

# First Sentier Global Listed Infrastructure Fund (Irish VCC)\*

Quarterly Investment Report

31 December 2020

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# Portfolio Overview

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- The Fund invests primarily in global listed infrastructure and infrastructure-related equity or 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.

## Investment objective & strategy

The Fund aims to achieve a total investment return consistent with income and long term capital growth. It invests primarily in a diversified portfolio of listed Infrastructure and Infrastructure-related equity securities and equity related securities of issuers listed, traded or dealt in on regulated markets worldwide.

## Fund Information

Fund Size (US\$m)	1426.6
Benchmark	FTSE Global Core Infrastructure 50/50 Net Index <sup>▲</sup>
Number Of Holdings	47

## Available Share Classes

Share class <sup>†</sup>	Inception date	Nav/per share	Distribution frequency <sup>†</sup>	ISIN code
Class I (USD - H Dist)	27 Jun 2008	US\$13.00	Semi-annually	IE00B29SXL02

<sup>†</sup>Dividends are not guaranteed and may be paid out of capital.

<sup>▲</sup>The benchmark displayed is UBS Global Infrastructure & Utilities 50-50 Index until 31 March 2015 and 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.

# Performance

31 December 2020

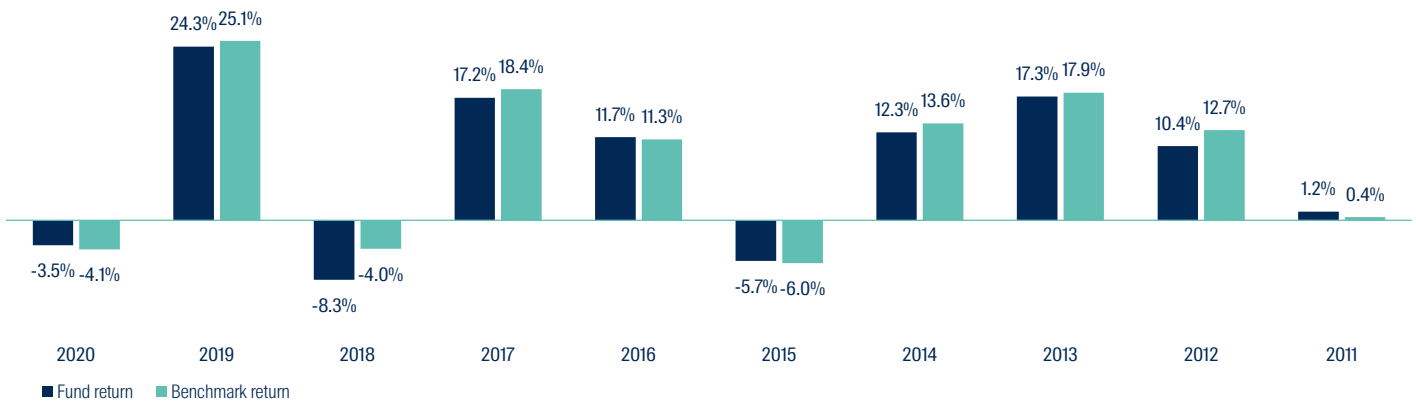
## Cumulative performance in USD (%)

	3mths	YTD	1yr	3yrs	5yrs	Since inception
Class I (USD - H Dist)*	8.8	-3.5	-3.5	10.0	43.9	87.2
Benchmark▲	8.5	-4.1	-4.1	15.3	51.9	91.5

## Calendar year performance in USD (%)

	2020	2019	2018	2017	2016
Class I (USD - H Dist)*	-3.5	24.3	-8.3	17.2	11.7
Benchmark▲	-4.1	25.1	-4.0	18.4	11.3

## Calendar Year Performance (% in USD) to 31 December 2020



Source: Lipper and First Sentier Investors, Nav-Nav (USD total return) data as at 31 December 2020. This Fund is a sub fund of Ireland domiciled First Sentier Investors Global Umbrella Fund Plc. Class I (USD-H Dist) is the semi-annually dividend distribution class of the fund, the performance quoted are based on USD total return (with dividend reinvested). H Dist represents share class with distribution of dividends every February & August. Unless otherwise specified, all information contained in this document is as at 31 December 2020. Investment involves risks, past performance is not a guide to future performance. On 22 September 2020, First State Global Listed Infrastructure Fund was rebranded as First Sentier Global Listed Infrastructure Fund. ▲The benchmark displayed is UBS Global Infrastructure & Utilities 50-50 Index until 31 March 2015 and 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. Dividends are not guaranteed and may be paid out of capital.

# Commentary

31 December 2020

## Market Review

Listed infrastructure delivered strong gains in the December quarter as news of progress in the fight against coronavirus caused financial markets to rally. The Fund returned +8.8% after fees, compared to a rise of +8.5% by its benchmark index. Global equities gained +14.0% over the same period.

## Performance Review

Returns varied by sector, with the strongest gains coming from those with most recovery potential. Airports rose sharply as investors looked forward to a return to international travel. Toll roads and passenger rail stocks were also buoyed - albeit to a lesser extent - by the prospect of higher traffic / passenger volumes.

Pipelines gained as investors anticipated a quicker economic recovery and greater demand for fuel. The absence of an immediate "blue wave" US election result was interpreted as being likely to moderate the pace of the transition to renewable energy, lending further support to the sector.

Utilities delivered solid returns. Chinese gas utilities were amongst the strongest performers, on the view that China's plan to turn carbon neutral by 2060 could further boost an already-healthy growth trajectory, with natural gas used as a transition fuel away from coal.

Towers & Data Centers proved the exception to this positive rule. Having performed well when coronavirus was worsening, these companies sold off as vaccine hopes rose. Fierce bidding at the latest US 5G spectrum auctions also raised concerns that telecom companies (the towers' customers) could be left with less capital than expected for network investment.

## Fund Activity

The Fund initiated a position in Exelon, a substantial US utility which delivers electricity and natural gas to approximately 10 million customers in the Northeast and Midwest US. The company is also one of the largest US power generators, with extensive nuclear, gas, wind and hydroelectric generating capacity. Exelon recently announced it was considering the sale of its generation assets. This would reduce its exposure to competitive power markets and give the business a more predictable earnings profile, which could cause it to trade up to higher valuation multiples.

US electric utility PNM Resources and Mexican pipeline operator IEnova were divested, after both firms received takeover offers during the quarter.

## 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.

The outlook for the asset class is positive. Interest rates appear set to remain at low levels for a sustained period of time, which should prove supportive of defensive and interest-rate sensitive sectors such as utilities and towers.

Government attempts to improve weak economic fundamentals through infrastructure and green energy stimulus plans are also likely to benefit 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 long time frames. A slow or uneven economic recovery would also favour structural themes - such as

investment in mobile phone networks to support ever-increasing demand for mobile data - over cyclical growth opportunities.

Further, while the timing remains hard to predict, there is also scope for gradual recovery in traffic / passenger volumes for coronavirus-impacted infrastructure sectors such as toll roads, airports and passenger rail, as vaccines are delivered.

In addition, financial market pessimism towards global listed infrastructure over the past year - and optimism towards higher risk assets - has driven an increase in intrinsic value opportunities across the asset class, which bodes well for global listed infrastructure performance in 2021.

All stock and sector performance data expressed in local currency terms. Source: Bloomberg.

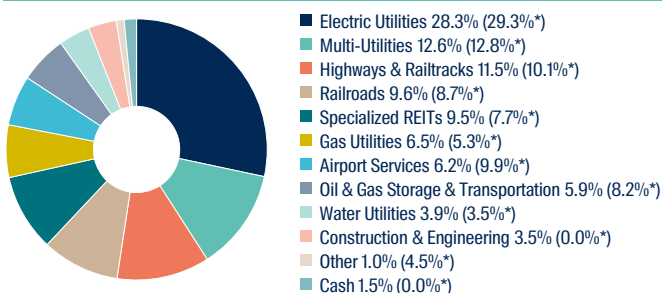
# Portfolio Allocation and Stock Holdings

31 December 2020

## Ten Largest Holdings as at 31 December 2020

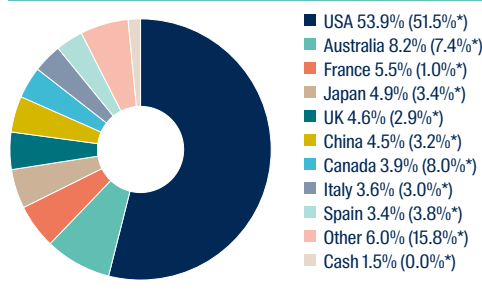
Stock Name	Country	Sector	Portfolio Weight (%)	Index Weight (%)
Transurban	Australia	Highways & Railtracks	6.2	4.8
Nextera Energy Inc	USA	Electric Utilities	6.2	5.2
American Tower Corporation	USA	Specialized REITs	6.1	3.8
Dominion Energy Inc COM	USA	Multi-Utilities	5.0	2.6
Aena SA	Spain	Airport Services	3.4	2.1
Eversource Energy	USA	Electric Utilities	3.3	1.3
Emera Inc	Canada	Electric Utilities	2.7	0.5
SBA Communications Corp Class A	USA	Specialized REITs	2.7	1.2
CenterPoint Energy, Inc.	USA	Multi-Utilities	2.6	0.5
Alliant Energy Corporation	USA	Electric Utilities	2.6	0.5

## Sector Breakdown



\*Index Weight

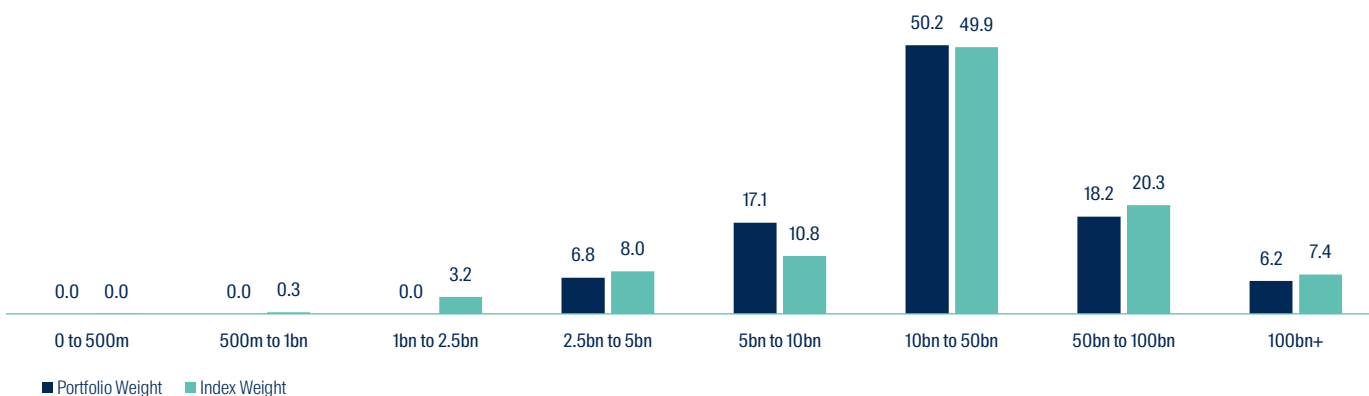
## Country Breakdown



\*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: First Sentier Investors. For illustration purposes only. 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. Allocation percentage is rounded to the nearest one decimal place and the total allocation percentage may not add up to 100%. Past performance is not indicative of future performance. 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 the same. All securities mentioned herein may or may not form part of the holdings of First Sentier Investors' portfolios at a certain point in time, and the holdings may change over time. The index refers to FTSE Global Core Infrastructure 50/50 Net Index.

# Stock Contribution

31 December 2020

## Top 5 contributors to absolute performance

### 3 months to 31 December 2020

Stock Name	Country	Sector	Value added (bps*)
Nextera Energy Inc	USA	Electric Utilities	73
Flughafen Zurich AG	Switzerland	Airport Services	58
SSE plc	UK	Electric Utilities	57
Enterprise Products Partners L.P.	USA	Oil & Gas Storage & Transportation	51
China Gas Holdings Limited	China	Gas Utilities	46

### 12 months to 31 December 2020

Stock Name	Country	Sector	Value added (bps*)
Nextera Energy Inc	USA	Electric Utilities	175
Crown Castle International Corp	USA	Specialized REITs	67
Transurban	Australia	Highways & Railtracks	65
Xcel Energy Inc.	USA	Electric Utilities	48
SSE plc	UK	Electric Utilities	42

## Bottom 5 contributors to absolute performance

### 3 months to 31 December 2020

Stock Name	Country	Sector	Value added (bps*)
American Tower Corporation	USA	Specialized REITs	-42
SBA Communications Corp Class A	USA	Specialized REITs	-36
Dominion Energy Inc COM	USA	Multi-Utilities	-22
Union Pacific Corporation	USA	Railroads	-13
Pinnacle West Capital Corporation	USA	Electric Utilities	-13

### 12 months to 31 December 2020

Stock Name	Country	Sector	Value added (bps*)
Williams Companies, Inc.	USA	Oil & Gas Storage & Transportation	-82
East Japan Railway Co	Japan	Railroads	-74
Union Pacific Corporation	USA	Railroads	-55
CenterPoint Energy, Inc.	USA	Multi-Utilities	-51
Enterprise Products Partners L.P.	USA	Oil & Gas Storage & Transportation	-45

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.

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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.