

First Sentier Responsible Listed Infrastructure Fund (UK OEIC)

Quarterly Investment Report

31 December 2023

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Risk Factors

This document is a financial promotion for the First Sentier Responsible Listed Infrastructure Fund in the UK 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 substantially less than the original amount invested.**
- **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.
- **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.
- **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.
- **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.
- **Listed Infrastructure Risk:** the Fund may be vulnerable to factors that particularly affect the infrastructure sector, for example natural disasters, operational disruption and national and local environmental laws.

Reference to specific securities (if any) is included for the purpose of illustration only and should not be construed as a recommendation to buy or sell. Reference to the names of any company is merely to explain the investment strategy and should not be construed as investment advice or a recommendation to invest in any of those companies.

For a full description of the terms of investment and the risks please see the Prospectus and Key Investor Information Document.

If you are in any doubt as to the suitability of our funds for your investment needs, please seek investment advice.

If you are unsure of the terminology used in this report, please seek independent financial advice.

Portfolio Overview

31 December 2023

Investment objective and policy

The Fund aims to achieve an investment return from income and capital growth over the long term (at least five years).

The Fund invests in shares of companies that are involved in infrastructure around the world and are listed on exchanges worldwide. The infrastructure sector includes utilities (e.g. water and electricity), highways and railways, airports, marine ports and energy storage and transportation. The Fund does not invest directly in infrastructure assets. The Fund may invest up to 10% in other funds. The Fund will only use derivatives to reduce risk or to manage the Fund more efficiently in limited cases.

Fund Information

Fund Launch Date	08 February 2021
Fund Size (£m)	36.3
UK's Investment Association Sector	Infrastructure
Benchmark	FTSE Developed Core Infrastructure ex-Pipelines Index Net TR*
Number Of Holdings	35
Fund Manager(s)	Rebecca Sherlock/Peter Meany
Research Rating ^	Morningstar®:Bronze
Fund Yield	2.7%

* The benchmark and IA sector for this Fund have been identified as a means by which investors can compare the performance of the Fund and have been chosen because their constituents most closely represent the scope of the investable assets. The benchmark and sector are not used to limit or constrain how the portfolio is constructed nor are they part of a target set for Fund performance. The IA Infrastructure Sector was split out of the IA Global Sector as of 13 September 2021 to create a new IA Infrastructure Sector. The Fund joined the new IA Infrastructure Sector at the same time. Please note that the number of funds in each Investment Association sector will vary over time. The benchmark of the Fund changed from FTSE Global Core Infrastructure 50/50 Net Index to FTSE Developed Core Infrastructure ex-Pipelines Index Net TR with effect from 30 November 2022. This change has been reflected in the calculation of the benchmark performance.

^ This does not constitute an investment recommendation and is not indicative of future results. Methodology available on rating provider's website.

Available Share Classes

ISIN	Sedol	Share Class
GB00BMP3956	BMXP395	First Sentier Responsible Listed Infrastructure Fund GBP Class E (Accumulation)
GB00BMBQLK73	BMBQLK7	First Sentier Responsible Listed Infrastructure Fund GBP Class B (Accumulation)
GB00BKQMYG32	BKQMYG3	First Sentier Responsible Listed Infrastructure Fund GBP Class E Hedged (Accumulation)
GB00BKP85030	BKP8503	First Sentier Responsible Listed Infrastructure Fund GBP Class E (Income)

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Performance

31 December 2023

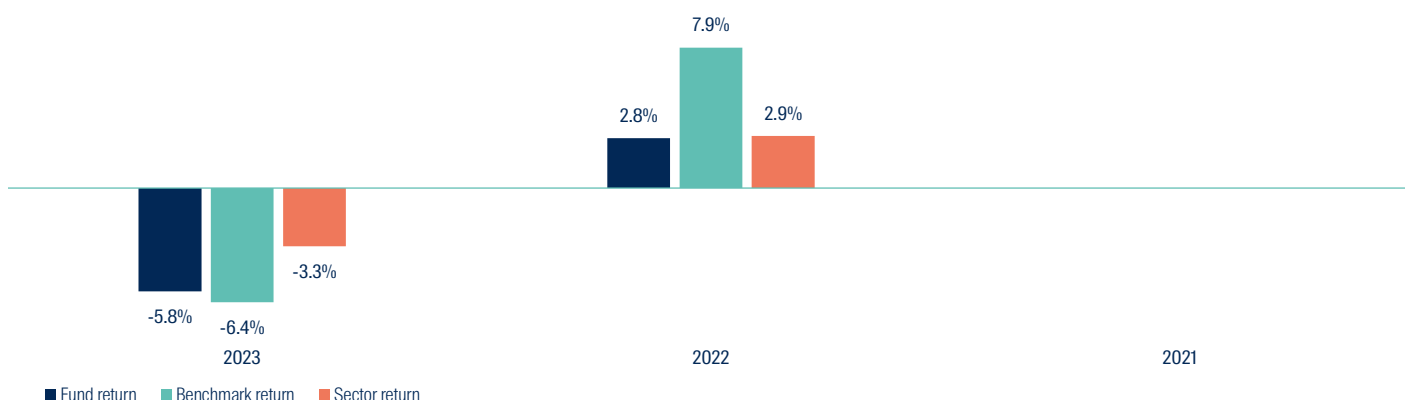
Annual Performance (% in GBP) to 31 December 2023

	12 mths to 31/12/23	12 mths to 31/12/22	12 mths to 31/12/21	12 mths to 31/12/20	12 mths to 31/12/19
First Sentier Responsible Listed Infrastructure Fund	-5.8	2.8	-	-	-
FTSE Developed Core Infrastructure ex-Pipelines Index Net TR	-6.4	7.9	-	-	-
Sector return	-3.3	2.9	-	-	-

Cumulative Performance (% in GBP) to 31 December 2023

	Since Inception	10 yrs	5 yrs	3 yrs	1 yr	YTD	6 mths	3 mths
First Sentier Responsible Listed Infrastructure Fund	10.5	-	-	-	-5.8	-5.8	2.6	10.5
FTSE Developed Core Infrastructure ex-Pipelines Index Net TR	16.7	-	-	-	-6.4	-6.4	1.0	7.0
Sector return	10.6	-	-	-	-3.3	-3.3	1.3	7.4

Calendar Year Performance (% in GBP) to 31 December 2023



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 GBP, the return may increase or decrease as a result of currency fluctuations. Since inception performance figures have been calculated from 08 February 2021. All performance data for the First Sentier Responsible Listed Infrastructure Fund Class B (Accumulation) GBP as at 31 December 2023. Source for fund - Lipper IM / First Sentier Investors (UK) Funds Limited. Performance data is calculated on a net basis by deducting fees incurred at fund level (e.g. the management fee and other fund expenses), 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. Source for benchmark - FTSE, income reinvested net of tax.

Sector returns calculated by Lipper and denote the arithmetic mean performance of funds in the relevant UK's Investment Association Sector.

Commentary

31 December 2023

Market Review

A growing consensus that interest rate cuts were likely in 2024 drove a strong December quarter for Listed Infrastructure, with gains for every infrastructure sector and region.

Performance Review

Mobile towers led the asset class higher, aided by falling bond yields and activist intervention for Crown Castle. North American freight railroads were supported by improving productivity metrics and indications of volume recovery, following a testing 2023. Water / waste rose on an improving regulatory outlook for UK water utilities, and robust earnings numbers from the US waste management sector. Toll roads performed well on solid traffic numbers and hopes of a soft landing for the global economy.

US infrastructure stocks performed well, reflecting robust gains for the region's tower, railroad and utility companies. Infrastructure stocks in Japan lagged, having delivered strong returns earlier in the year on hopes of corporate reform and easing deflation.

Fund Activity

The Fund initiated a position in NextEra Energy Partners (NEP), the renewables-focused, listed subsidiary of large-cap US utility NextEra Energy. NEP's share price fell sharply at the end of September, after its dividend growth expectations between now and 2026 were lowered from 12%-15% per year to 5%-8% per year, and on concerns for higher interest rates. However, we believe the market over-reacted to this change, creating an appealing entry point to this stock. The company's work in the renewables space aligns it with UN Sustainable Development Goal 7: Affordable and Clean Energy.

No holdings were divested from the portfolio during the December quarter.

Outlook

The Fund invests in a range of listed infrastructure assets including toll roads, airports, railroads, utilities and renewables, 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. The Fund's focus on sustainable development, guided by the UN Sustainable Development Goals, can create opportunities for positive risk-adjusted performance. It can generate investment ideas, as well as lowering the overall risk profile of a portfolio through a better understanding of Responsible Investment-related risks.

Toll roads remain the portfolio's largest sector overweight. These companies have benefited from a shift towards cars and away from public transport since the COVID-19 pandemic. To date, inflation-linked toll increases have had little impact on demand. Strong operating leverage (ie largely fixed costs as sales increase) has proved supportive of earnings growth. From here, we believe that improvements made to toll road networks in recent years provide scope for further growth in traffic volumes.

A substantial portion of the portfolio consists of utilities / renewables. Following a challenging 2023, these stocks face a more constructive outlook for 2024. Balance sheets are in better shape, customer bill pressures are declining and we could see a re-emergence of M&A activity. Capital expenditure growth should accelerate, reflecting the need for increased resiliency spend and higher electricity usage growth from data centres, industrial on-shoring and electric vehicles. However, this growth is also likely to require increased equity issuance.

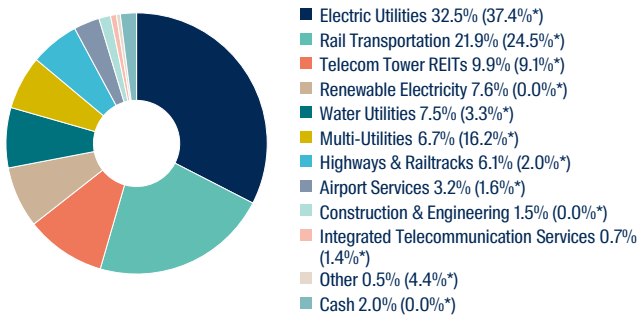
Portfolio Allocation and Stock Holdings

31 December 2023

Ten Largest Holdings as at 31 December 2023

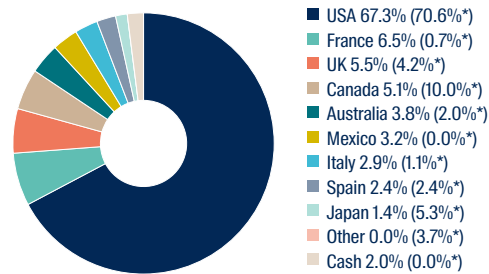
Stock Name	Country	Sector	Portfolio Weight (%)	Index Weight (%)
Union Pacific Corporation	USA	Rail Transportation	8.9	7.7
NextEra Energy, Inc.	USA	Electric Utilities	8.8	6.3
American Tower Corporation	USA	Telecom Tower REITs	6.1	5.2
Exelon Corporation	USA	Electric Utilities	5.2	1.8
Canadian National Railway Company	Canada	Rail Transportation	5.1	3.8
Edison International	USA	Electric Utilities	4.4	1.4
Pennon Group Plc	UK	Water Utilities	4.1	0.1
Crown Castle International Corp	USA	Telecom Tower REITs	3.8	2.6
Xcel Energy Inc.	USA	Electric Utilities	3.8	1.8
Norfolk Southern Corporation	USA	Rail Transportation	3.7	2.8

Sector Breakdown



*Index Weight

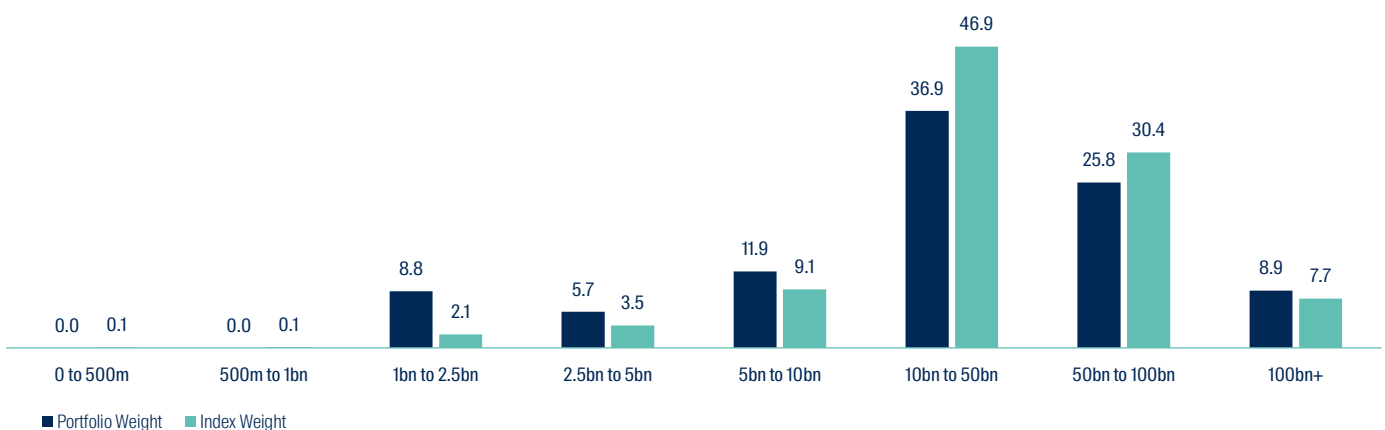
Country Breakdown



*Index Weight

Sector and Country classifications provided by Factset and First Sentier Investors. The Fund may hold multiple equity securities in the same company, which have been combined to provide the Fund's total position in that company. Index weights, if any, typically include only the main domestic-listed security. The above Fund weightings may or may not include reference to multiple securities.

Market Capitalisation Breakdown (GBP)



Data source: For illustration purposes only. Portfolio weights may not add up to 100% as cash holdings are excluded and full coverage of stocks is not always available. This information is calculated by First Sentier Investors.

Stock Contribution

31 December 2023

Top 5 contributors to absolute performance

3 months to 31 December 2023

Stock Name	Country	Sector	Value added (bps*)
American Tower Corporation	USA	Telecom Tower REITs	163
Union Pacific Corporation	USA	Rail Transportation	135
Pennon Group Plc	UK	Water Utilities	98
Norfolk Southern Corporation	USA	Rail Transportation	61
Canadian National Railway Company	Canada	Rail Transportation	57

12 months to 31 December 2023

Stock Name	Country	Sector	Value added (bps*)
Union Pacific Corporation	USA	Rail Transportation	97
Enel SpA	Italy	Electric Utilities	64
Solaria Energia Y Comstk	Spain	Renewable Electricity	55
Pennon Group Plc	UK	Water Utilities	38
Grupo Aeroportuario del Pacifico SAB de CV Class B	Mexico	Airport Services	37

Bottom 5 contributors to absolute performance

3 months to 31 December 2023

Stock Name	Country	Sector	Value added (bps*)
Exelon Corporation	USA	Electric Utilities	-42
Pinnacle West Capital Corporation	USA	Electric Utilities	-6
West Japan Railway Company	Japan	Rail Transportation	-3
Infrastrutture Wireless Italiane S.p.A.	Italy	Integrated Telecommunication Services	0
Dominion Energy Inc	USA	Multi-Utilities	5

12 months to 31 December 2023

Stock Name	Country	Sector	Value added (bps*)
NextEra Energy, Inc.	USA	Electric Utilities	-236
Eversource Energy	USA	Electric Utilities	-133
Crown Castle International Corp	USA	Telecom Tower REITs	-113
Dominion Energy Inc	USA	Multi-Utilities	-102
Exelon Corporation	USA	Electric Utilities	-91

Stock Contributions show the impact of the individual stock's performance to the total fund performance. These stock contributions show the top 5 and bottom 5 contributors to the fund and are not representative of the performance of the fund as a whole.

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 GBP, the return may increase or decrease as a result of currency fluctuation.

This stock information does not constitute any offer or inducement to enter into investment activity.

Contributions are calculated at the investee company level before the deduction of any fees incurred at fund level (e.g. the management fee and other fund expenses) but after the deduction of transactional costs.

Stocks held/listed in non-index countries have economic activity > 50% from developing economies.

* A basis point is a unit of measure used in finance to describe the percentage change in value or rate of a financial instrument. One basis point is equivalent to 0.01% (1/100th of a percent) or 0.0001 in decimal form.

Data source: This information is calculated by First Sentier Investors.

Risk Analysis

31 December 2023

Portfolio Risk Analysis - Ex-Ante at 31 December 2023

Risk Measure	Value	Risk Description
Dividend Yield (Index)	3.12%	The annual dividend yield paid per share divided by the share price. This factor measures the value of company shares according to the stream of dividend income resulting from share ownership.
Price to Book (Index)	2.04	The ratio of the company's book value (the sum of shareholders' equity plus accumulated retained earnings from the P & L account) to its share price. This factor has been one of the most successful measures of the intrinsic value of company shares.
Price to Earnings (Index)	16.87	Annual earnings (adjusted for amortizations of intangibles, extraordinary charges and credits) per share divided by the share price. This factor measures the worth of a company's ability to support each share with after tax earnings.

Data source: Ex-post information is calculated by First Sentier Investors, ex-ante information is provided by FactSet.

Disclaimer

31 December 2023

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References to "we" or "us" are references to First Sentier Investors.

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