

SHINING A LIGHT ON THE..... First Sentier Responsible Listed Infrastructure Fund

AT A GLANCE

Investment Objective
The Fund aims to achieve an investment return from income and capital growth over the long term (at least 5 years). The Fund invests at least 70% of its Net Asset Value in a diversified portfolio of equity or equity-related securities issued by companies in the infrastructure sector that are listed, traded or dealt in on Regulated Markets worldwide. The infrastructure sector includes, but is not limited to, utilities (e.g. gas, water and electricity), highways and rail tracks, airports and oil and gas storage and transportation.

Launch	8 th February 2021
Fund Factsheet Link	https://www.morningstar.co.uk/uk/funds/snapshot/snapshot.aspx?id=F000016650

Management	
Manager Name	Start Date
Rebecca Myatt	8 th February 2021
Peter Meany	8 th February 2021

FUND PERFORMANCE

Performance from 8th February 2021 to 28th February 2022:

	2021	2022
First Sentier Responsible Listed Infrastructure Fund	14.45%	-5.59%
FTSE Global Core Infra 50/50 NR Hdg GBP	15.17%	-3.44%

Performance over 12 months, and since launch:

	1 year	Since launch
First Sentier Responsible Listed Infrastructure Fund	12.03%	8.05%
FTSE Global Core Infra 50/50 NR Hdg GBP	15.44%	11.21%

You should note that past performance is not a reliable indicator of future returns, and the value of your investments can fall as well as rise. The total return reflects performance without sales charges or the effects of taxation but is adjusted to reflect all on-going fund expenses and assumes reinvestment of dividends and capital gains. If adjusted for sales charges and the effects of taxation, the performance quoted would be reduced.

Tracking Error	Information Ratio	Active Share	Upside Capture Ratio	Downside Capture Ratio	Batting Average	Beta	Alpha	Equity Style
-	-	66.89	-	-	-	-	-	Blend / Large

LWM Consultants Ltd

Volatility Measurements	
3-Yr Std Dev (volatility)	-
3-Yr Mean Return (average)	-

Investment Style Details	
Giant	6.95%
Large	50.67%
Medium	38.24%
Small	1.60%
Micro	0.00%

Top 5 Holdings – 39 Equity Holdings		
Transurban Group	Industrials	6.68%
NextEra Energy Inc	Utilities	5.90%
Sempra Energy	Utilities	5.66%
Dominion Energy Inc	Utilities	5.39%
Xcel Energy Inc	Utilities	4.53%

Top 5 Sectors	
Utilities	55.07%
Industrials	36.84%
Real Estate	6.83%
Communication Services	1.47%
-	-

Top 5 Regions	
United States	52.55%
Australia	8.82%
Spain	8.54%
France	7.32%
Canada	5.78%

UPDATE....

The strategy is just over 12 months old, although First Sentier have been running a successful infrastructure fund for several years. This new strategy has been a couple of years in the planning after strong demand from the UK and Europe. It follows very much the existing strategy of delivering growth and inflation protection but with a sustainable overlay.

The investment process has a value and quality bias. In terms of value, they are looking for mispricing opportunities within the market. For quality they score between 1 and 10 and this includes aspects such as management, remuneration etc. In terms of sustainability, they have a separate ranking system which can exclude quality, so all aspects work together.

The fund doesn't invest in energy mid-stream, so this includes transporting oil, natural gas and natural gas liquids. This means when oil is performing well this tends to underperform. They will invest in freight but not where they are used to transport coal.

LWM Consultants Ltd

They will invest in companies that are transitioning. To switch to hydrogen, pipes have to change, boilers replaced etc. The point is that the current systems are not built for immediate change, and this takes time. If companies are on the right trajectory to change then they may be happy to invest.

NextEra is an example of this, where they are very conservative on the targets they set and what they want to achieve, but the direction of travel is very clear.

Another area they discussed was airports, and with this they look at routes which cannot be transferred to other means of transport, those that encourage airline transition and are moving towards or using sustainable aviation fuel.

It is important to remember this is not just about renewables but also, for example, clean water, sustainable cities, affordable clean energy etc.

There is crossover with the main strategy, and it is worth researching that strategy to get a clearer picture on how the team have performed over time. This is about stock picking and engaging with companies. Ultimately, they want to deliver a sustainable sleep easy strategy that will protect on the downside, but on the reverse won't fully capture fast rising markets.

In summary we met the team prior to the pandemic and were impressed with the strategy and what they have delivered over time. This fund provides investors with choice and with around 65 / 80% crossover between the infrastructure funds it is wise to research the original strategy before making any decisions. We will look to do more research before potentially adding to our watchlist.

The source of information in this note has been provided by First Sentier and is correct as of March 2022. These are notes from meeting the fund manager or representative and should not be seen as a recommendation to purchase any fund mentioned. Any reference to shares is not a recommendation to buy or sell. Should you wish to make a decision based on these notes we cannot take responsibility for this and you should carry out your own research before making a decision. We would also recommend that you receive advice before following up on any decision.