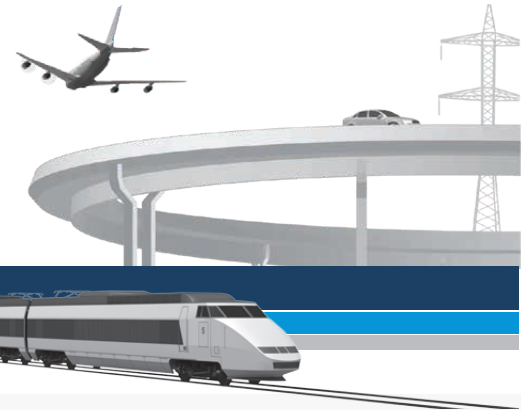


First State Global Listed Infrastructure Fund

Monthly Review and Outlook

July 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 was broadly flat in July. An environment of geopolitical uncertainty and deteriorating economic growth was countered by falling interest rates and decent company results. The FTSE Global Core Infrastructure 50/50 index* ended the month 0.40% lower while the MSCI World index^ ended the month 0.50% higher.

The best performing infrastructure sector was Towers (+4%). The sector continues to benefit from structural growth in demand for mobile data, as evidenced by strong Q2 results. Changes to industry structure in the US and Europe (outlined below) should continue to support the growth outlook. Toll Roads (+3%) gained on the appeal of their stable volumes and contracted pricing in a low interest rate environment.

The best performing infrastructure region was Australia (+4%) as government bond yields reached all-time lows, stimulating demand for income generating assets like toll roads and airports. Japan (+2%) also performed well as investors searched for value in a relatively expensive global equity market.

The worst performing sector was Ports (-4%) on increasing trade and political tensions between the US and China. An escalation of tensions with Iran in the Strait of Hormuz, a key shipping channel, also impacted sentiment towards global trade. This negative driver was reflected in the performance of Asia ex Japan (-2%).

Lower commodity prices and ongoing project delays produced a muted growth outlook for Pipelines (-3%) and reflected in the performance of Canada (-2%). Enbridge (-7%, fund underweight) continued to be impacted by regulatory, political

and permitting delays on its Line 3 Replacement and Line 5 pipelines. These issues highlight how challenging it has become to build new pipeline infrastructure, but also reinforce the value of existing assets in the ground.

Fund Performance

The Fund ended the month +0.64%¹ higher, outperforming its benchmark index by 103bps. Positioning within the Toll Road and Tower sectors aided relative performance. Overweight exposure to the UK and Japan were also positive drivers.

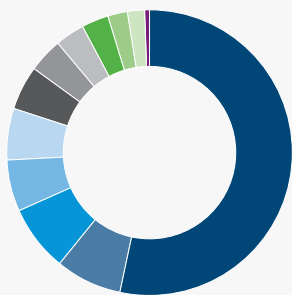
The best performing stock in the portfolio was SBA Communications (+9%). The US-based tower company delivered a strong Q2 result, supported by 6% growth in site leasing revenue, and raised the full year outlook. SBAC also initiated its first dividend and will continue to return cash to shareholders via share buybacks. Tower peers American Tower (+4%) and Crown Castle (+2%) were also positive contributors. The merger of telecom operators Sprint and T-Mobile presented a potential headwind for the tower sector. The market welcomed the forced sale of customers and spectrum to DISH which should create an effective 4th operator and mitigate the risk of consolidation.

Toll roads delivered another positive month of performance. CCR (+9%) continues to participate in new growth projects and privatisations that will be needed to enable Brazil to meet its infrastructure needs. Transurban (+6%) rallied as the market was attracted to its growing dividend relative to low yields on Australian government bonds. The company also opened another section of its WestConnex project - the M4 Tunnels extend the M4 Motorway another 6km from Sydney's west

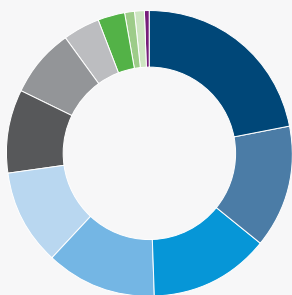
Cumulative Performance in USD (%) ²						
	3 mths	YTD	1yr	3yrs	5yrs	Since inception
Class I (USD - H Dist)	4.3	18.3	11.2	21.9	34.6	84.6
Benchmark*	3.2	17.5	12.5	27.3	41.1	87.4

Calendar Year Performance in USD (%) ²					
	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

Asset Allocation (%) ²



- Country**
- USA 53.7
 - Canada 7.7
 - Japan 7.3
 - Australia 6.0
 - UK 5.7
 - China 5.2
 - France 3.8
 - Spain 3.4
 - Italy 3.1
 - Mexico 2.3
 - Other 2.0
 - Liquidity -0.3



- Sector**
- Electric Utilities 22.2
 - Multi-Utilities 13.9
 - Highways/Railtracks 13.7
 - Oil/Gas Storage & Trans. 12.6
 - Railroads 11.0
 - Specialised REITs 9.4
 - Gas Utilities 8.1
 - Construction & Engineering 4.2
 - Airport Services 2.9
 - Marine Ports & Services 1.3
 - Other 1.1
 - Liquidity -0.3

Top 10 holdings (%) ²

Stock name	Sector	%
Nextera Energy Inc	(Electric Utilities)	5.6
Transurban	(Highways/Railtracks)	5.4
Dominion Energy Inc COM	(Multi-Utilities)	5.4
TC Energy Corp COM	(Oil/Gas Storage & Trans.)	4.0
SBA Communications Corp Class A	(Specialised REITs)	3.7
East Japan Railway Co	(Railroads)	3.6
Crown Castle International Corp	(Specialised REITs)	3.4
Williams Companies, Inc.	(Oil/Gas Storage & Trans.)	3.3
American Electric Power Company, Inc.	(Electric Utilities)	3.2
Union Pacific Corporation	(Railroads)	3.2

towards the city. Ferrovial (+5%) continued to be driven by its concessions business with strong results from toll roads in Toronto and Dallas. Despite challenging weather conditions, 407-ETR in Toronto increased EBITDA by 9% in the second quarter. The opening of a new section of road in Dallas resulted in EBITDA growth of 68% for Texas Managed Lanes. New lanes were also opened in Charlotte, NC during the period.

Gas utilities performed well including ENN Energy (+7%) in China and Tokyo Gas (+7%) and Osaka Gas (+7%) in Japan on continued strong demand from industrial and power generation customers. Falling wholesale gas costs should also support margins and profitability in the short-term.

US freight railroads delivered mixed performance in July. Union Pacific (+6%) beat market expectations for Q2 through strong pricing power and improved operating efficiency. The company reduced headcount by 8% in the quarter in response to a weaker volume environment and following the implementation of Precision Scheduled Railroading (PSR). In contrast, Norfolk Southern (-4%) disappointed the market. The company started to implement its version of PSR operations from July so we expect to see material cost improvements in the second half.

The worst performing stock in the portfolio was Williams (-12%) as very low gas prices forced a number of north-east US gas producers to reduce their growth outlook. While upstream economics will impact “supply-push” customers, there should still be demand for gas pipeline capacity from downstream “demand-pull” customers, underwriting the 5-7% long-term EBITDA growth outlined by the company. Dominion (-4%) underperformed as the market anticipated further delays to the Atlantic Coast Pipeline project as it seeks environmental permits.

UGI (-4%) announced the acquisition of Columbia Midstream from TC Energy for a relatively full multiple of 13x EBITDA. Management believe the gas gathering systems will complement the company’s existing gas pipeline and storage assets, though markets remain sceptical on synergies and growth expectations. Cheniere (-5%) was impacted by market concerns that the US trade dispute with China and low LNG spot prices would reduce the company’s ability to sign long-term contracts at attractive rates. The company is expanding its LNG export projects at Sabine Pass and Corpus Christi from 6 to 9 trains.

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 Fund is positioned with Toll Roads as its largest sector overweight. Transurban, Atlantia and Vinci have high barriers to entry, strong free cash flow and inflation linked pricing. We are attracted to their reasonable valuation multiples and well-supported dividend yields of between 3% and 6%. Growing urbanisation and worsening traffic congestion are likely to underpin long-term demand. EM peers operate high growth toll roads with well-established concession agreements, providing an essential service to some of the most densely populated regions in the world.

The Fund is also overweight energy Pipelines including TC Energy, Williams and Enterprise Products. These companies own assets connecting North American oil and gas fields with processing facilities and export terminals, positioning them to benefit from rising production levels and energy exports.

The Fund is underweight Multi/Electric Utilities. A number of high quality US names continue to trade at valuations that we find difficult to justify based on company fundamentals. The Fund has also maintained its underweight exposure to Airports, with exposure limited to leading European and Mexican operators. The airport sector faces medium term headwinds following a long period of above-average growth.

² Source: Lipper & First State Investments, Nav-Nav (USD total return) as at 31 July 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.

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