

### Market insights

Global listed infrastructure gave up ground in the December quarter as a 78 basis-point increase in US 10-year bond yields weighed on interest rate-sensitive assets. The Fund returned +0.7% after fees<sup>1</sup>, compared with a +1.6% return from its benchmark index.

### Fund performance

#### Annual Performance (% in EUR) to 31 December 2024

Period	12 mths to 31/12/24	12 mths to 31/12/23	12 mths to 31/12/22	12 mths to 31/12/21	12 mths to 31/12/20
First Sentier Global Listed Infrastructure Fund VI Acc EUR	12.88	-1.92	2.84	21.91	-11.19
FTSE Global Core Infrastructure 50/50 Index Net TR EUR	16.84	-1.25	1.37	23.60	-11.98
MSCI World Net Total Return Index EUR <sup>2</sup>	26.60	19.60	-12.78	31.07	6.33

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 VI (Accumulation) EUR 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.

<sup>1</sup> Performance is based on VCC VI Acc share class, net of fees, expressed in EUR.

<sup>2</sup> MSCI World Net Total Return Index is provided for information purposes only. Index returns are net of tax. Data to 31 December 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

Energy midstream gained on the view that rising demand for energy would support natural gas demand, leading in turn to additional increasing pipeline investment opportunities. Sentiment towards the sector was also buoyed by hopes that the incoming Trump administration would loosen regulatory restrictions and promote a pro-energy agenda.

Airports held up well on better-than-expected passenger volumes and improving regulatory outcomes. After lagging earlier in the year, toll roads held firm in the December quarter, aided by gains from Australian operator Transurban as it drew closer to concluding a regulatory review in NSW.

However, towers fell owing to their high interest-rate sensitivity, and on concerns that the sector's earnings growth rate in 2025 may be lower than the market had previously anticipated. North American freight railroads declined on the view that December quarter and 2025 earnings numbers may be affected by network disruptions, softer coal pricing and fuel surcharge timing impacts.

## Portfolio activity

The Fund initiated a position in New Jersey-based utility Public Service Enterprise Group, which derives most of its earnings from regulated electric and gas transmission and distribution networks. The company also owns substantial merchant nuclear power generation assets which appear well-positioned to benefit from the strong demand for continuous carbon-free electricity currently being driven by growth in data centres and Artificial Intelligence.

Wisconsin-based regulated electric utility Alliant Energy was divested after strong share price gains earlier in 2024 reduced mispricing and moved the stock to a lower ranking within our investment process. Mexican airport operator ASUR was also sold on the view that market assumptions around future passenger volume growth at Cancun Airport, its main asset, have become overly optimistic.

## 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.

Toll roads remain the portfolio's largest sector overweight. Although the earnings growth rate of these companies may reduce as inflation eases, free cash flow generation should remain robust. This will reinforce balance sheet strength and increase share buyback opportunities. The perception of lower political and regulatory risks in Australia, France and Latin America should also provide a tailwind to these stocks.

We are positively disposed towards both freight and passenger rail stocks. North American freight railroads have endured an unprecedented three-year freight recession, which the sector appears well positioned to emerge from in 2025. Improved haulage volumes, along with better service metrics, lower capital employed and the sector's strong pricing power, bode well for shareholders. Passenger rail stocks look mispriced, with potential upside from growth in travel spend over the medium term.

A substantial portion of the portfolio consists of utilities/renewables. These stocks face higher capital expenditure needs to meet the increases in electricity demand being driven by AI, data centres, manufacturing onshoring and electrification, particularly in the US. They are likely to need to raise substantial amounts of equity in 2025, to meet these needs. However, this theme should also enable the sector's Earnings per Share growth rate to accelerate from a typical range of between 3% and 5% per annum to between 6% and 8% per annum, representing a meaningful positive shift.

The portfolio remains underweight energy midstream. Within this space, the portfolio has overweight exposure to US energy midstream stocks but is substantially underweight ex-US energy midstream companies – notable large-cap, slower growing operators such as Enbridge Inc. and TC Energy. We prefer US-listed operators servicing low-cost basins; or that are positioned to benefit from growth in US exports. An elevated oil price, robust US LNG export levels and a disciplined approach to capital expenditure are enabling these companies to generate strong free cash flows.

## 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](http://www.firstsentierinvestors.com). Telephone calls may be recorded.

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