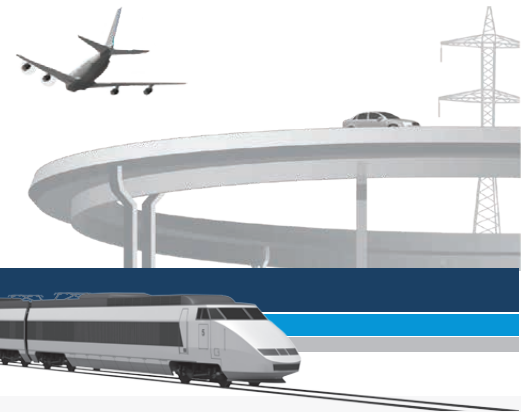


First State Global Listed Infrastructure Fund

Monthly Review and Outlook

April 2019



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

Market Review

Global Listed Infrastructure gained in April on solid earnings results, a brightening global economic outlook and dovish central bank commentary. The FTSE Global Core Infrastructure 50/50 index rose +0.7%, while the MSCI World index^ ended the month +3.5% higher.

The best performing infrastructure sector was Ports (+5%). Dubai-based DP World (+23%, not held) rallied on news of a planned US\$3.4 billion Chinese investment into two storage and export facilities within the emirate. Airports (+3%) were supported by stronger than expected March passenger growth. However a profit warning from Germany's largest airline Lufthansa, citing higher fuel costs and European over-capacity, implied that growth rates still face headwinds over the medium term.

The worst performing sector was Gas Utilities (-2%). A proposal to cap the new customer connection fee that utilities are allowed to charge as part of a government drive to encourage a switch from coal to natural gas, weighed on Chinese operators. Towers (flat) paused for breath following a sustained period of share price outperformance.

The best performing region was Europe ex-UK (+3%), where airports, ports and toll roads were buoyed by improving economic data and a supportive ECB stance. The worst performing region was Japan (-7%), ahead of its extended Golden Week public holiday. The country's electric utilities (screened out of our Focus List) underperformed on reports that some nuclear reactors may be shut, owing to a failure to meet anti-terrorism safety standards.

Fund Performance

	Cumulative Performance in USD (%) ¹					Since inception
	3 mths	YTD	1yr	3yrs	5yrs	
Class I (USD - H Dist)	5.7	13.4	8.1	23.0	33.4	77.0
Benchmark*	5.6	13.9	12.3	30.8	41.6	81.7

	Calendar Year Performance in USD (%) ¹				
	2018	2017	2016	2015	2014
Class I (USD - H Dist)	-8.3	17.2	11.7	-5.7	12.3
Benchmark*	-4.0	18.4	11.3	-6.0	13.6

Top 10 holdings (%)²

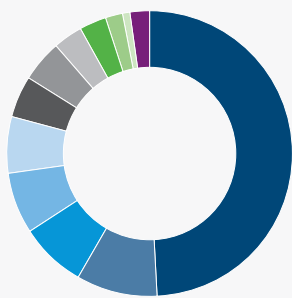
Stock name	Sector	%
Dominion Energy Inc COM	(Multi-Utilities)	6.2
Transurban	(Highways/Railtracks)	5.9
Nextera Energy Inc	(Electric Utilities)	5.6
Transcanada Corp	(Oil/Gas Storage & Trans.)	4.9
Crown Castle International Corp	(Specialised REITs)	3.8
East Japan Railway Co	(Railroads)	3.7
SBA Communications Corp Class A	(Specialised REITs)	3.5
American Electric Power Company, Inc.	(Electric Utilities)	3.5
Atlantia S.p.A	(Highways/Railtracks)	3.5
Williams Companies, Inc.	(Oil/Gas Storage & Trans.)	3.4

The portfolio returned +0.5%³ in April, 24 basis points behind the FTSE Global Core Infrastructure 50/50 Index (USD, Net TR).

The best performing stock in the portfolio was US east coast freight rail company Norfolk Southern (+9%). The company announced better than expected earnings for the March quarter, with rising haulage volumes and improving service metrics.

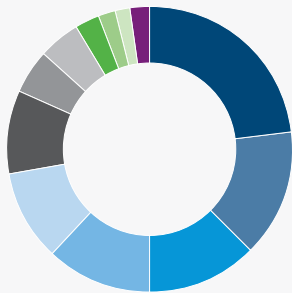
All stock and sector performance data expressed in local currency terms. Source: Bloomberg. ¹ Source: Lipper & First State Investments, Nav-Nav (USD total return) as at 30 April 2019. Allocation percentage is rounded to the nearest one decimal place and the total allocation percentage may not add up to 100%. Fund inception date: 27 June 2008. Performance is based on First State Global Listed Infrastructure Fund Class I (USD - H-Dist). This is the semi-annually dividend distribution class of the Fund. The performance quoted are based on USD total return (with dividend reinvested). Dividends are not guaranteed and may be paid out of capital. ² Source: First State Investments as at 30 April 2019. ³ Performance is based on VCC ID share class, net of fees, expressed in USD. All stock and sector performance data expressed in local currency terms. Source: Bloomberg. *MSCI World Net Total Return Index, USD. *The benchmark displayed is UBS Global Infrastructure & Utilities 50-50 Index until 31 March 2015 and the 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.

Asset Allocation (%) ¹



Country

- USA 49.4
- Canada 9.0
- Japan 7.6
- Australia 6.9
- UK 6.3
- Spain 4.9
- China 4.6
- Italy 3.5
- France 2.8
- Brazil 2.0
- Other 0.9
- Liquidity 2.1



Sector

- Electric Utilities 23.3
- Highways/Railtracks 14.4
- Oil/Gas Storage & Trans. 12.6
- Multi-Utilities 11.9
- Railroads 10.2
- Specialised REITs 9.4
- Gas Utilities 5.1
- Construction & Engineering 4.8
- Airport Services 2.8
- Marine Ports & Services 1.8
- Other 1.7
- Liquidity 2.1

US west coast peer Union Pacific (+6%) also delivered positive earnings numbers. Headcount was reduced by 4% and average train length increased by 7% during the March quarter - further evidence of Precision Scheduled Railroading driving operational improvements.

European transport infrastructure performed well. Spanish-listed AENA (+8%), Europe's largest airport operator by number of passengers, announced robust March quarter earnings and upgraded guidance for traffic growth in calendar 2019 from ~2% to ~3.7%. Vinci (+6%) achieved better than expected revenue growth from its toll road concessions, and announced healthy +6.4% passenger growth at its airports. Strong growth at its Portuguese airports reflected the country's popularity as a tourist destination. Global concession, construction and services company Ferrovial (+5%), which owns a 43% stake in Toronto's 407 Express Toll Route, gained after fellow owner SNC-Lavalin sold its 10% stake in 407 ETR to Canadian pension fund OMERS. The higher than expected C\$3.25 billion sale price provides a useful valuation marker.

In the Pipelines space TransCanada (+7%) gained after an election victory for the energy sector-friendly Liberal party in Canada's western Alberta province; and the issuance of two new US presidential executive orders aimed at supporting pipeline infrastructure development. Reports that TransCanada was seeking to sell midstream assets acquired as part of its 2016 takeover of Columbia Pipeline Group to help fund new, higher growth projects also buoyed sentiment towards the stock. Magellan Midstream Partners (+2%) climbed ahead of its March quarter earnings announcement, on the appeal of its ~7% dividend yield and track record of stable earnings growth.

The worst performing holding in the portfolio was COSCO Shipping Ports (-8%) which gave up ytd gains after healthy 5% volume

growth for the March quarter failed to translate into profit growth. UK utility SSE (-4%) lagged as it continued to seek a buyer for its energy retail business segment, which supplies almost 6 million British households but faces a challenging operating environment. The sale of this business would enable SSE to focus on renewables generation and its energy transmission and distribution assets.

The portfolio's Japanese holdings underperformed as investors reduced exposure to the wider market ahead of a 10-day Golden Week holiday period. Indications of mounting competitive pressure weighed on Tokyo Gas (-6%) and Osaka Gas (-6%). Passenger rail companies East Japan Railway (-2%) and West Japan Railway (-1%) fared better after reporting steady earnings numbers, and on the view that the 2019 Rugby World Cup and 2020 Tokyo Olympics could provide small tailwinds to passenger volumes in coming months.

Fund Activity

The Fund initiated a position in CenterPoint Energy, a regulated electric and gas utility whose primary business is a high quality electric utility in the constructive regulatory jurisdiction of Texas. The company owns utilities in seven other US states, as well as a stake in energy infrastructure company Enable Midstream Partners. Earnings are forecast to grow at 5% - 7% per year between 2018 and 2023. Share price underperformance, owing to a mixed market reaction to the terms of its recent acquisition of smaller peer Vectren, presented an appealing entry point to these core infrastructure assets.

The Fund also bought shares in Chinese gas utility ENN Energy, which supplies natural gas to retail, commercial and industrial customers across mainland China. The stock has lagged peers and the broader market over the past year, pushing valuation multiples well below their historic average range. We believe the market is over-estimating the potential risk of government-mandated connection fee cuts; and under-estimating the strong growth trajectory of the Chinese gas distribution market, which is being driven by a national clean energy drive, rising urbanisation and growing market penetration.

Market Outlook and Fund Positioning

The Fund invests in a range of global listed infrastructure assets including toll roads, airports, ports, 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 portfolio is positioned to take advantage of a number of investment themes:

- (1) In several cases, stock-specific events have caused short term investor sentiment to overshadow positive longer term company fundamentals. Undervalued businesses with improving quality outlooks and the potential to reward patient investors include Dominion Energy and Atlantia.
- (2) We are attracted to companies taking pro-active steps to streamline operational efficiency and improve business

profitability. Self-help stories within the portfolio include Union Pacific and Aurizon.

(3) Some portfolio holdings have opportunities to sell or are already engaged in the sale of non-core assets at premium prices. As businesses simplify and improve, valuation multiples are likely to expand. TransCanada and Ferrovial are positioned to benefit from corporate restructuring strategies.

(4) We believe it is important for companies to be in a stable financial position at this late stage of the economic cycle. Examples of portfolio holdings whose robust balance sheets are currently under-appreciated by the market include Portland

General Electric and Tokyo Gas. We believe this prudent approach will be rewarded if the broader economic backdrop deteriorates.

(5) The final portfolio theme relates to companies with the ability to grow earnings at a faster rate than the market currently expects. Companies that we believe have under-appreciated growth optionality include Transurban, CCR and Eversource Energy.

We think these themes can deliver strong risk-adjusted returns to investors over the long-term.

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