Responsible Listed Infrastructure

Aiming for sustainable capital growth and inflation protected income

First Sentier Investors

For professional clients only

RISK FACTORS

This is a financial promotion for The First Sentier Responsible Listed Infrastructure Fund. This information is for professional clients only in the UK and Switzerland 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 significantly less than the original amount invested.**
- **Charges to capital risk:** The fees and expenses may be charged against the capital property. Deducting expenses from capital reduces the potential for capital growth.
- **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.
- **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.
- **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.
- **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.

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

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

Worldwide, billions of people rely on infrastructure to live and do business. We believe delivering these essential services sustainably creates a way to drive meaningful change benefitting the environment, people's living standards and promoting economic growth.

The First Sentier Responsible Listed Infrastructure strategy is managed by a team of experienced infrastructure specialists, who have an in-depth understanding of infrastructure assets and the social license they need to operate.

The team uses proprietary research, detailed engagement and a rigorous investment process to construct a high conviction portfolio of companies that make sustainability part of their corporate culture and that are led by management teams that are accountable and focused over the long term.

What is a responsible infrastructure fund?

Infrastructure companies are leading a global shift to cleaner energy, next-gen transport networks and increasing mobile connectivity. Our Responsible Listed Infrastructure Fund seeks to invest in infrastructure companies that can contribute to, or benefit from moves to implement, the UN Sustainable Development Goals.

The Fund is managed using an active, bottom-up process of security selection which focuses on valuation, asset quality and sustainability-related criteria.

Company engagement is a key focus for the Fund. Doing so enables us to understand a company better, and, where we believe it is necessary, to lobby for change.

The investment case for responsible listed infrastructure

- A sustainability focus can potentially improve performance and reduce risk
- Inflation protected income
- Diversification, low correlation with other asset classes
- Liquid and transparent
- Scope to drive positive change through active engagement within sectors that contribute to, and can have a positive impact on, implementing the UN SDGs

How do we do it?

Investment process

1. Screening
Securities that have poor infrastructure characteristics, low yield and growth are screened out in the first step of the process.

2. Fundamental research
Valuable insights are sought into the firm's management, asset quality, financial position, strategic direction, as well as the regulatory environment and overall competitive landscape.

This includes a consideration of environmental, social and governance issues for the firm.

3. Valuation ranking
The third step in the process is to rank stocks on consistent valuation measures. Our primary valuation tool is a Discounted Cash Flow (DCF) valuation, given the long duration nature of infrastructure assets. A broad range of other valuation measures are also considered.

4. Quality ranking
Each company is evaluated on 25 criteria that we believe influence performance, including infrastructure characteristics, management, financial position, regulation, sustainability and equity flows.

5. Sustainability analysis
Sustainability analysis takes a deeper look at the efforts a company is making with regard to sustainability, and at the adequacy of those efforts through the lens of sustainable development.

6. Security selection
Valuation and quality ranking results are combined with sustainability analysis to determine a rating on each security ranging from Sell, Buy, Strong Buy to Best Idea.

7. Macro risk management
Various geopolitical and macroeconomic scenarios are debated and their potential impact on the companies is considered in order to better manage the potential risks in an overall portfolio.

8. Portfolio construction
The portfolio is based on the team's ratings. The weighting of the security in the portfolio reflects the expected returns, the degree of the team's conviction, the extent of a company's contribution towards the UN's Sustainable Development Goals and the correlation with other securities in the portfolio. Sustainability analysis is used as a lens through which investment decisions are made. The team seeks diversification across countries and sectors to manage regulatory and event risk.

Our approach

Specialists
The strategy is managed by a dedicated team of specialists investing in listed infrastructure. Team members have complementary skills and experience in both infrastructure and equities markets. This experience is enhanced by over 500 company visits each year. We have always believed in the importance of sustainability. ESG considerations have been embedded into our investment process since the inception of the core Global Listed Infrastructure strategy in 2007.

Sustainability focus
The strategy invests in high quality infrastructure companies that take a responsible approach to sustainability. This emphasis can give us important insights into how a company operates, and helps us to understand the long term risks and potential rewards for investors. We believe our deep understanding of the infrastructure market should make us well positioned to form views on each company's culture and management's ability to deliver sustainably over the long term.

Engaged
We believe it is vital to actively engage with companies, to encourage sustainability best practice and to lobby for change. Through this engagement, we seek to highlight areas for potential improvement, encourage disclosure on ESG issues, and commend companies that are making progress in this area. We view this approach as being an important element of our fiduciary responsibilities.

Long-term
We believe investing in long-dated assets requires a long-term perspective. We spend as much time understanding the history of a company as we do forecasting its future. Infrastructure consists of long term assets that can be matched against long-dated liabilities. Investors need to be confident that their companies are being managed for the next decade, not just the next quarter.

Disciplined
We seek to earn excess returns by integrating a rigorous stock selection process with strict portfolio management risk controls. The investment process combines direct contact with proprietary research, a consistent valuation framework, a comprehensive 25-point quality assessment, in-depth sustainability analysis and consideration of macro risks. This structured process can reduce bias and support potential repeatable outperformance.

Case studies

Xcel Energy
Xcel Energy is a US-listed regulated utility serving 3.5 million electric and 2 million gas customers in eight Midwestern and Western states, primarily Colorado and Minnesota.

We invested in the company due to its combination of strong environmental credentials, and an attractive 5-7% earnings per share growth. This growth is being driven by its investment in decarbonising its power generation assets through measures including: replacing coal with wind; grid advancement; smart meters; transmission; and electric vehicle infrastructure.

By allocating capital to companies like Xcel Energy, we are working towards achieving UN Sustainable Development Goal 7: Affordable and Clean Energy.

The potential of solar
The last decade has seen carbon-free renewables, with the help of low cost natural gas, start to displace coal and oil from the developed world's electricity supply. The International Energy Agency predicts that between 2019 and 2024, the world will add enough renewable generation capacity to power the entire United States.

The continued build-out of renewables, and the need to upgrade and expand energy transmission networks, is expected to underpin stable earnings growth across the utilities sector. Consumers and the environment stand benefit from increasing supplies of clean, affordable energy. One of the largest positions in our portfolio is NextEra Energy, a large cap US utility whose assets include regulated utility businesses and clean energy leader NextEra Energy Resources.

Performance

Dublin domiciled range
The First Sentier Responsible Infrastructure strategy was launched as a Dublin Domiciled VCC in December 2017.

Cumulative Performance (% in GBP) to 31 December 2020

Period	3 mths	6 mths	1 yr	3 yrs	5 yrs	10 yrs	Since Inception
First Sentier Responsible Listed Infrastructure Fund Class E GBP	1.2	0.0	-3.3	15.3	-	-	15.0
FTSE Global Core Infrastructure 50/50 Net Index	2.6	0.0	-7.0	14.1	-	-	13.9

Annual Performance (% in GBP) to 31 December 2020

Period	12 mths to 31/12/20	12 mths to 31/12/19	12 mths to 31/12/18	12 mths to 31/12/17	12 mths to 31/12/16
First Sentier Responsible Listed Infrastructure Fund Class E GBP	-3.3	21.3	-1.8	-	-
FTSE Global Core Infrastructure 50/50 Net Index	-7.0	20.3	2.0	-	-

These figures refer to the past. Past performance is not a reliable indicator of future results. All performance data for the First Sentier Responsible Listed Infrastructure Fund Class E (Distributing) GBP as at 31 December 2020. 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. Since inception performance figures have been calculated from 20 December 2017.

Having launched an offshore fund three years ago, we are now launching an equivalent onshore fund.

Share class availability

Fund name and share class	First Sentier Responsible Listed Infrastructure Fund Class E (Acc) GBP	First Sentier Responsible Listed Infrastructure Fund Class B (Acc) GBP
Benchmark	FTSE Global Core Infrastructure 50/50 Index	FTSE Global Core Infrastructure 50/50 Index
Fund Manager	Rebecca Myatt	Rebecca Myatt
ISIN	GB00BMXP3956	GB00BMBQLK73
SEDOL	BMXP395	BMBQLK7
Ongoing Charge (%)	0.55%	0.85%

To find out more about the First Sentier Responsible Listed Infrastructure Fund, please contact your relevant sales person

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