Global Listed Infrastructure Fund (USD)

Quarterly update

First Sentier Investors

For professional clients only

Q3 2024

Market insights

Global Listed Infrastructure delivered strongly positive returns during the September quarter, aided by robust quarterly earnings numbers and the US Federal Reserve's first interest rate cut since 2020. The Fund returned +12.1% before fees[1], compared with a +13.6% return from its benchmark index. Global equities ended the quarter +6.4% higher.

Fund performance

Annual Performance (% in USD) to 30 September 2024

Period	12 mths to 30/09/24	12 mths to 30/09/23	12 mths to 30/09/22	12 mths to 30/09/21	12 mths to 30/09/20
First Sentier Global Listed Infrastructure Fund ID USD	24.36	–0.44	–7.11	15.44	–8.99
FTSE Global Core Infrastructure 50/50 Index Net TR USD	28.80	0.51	–6.15	15.87	–8.29
MSCI World Net Total Return Index USD[2]	32.43	21.95	–19.63	28.82	10.41

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 the base currency of the share class, the return may increase or decrease as a result of currency fluctuations.

Performance data calculated since the launch date. Performance data is calculated on a net basis by deducting fees incurred at fund level (e.g. the management and administration fee) and other costs charged to the fund (e.g. transaction and custody costs), 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. First Sentier Global Listed Infrastructure Fund, Class I (Distributing) USD shares. Benchmark is the FTSE Global Core Infra 50/50 TR Index from 1 April 2015, prev. UBS Global Infra & Utilities 50/50 TR Index.

1 Performance is based on VCC ID share class, net of fees, expressed in USD.
2 MSCI World Net Total Return Index USD is provided for information purposes only. Index returns are net of tax. Data to 30 September 2024. Source: First Sentier Investors UK Funds Limited/Lipper IM.

Risk factors

This is a financial promotion for The First Sentier Global Listed Infrastructure Fund. This information is for professional clients only 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 significantly less than the original amount invested.**
- **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.
- **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.
- **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.

For details of the firms issuing this information and any funds referred to, please see Terms and Conditions and Important Information.

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.

Sector and region performance

Mobile towers rallied on lower interest rates and indications that tower leasing activity (telecom companies seeking to lease space for their equipment on mobile towers) may accelerate in late 2024 and 2025. Utilities/renewables gained on growing awareness of the extent to which demand for electricity is likely to increase over coming years. Rising demand for energy within the US and a keen appetite for US Liquefied Natural Gas exports proved supportive of the Energy Midstream sector.

North American freight railroads delivered positive returns but lagged other infrastructure sectors as freight haulage volumes remained lacklustre. Japanese infrastructure stocks were led lower by its electric utilities, which gave up ground following strong gains earlier in the year.

Portfolio activity

The portfolio initiated a position in US tower company SBA Communications, owner and developer of mobile tower portfolios in the US, as well as in faster-growing Latin American and African markets. Consistent with peers, SBA is positioned to benefit as improvements in mobile broadband technology drive demand for mobile communications, video streaming and smart devices. An upswing in the leasing cycle of US telecom companies, combined with easing interest rates, are expected to provide SBA with a favourable operating environment and scope for its valuation multiples to expand.

A position in Chinese toll road operator Jiangsu Expressway was divested after a period of strong share price performance relative to other global toll road operators reduced mispricing and moved the stock lower within our investment process.

Market outlook

The Fund invests in a range of listed infrastructure assets including toll roads, airports, railroads, utilities and renewables, energy midstream, wireless towers and data centres. 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.

Earnings growth for the asset class is likely to be underpinned by a number of structural growth themes over coming years. We are optimistic about the substantial investment opportunities associated with the decarbonisation of the world's energy needs. Utilities are positioned to derive steady, regulated earnings growth by building solar and wind farms, and by upgrading and expanding the networks needed to connect these new power sources to the end user. Recent developments have also highlighted the role that nuclear power can play in meeting growing demand for carbon-free electricity.

In addition to the energy transition, electricity demand levels in North America are also set to increase in absolute terms, after years of maintaining roughly consistent levels. This should provide a further tailwind for the earnings of many regulated US utility stocks. It is also likely to bolster the need for transition fuels such as natural gas, which have a crucial role to play in maintaining energy reliability and affordability. As well as benefitting utilities, this is also likely to drive additional demand for North American energy midstream storage and transportation assets.

Digitalisation is another key theme for the asset class. We expect structural growth in demand for mobile data (underpinned by an ever-growing reliance on digital connectivity) to support long-term earnings growth for Towers. The adoption of 5G technology over coming years will require networks to handle increased data speed, as well as a much higher number of connected devices. The surge of interest in AI is driving data center demand, as well as boosting the need for electricity.

Important information

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Further information is contained in the Prospectus and the relevant key information documents which are available free of charge by writing to: Client Services, First Sentier Investors, 1 Grand Canal Square, Grand Canal Harbour, Dublin 2, Ireland or by telephoning +353 1 635 6798 between 9am and 5pm (Dublin time) Monday to Friday or by visiting www.firstsentierinvestors.com. Telephone calls may be recorded.

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