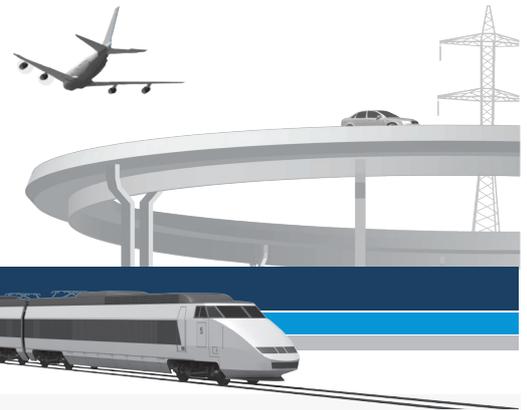


First State Global Listed Infrastructure Fund

Monthly Review and Outlook

September 2018



- 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 declined in September as a combination of rising interest rates, political interference and equity issuance dampened returns.

The best performing infrastructure sector was Railroads (+4%) after Union Pacific announced a change in operating model to improve efficiency of its US freight operations after years of lagging performance. Japan passenger railroads also performed well as the market started to value their defensive qualities.

The worst performing sector was Ports (-6%) as the market feared an escalating trade war between the US and China would impact global trade. Pipelines (-3%) lagged on delayed projects and an overhang from equity issuance.

The best performing region was Japan (+8%) as investors searched for defensive exposure outside the expensive US market. The worst performing region was Australia NZ (-3%) reflecting higher-than-normal political and regulatory uncertainty and some indigestion from the large Transurban equity raising.

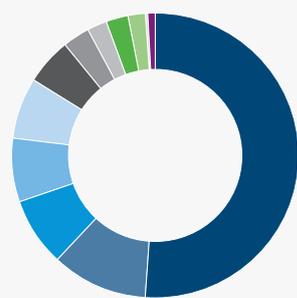
Performance Review

The Fund fell -2.6%¹ in September before fees, -2.1% behind its benchmark index.

	Cumulative Performance in USD (%) ¹					
	3 mths	YTD	1yr	3yrs	5yrs	Since inception
Class I (USD - H Dist)	-2.3	-6.2	-6.0	25.5	34.6	59.6
Benchmark*	0.5	-1.4	0.3	29.9	43.5	63.8

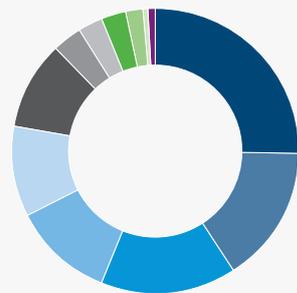
	Calendar Year Performance in USD (%) ¹				
	2017	2016	2015	2014	2013
Class I (USD - H Dist)	17.2	11.7	-5.7	12.3	17.3
Benchmark*	18.4	11.3	-6.0	13.6	17.9

Asset Allocation (%)¹



Country

- USA 51.1
- Canada 10.9
- Japan 7.9
- UK 7.2
- Australia 6.8
- China 5.3
- Italy 3.0
- Brazil 2.4
- Spain 2.3
- France 1.9
- Other 0.5
- Liquidity 0.6



Sector

- Electric Utilities 25.3
- Highways/Railtracks 15.5
- Oil/Gas Storage & Trans. 15.3
- Multi-Utilities 11.5
- Railroads 10.2
- Specialised REITs 10.0
- Construction & Engineering 3.2
- Gas Utilities 2.8
- Marine Ports & Services 2.8
- Water Utilities 1.9
- Other 0.7
- Liquidity 0.6

¹ Source: Lipper & First State Investments, Nav-Nav (USD total return) as at 30 September 2018. Since 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. *The benchmark displayed is the FTSE Global Core Infrastructure 50/50 Index.

Top 10 holdings (%)²

Stock name	Sector	%
Dominion Energy Inc COM	(Multi-Utilities)	6.9
Transurban Group Stapled Deferred	(Highways/Railtracks)	6.8
NextEra Energy, Inc.	(Electric Utilities)	5.1
Kinder Morgan Inc Class P	(Oil/Gas Storage & Trans.)	5.0
Crown Castle International Corp	(Specialised REITs)	4.8
TransCanada Corporation	(Oil/Gas Storage & Trans.)	4.7
East Japan Railway Co	(Railroads)	4.7
Energy Inc Com	(Electric Utilities)	4.5
American Tower Corporation	(Specialised REITs)	4.0
Southern Company	(Electric Utilities)	3.8

The worst performing stock in the portfolio was Brazilian tollroad CCR (-10%) as economic and political turmoil and an investigation into corruption continued to weigh on the stock. While these concerns should not be dismissed, at current levels of 8x PE and 8% yield the market is heavily discounting the existing concessions and attributing no value to the company beyond. Passing of the election and a negotiated settlement could shift investor attention back to its fundamental value. In Australia, a consortium led by Transurban (-6%) bid A\$9.3 billion for a 51% stake in Sydney's WestConnex motorway network. While a full price was paid, key construction risks remain with the government and the operating synergies and debt structures were better than expected. The deal also cements the company's presence in the Sydney market and enhances the optionality from future connecting tollroad projects. Similar to the 2015 acquisitions in Brisbane, we expect the stock to recover once the large rights issue is digested and further details on WestConnex come to light.

In the UK, the prospect of a "no-deal Brexit" weighed on the local market. Threats to return regulated utilities to public control were repeated by the opposition Labour leader, impacting Severn Trent (-8%) and National Grid (-2%). Severn Trent now trades at a 10% premium to regulatory capital value, a small premium given its material outperformance of allowed recoveries on operating and capital costs. Meanwhile SSE (-9%) warned of lower than expected profits for the year, as poor wind conditions and high gas prices worked against their hedging positions. While a disappointing outcome from a usually conservative management team, this activity will be curtailed with the planned demerger of its retail business.

Pipelines including TransCanada (-5%) and Williams (-7%) were impacted by rising interest rates and project delays. Recent equity issuance in the sector may have created some short-term overhangs, but the resulting simplifications are a long-term positive.

On a more positive note, a number of stocks bucked the negative trend. Gibson Energy (+7%) continued to execute the sale of non-core assets with proceeds likely to be at the high end of prior guidance. Hydro One (+3%) recovered after the Ontario utility confirmed the appointment of a new chair and the extension of their merger with US utility Avista. Norfolk Southern (+4%) continued to rise with US freight rail volumes up nearly 5% in the third quarter, the 8th consecutive quarter of growth for the sector.

Japan was the standout performer with Osaka Gas (+8%), West Japan Railway (+7%) and East Japan Railway (+6%) delivering positive outcomes. Investors are searching for defensive names beyond the

increasingly expensive US market. The railways trade at appealing valuation multiples and offer exposure to steady growth in shinkansen business passengers supported by an increasing share of international tourists.

Market Outlook and Fund Positioning

The Fund invests in a range of global listed infrastructure assets including tollroads, 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.

Tollroads represent the Fund's largest sector overweight. Tollroad operators provide an essential service in congested corridors. Traffic volumes tend to be resilient and inelastic to price increases. Transurban has a dominant market position within Australia's largest cities and significant optionality to further enhance its networks. Peers in Europe, China and Latin America face greater political and economic challenges, but these risks are fully discounted in current valuations.

Energy pipelines offer exposure to regulated or contracted assets. Sentiment towards the sector is improving as companies have taken steps to sell non-core assets, reduce leverage and simplify corporate structures. The sector is well positioned to benefit from structural growth in North American energy exports.

The Fund remains underweight airports and some US utilities. Despite strong growth prospects and high quality assets, many companies in these sectors are trading at valuations that we find difficult to justify based on company fundamentals.

Overall, recent performance has been impacted by rising interest rates and political interference. With these key risks now discounted into valuations, there should be greater confidence in future returns.

² Source: First State Investments as at 30 September 2018.

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