustainable Finance Disclosure Regulation (EU 2019/2088), this Fund also has sustainable investment as its objective under Article 9.

The Fund invests at least 70% of its assets in listed shares of companies around the world that focus on or are otherwise involved in the infrastructure sector. The infrastructure sector includes but is not limited to utilities (e.g. water and electricity), highways and railways, airports, energy storage and transportation. The Fund focuses on a number of different aspects in the companies it is looking to buy or hold including the valuation and quality of those companies. The Fund seeks to invest in infrastructure companies making progress on environmental, social and governance ('ESG') issues (such as those delivering affordable clean energy to the communities they serve). The Fund's approach to sustainable investment and its assessment of sustainability attributes is considered "thematic" due to its consideration of each company's approach and progress towards ESG issues, and their alignment with UN Sustainable Development Goals. Sustainability decisions are made on information available and may be at risk if underlying information is incorrect or withheld.

The Fund will only invest in companies with a market capitalisation of at least USD500m at the time of purchase. The Fund may use derivatives with the aim of risk reduction or efficient management.

## Available Share Classes

ISIN	Sedol	Share Class
IE00BDBRBX00	BDBRBX0	First Sentier Responsible Listed Infrastructure Fund EUR Class E (Accumulation)
IE00BDBRBY17	BDBRBY1	First Sentier Responsible Listed Infrastructure Fund GBP Class E (Distributing)
IE00BDBRBW92	BDBRBW9	First Sentier Responsible Listed Infrastructure Fund USD Class E (Accumulation)
IE00BDBRBS56	BDBRBS5	First Sentier Responsible Listed Infrastructure Fund EUR Class VI (Accumulation)
IE00BDBRBV85	BDBRBV8	First Sentier Responsible Listed Infrastructure Fund GBP Class VI (Distributing)
IE00BDBRBT63	BDBRBT6	First Sentier Responsible Listed Infrastructure Fund USD Class VI (Accumulation)

## Fund Information

Fund Launch Date	20 December 2017
Fund Size (US\$m)	42.2
Benchmark	FTSE Global Core Infrastructure 50/50 Net Index
Number Of Holdings	41
Fund Manager(s)	Rebecca Myatt

## For further information

### Head of Distribution, UK & Europe

Graham Fox +44 (0)20 7332 6530 [graham.fox@firstsentier.com](mailto:graham.fox@firstsentier.com)

### Sales Director, Europe & Third Party Distributions

Marc Bishop +44 (0)20 7332 6556 [marc.bishop@firstsentier.com](mailto:marc.bishop@firstsentier.com)

### Business Development Manager – Scotland, North of England & Ireland

Ross Stewart +44 (0)131 473 2482 [ross.stewart@firstsentier.com](mailto:ross.stewart@firstsentier.com)

### Head of Distribution, Ireland

Frank Glennon +44(0)7776 138105 [frank.glennon@firstsentier.com](mailto:frank.glennon@firstsentier.com)

### Sales Director, London, South East and Channel Islands

Tom Burton +44 (0)20 7332 6559 [tom.burton@firstsentier.com](mailto:tom.burton@firstsentier.com)

### Sales Director, Midlands and South West

Carl Tomlin +44 (0)7825 935634 [carl.tomlin@firstsentier.com](mailto:carl.tomlin@firstsentier.com)

### Sales Director, Europe

Eva von Sydow +33 (0)1 72 25 66 36 [eva.vonsydow@firstsentier.com](mailto:eva.vonsydow@firstsentier.com)

### Sales Manager, Europe

+49 (0) 69 710 456  
Robert Retz 304 [robert.retz@firstsentier.com](mailto:robert.retz@firstsentier.com)

### Director, Nordic Business Development

Ketul Nandani +44 (0) 20 7332 9440 [ketul.nandani@firstsentier.com](mailto:ketul.nandani@firstsentier.com)

### Head of Clients & DC Strategy

Hilary Inglis +44 (0)207 332 6533 [Hilary.Inglis@firstsentier.com](mailto:Hilary.Inglis@firstsentier.com)

# Performance

30 June 2021

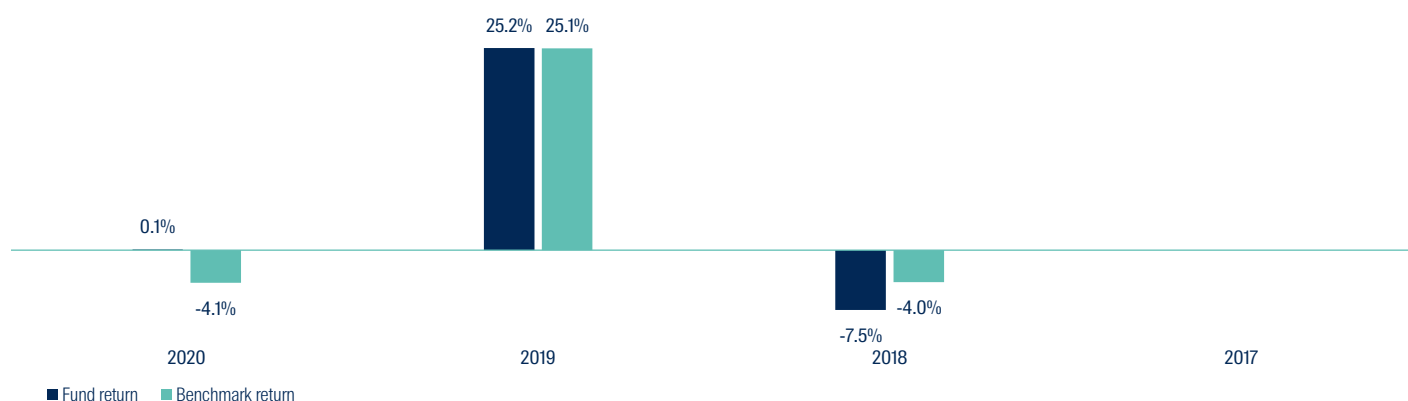
## Annual Performance (% in USD) to 30 June 2021

	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 Responsible Listed Infrastructure Fund	16.1	-5.2	14.7	-	-
FTSE Global Core Infrastructure 50/50 Net Index	18.5	-8.0	15.5	-	-

## 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 Responsible Listed Infrastructure Fund	21.4	-	-	26.2	16.1	4.3	4.3	1.7
FTSE Global Core Infrastructure 50/50 Net Index	24.3	-	-	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 20 December 2017. All performance data for the First Sentier Responsible Listed Infrastructure Fund Class VI (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 Sustainable Listed Infrastructure Fund was rebranded as First Sentier Responsible 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. A rising oil price environment also saw energy infrastructure – a structural underweight for the Fund – perform well over this period.

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.

The best performing infrastructure region was the UK, where moderating bond yields provided a tailwind for utility stocks. In contrast, Japan's utilities fell on concerns for increasing competition.

## Fund Activity

Chile's largest water utility, Aguas Andinas, was added to the portfolio after political and regulatory uncertainty weighed on the company's share price, presenting an appealing entry point. This regulated company provides essential water and waste services to over two million residential, commercial and industrial customers. Its core business aligns it with United Nations Sustainable Development Goal 6: Ensure availability and sustainable management of water and sanitation for all.

A holding in regulated US electric and gas utility NiSource was divested after a period of strong performance saw it move to a lower ranking within our investment process.

## Outlook

The Fund invests in a range of global listed infrastructure assets including toll roads, airports, railroads, utilities, 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. A focus on sustainable development can help deliver positive risk adjusted returns. It can create opportunities for positive performance; generating ideas as well as lowering the overall risk profile of a portfolio through a better understanding of ESG related risks.

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.

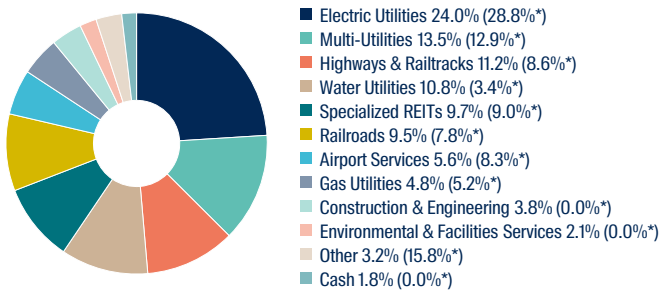
# Portfolio Allocation and Stock Holdings

30 June 2021

## Ten Largest Holdings as at 30 June 2021

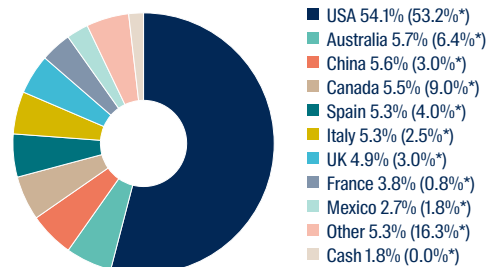
Stock Name	Country	Sector	Portfolio Weight (%)	Index Weight (%)
American Tower Corporation	USA	Specialized REITs	6.3	4.5
Transurban	Australia	Highways & Railtracks	5.7	4.4
Dominion Energy Inc COM	USA	Multi-Utilities	4.6	2.4
Xcel Energy Inc.	USA	Electric Utilities	4.5	1.5
Nextera Energy Inc	USA	Electric Utilities	4.4	4.8
Aena SA	Spain	Airport Services	4.1	1.7
Norfolk Southern Corporation	USA	Railroads	3.5	0.9
CSX Corporation	USA	Railroads	3.3	1.0
SBA Communications Corp Class A	USA	Specialized REITs	3.3	1.3
Eversource Energy	USA	Electric Utilities	2.8	1.1

## Sector Breakdown



\*Index Weight

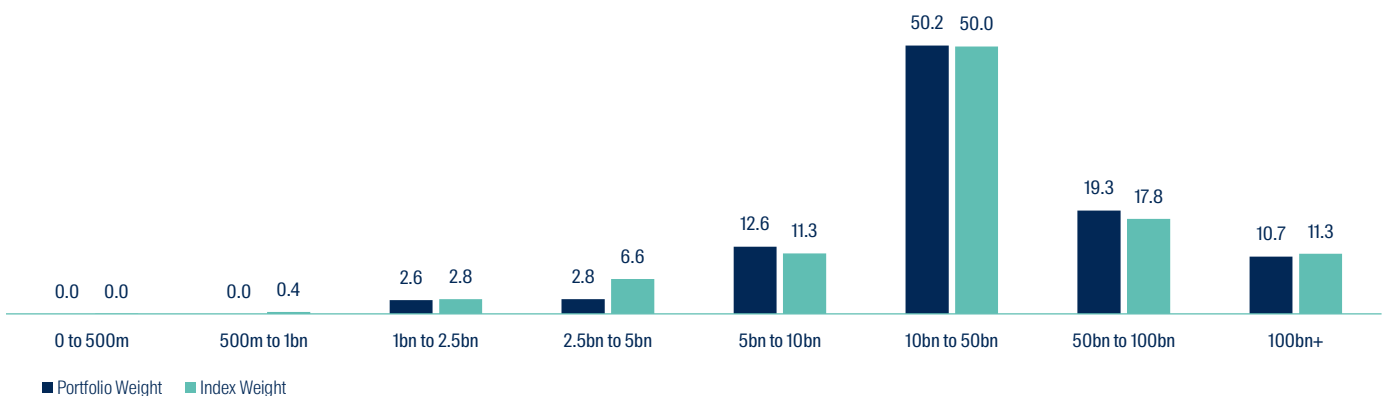
## Country Breakdown



\*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	78
SBA Communications Corp Class A	USA	Specialized REITs	61
Transurban	Australia	Highways & Railtracks	37
Cheniere Energy, Inc.	USA	Oil & Gas Storage & Transportation	24
CenterPoint Energy, Inc.	USA	Multi-Utilities	23

12 months to 30 June 2021

Stock Name	Country	Sector	Value added (bps*)
Nextera Energy Inc	USA	Electric Utilities	159
Norfolk Southern Corporation	USA	Railroads	130
CenterPoint Energy, Inc.	USA	Multi-Utilities	94
Cheniere Energy, Inc.	USA	Oil & Gas Storage & Transportation	88
UGI Corporation	USA	Gas Utilities	84

## 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	-48
Canadian National Railway Company	Canada	Railroads	-25
Tokyo Gas Co Ltd	Japan	Gas Utilities	-21
Eversource Energy	USA	Electric Utilities	-19
Orsted	Denmark	Electric Utilities	-15

12 months to 30 June 2021

Stock Name	Country	Sector	Value added (bps*)
Tokyo Gas Co Ltd	Japan	Gas Utilities	-28
Dominion Energy Inc COM	USA	Multi-Utilities	-23
Guangdong Investment Limited	China	Water Utilities	-19
China Gas Holdings Limited	China	Gas Utilities	-10
Aguas Andinas S.A. Class A	Chile	Water Utilities	-9

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
Information Ratio	0.54	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	14.39%	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	2.49%	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)	2.59%	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)	2.56	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)	23.03	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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References to "we" or "us" are references to First Sentier Investors.

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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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