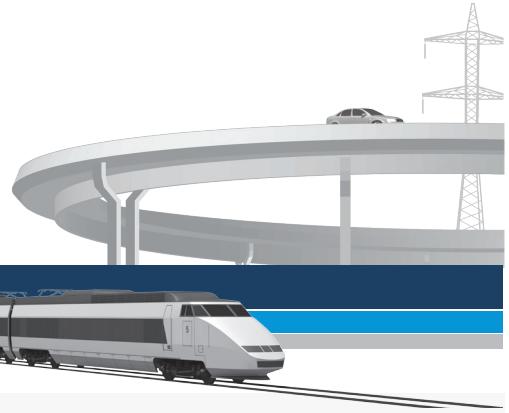


First State Global Listed Infrastructure Fund

Monthly Review and Outlook

June 2017



- The Fund invests in global listed infrastructure and infrastructure-related securities.
- Investing in shares in a single sector may expose the Fund to greater volatility than investing in multiple sectors. The value of the Fund may be impacted by risks associated with listed infrastructure including changes in environmental regulations. It is possible that the entire value of your investment could be lost.
- All or part of the Fund's fees and expenses may be paid out of capital resulting in an increase in distributable income and effectively a distribution out of capital. Similarly in certain circumstances dividends may be paid out of capital. This amounts to a partial return of an investor's original investment, or from any capital gains attributable to that original investment, and may result in an immediate decrease of the Net Asset Value per share.
- You should not base your investment decision solely on this document. You should not invest unless the intermediary who sells it to you has advised you that the Fund is suitable for you and explained how it is consistent with your investment objectives.

Market Review

Global listed infrastructure declined as political uncertainty and rising bond yields overshadowed a broadly positive economic backdrop.

Growth infrastructure sectors, which benefit from the higher volumes in an improving economic environment, held up relatively well. The best performing sector was Airports, which rallied on continued positive traffic momentum.

Utilities (Multi, Water and Electric) underperformed as central banks signalled that the era of expansionary monetary policy may be drawing to a close, pushing bond yields higher and dampening demand for income-generative assets.

The best performing region was Latin America, which was led higher by Mexican and Brazilian toll roads and airports. Toll road operator OHL increased after receiving a joint takeover bid from Spanish construction firm OHL Concessions and Australian fund manager IFM.

The UK underperformed owing to its large utilities weighting. Water utilities including United Utilities, Severn Trent and Pennon were affected by the view that the sector's 2019 regulatory review may introduce stricter price controls.

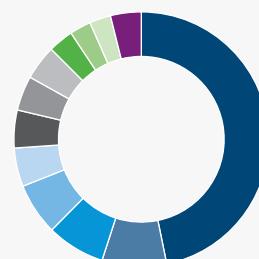
Performance review

The Fund declined 0.9% in June¹, 46 basis points behind the FTSE Global Core Infrastructure 50/50 Index (USD, Net TR).

	Cumulative Performance in USD (%) ¹					
	3 mths	YTD	1yr	3yrs	5yrs	Since inception
Class I (USD - H Dist)	5.4	13.4	11.4	19.4	67.5	64.7
Benchmark*	4.6	13.0	9.9	17.0	70.1	58.6

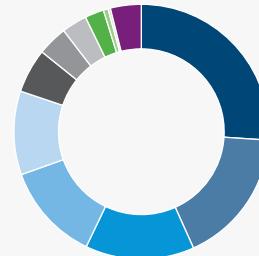
	Calendar year performance in USD (%) ¹				
	2016	2015	2014	2013	2012
Class I (USD - H Dist)	11.7	-5.7	12.3	17.3	10.4
Benchmark*	11.3	-6.0	13.6	17.9	12.7

Asset Allocation (%)¹



Country

- United States 46.8
- Japan 8.2
- United Kingdom 7.4
- Canada 6.6
- China 4.9
- Italy 4.8
- Spain 4.4
- Australia 4.4
- France 3.2
- Hong Kong 2.7
- Other 2.7
- Liquidity 3.9



Sector

- Electric Utilities 26.0
- Highways & Railtracks 17.2
- Oil & Gas Storage & Transportation 13.8
- Multi-Utilities 12.4
- Railroads 10.6
- Specialised REITs 5.6
- Marine Ports & Services 3.8
- Airport Services 3.2
- Gas Utilities 2.4
- Construction & Engineering 0.6
- Other 0.3
- Liquidity 3.9

Top 10 holdings (%)¹

Stock name	Sector	%
National Grid plc	(Multi-Utilities)	6.9
Enbridge Inc.	(Oil/Gas Storage & Trans.)	5.7
East Japan Railway Co	(Railroads)	5.4
Kinder Morgan Inc Class P	(Oil/Gas Storage & Trans.)	5.2
NextEra Energy, Inc.	(Electric Utilities)	4.9
American Electric Power Company, Inc.	(Electric Utilities)	4.5
Atlantia S.p.A	(Highways & Railtracks)	4.4
Dominion Resources, Inc.	(Multi-Utilities)	4.4
Transurban Group Ltd.	(Highways & Railtracks)	4.4
American Tower Corporation	(Specialised REITs)	4.1

The best performing stock in the portfolio was US freight rail operator Kansas City Southern, whose unique track network connects Mexico's manufacturing region with major US markets. 2Q volumes were robust, driven by the autos and refined products segments. The successful commencement of a cross-border intermodal partnership with US peer BNSF, owned by Warren Buffet, implies additional growth potential.

Japanese infrastructure stocks also rose, as a higher reading from the Bank of Japan's Tankan index reflected growing confidence across corporate Japan. Gas utility Osaka Gas climbed as investors took the view that current valuation multiples reflect an overly negative outlook for the stock, as changes are made to Japan's domestic gas market regulations. Port operator Kamigumi, which benefits from higher export volumes, also rose against the backdrop of positive business sentiment.

Large-cap US energy pipeline companies Kinder Morgan and Enterprise Products Partners regained ground as investors identified value following recent underperformance. US Energy Information Administration projections suggest that the US could become a substantial net energy exporter in coming years, which would drive demand for both companies' extensive, high quality energy infrastructure networks.

The worst-performing stock in the portfolio was Eurotunnel. The stock announced a robust 3% increase in truck traffic and solid Eurostar passenger numbers for May. However, flagging UK economic indicators imply potential softness in its core market. Spanish airport operator AENA lagged as investors took profits after very strong ytd gains, driven by rapid passenger growth and recovering retail trends.

US and UK electric and multi-utility companies such as National Grid, Dominion Energy and Xcel Energy represented the other main area of weakness in the portfolio. These defensive stocks dipped on mounting concerns that global interest rates may increase from current low interest levels.

The Fund bought shares in US pipeline operator Plains All American Pipeline after share price underperformance presented an appealing entry point to the stock. The company owns a portfolio of strategically located energy infrastructure networks connecting well-established crude oil producing regions. Significant investment into its pipeline network over the past five years means the company is now well positioned to benefit from a recovery in oil production levels, with minimal additional capex requirements.

A position was built in Vinci, a French-listed operator of high quality toll road concessions that also owns assets in the fast-growing airports sector and a market-leading global construction business. Vinci appears likely to benefit from an improving French political and economic outlook, and from President Macron's proposed reforms to the country's labour markets.

French-listed gas utility Rubis was sold after pleasing outperformance during the Fund's extended holding period reduced mispricing. A holding in Tokyo Gas was also divested after share price increases reduced the valuation gap that had previously existed between this company and peers.

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 mobile 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 outlook for the Fund is positive. The majority of listed infrastructure companies have healthy balance sheets, with prudent levels of debt and conservative dividend payout ratios. Most infrastructure sectors are forecasting mid- to high-single digit EPS and DPS growth. This growth is underpinned by tangible assets, providing essential services in contracted or regulated business models.

When considered relative to other asset classes listed infrastructure looks well placed to deliver reasonable risk adjusted returns to investors, given the still-low expected returns from cash and bonds at current levels. If there was a correction in equity markets, the stability of infrastructure cash-flows and historic outcomes would suggest that listed infrastructure would fall by significantly less than general equities.

¹ Source: Lipper & FSI, Nav-Nav (USD total return) as at 30 June, 2017. Since inception date: 27 June 2008. Performance is based on First State Global Listed Infrastructure Fund Class I (USD – H-Dist) 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. *The benchmark displayed is the FTSE Global Core Infrastructure 50/50 Index.

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