

First Sentier Global Listed Infrastructure

Opinion

- This Recommended fund is managed by an autonomous and experienced team.
- The team has developed a robust and disciplined process, including detailed stock modelling and monitoring.
- We believe the focus on companies with high quality listed infrastructure assets, underpinned by a focus on valuations, supports the delivery of income and capital growth.

Characteristics and Utility

- The fund is a diversified way to invest in listed infrastructure securities that are primarily based in developed markets.
- As an asset class, global listed infrastructure typically outperforms in negative markets but does not fully participate in rising markets. These characteristics are reinforced by the team's emphasis on the quality and visibility of earnings combined with a focus on income streams.
- Given the fund's innate interest rate sensitivity performance can be susceptible to related market moves.
- The fund's exposure to companies that can link their earnings to inflation can potentially provide a stable and growing distribution yield over time. However the fund's yield varies according to prevailing conditions and portfolio composition.
- Given the fund's niche focus, it would typically be a satellite holding in a broader equity portfolio.

Risk Commentary

The fund's KIID Synthetic Risk and Reward Indicator (SRRI) is 6. This is a regulatory measurement that is, where possible, calculated from the volatility of its weekly performance over a five-year period. A score of 6 means the fund's historic volatility is between 15% and 25%.

Our analysis indicates that the fund's five-year standard deviation is towards the lower end of the 15%-25% range. An SRRI score of 6 is not out of step with that of global equities. We believe this to be a fair reflection of the team's approach. Different share classes could have differing SRRI scores.



Key Fund Facts

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| Inception Date: | 8 October 2007 |
| Manager(s) Since: | Peter Meany (Oct 07) Andrew Greenup (Jun 11) |
| Fund Domicile: | United Kingdom |
| Base Currency: | £ Sterling |
| Fund Benchmark: | FTSE Global Core Infrastructure 50-50* |
| IA Sector: | Infrastructure |

*On 1/4/15 the funds previous benchmark, UBS Global Infrastructure & Utilities 50-50, was retired.

Formal documentation, including the fund prospectus and the KIID, should be sought directly from the asset manager. A link to the asset manager's website can be found on the relevant fund page at theadvisercentre.co.uk. An asset manager adviser factsheet is also provided there.

Fund Snapshot

A specialist global equity fund with a sole focus on investing in companies with high quality infrastructure assets with a view to providing 'real' income and capital growth. The approach is bottom-up, valuation driven and includes detailed stock modelling and monitoring.

Investment Team

Peter Meany is Head of Global Listed Infrastructure and co-founded the firm's infrastructure business with Andrew Greenup in 2007. They co-manage the fund and have many years of experience in this specialist field. They are supported by a dedicated team of investment professionals and analysts.

Investment Philosophy

The team seeks to deliver inflation-protected income, while aiming to preserve and grow capital over the long-term, through investing in companies with high quality infrastructure assets that are trading at a discount to their long-term fundamental value. They favour companies that have strong management teams, robust business models and assets that exhibit monopolistic traits, such as pricing power.

Investment Process

The managers have developed a pragmatic, bottom-up, valuation-driven approach that seeks to emphasise high quality companies without over paying for these assets. Investments can be in "income" infrastructure sectors, that have steadily growing dividends, or "growth" infrastructure sectors, that can benefit from improving economic conditions or changing industry dynamics. The initial investment universe is screened to exclude companies that do not meet the team's liquidity, volatility and growth requirements. The remaining stocks, which form a focus list of around 130 securities, are then subjected to detailed fundamental analysis and are ranked according to quality and value criteria. The quality and value rankings are combined to provide an indication of the most attractive companies from the bottom-up research. The largest holdings in the fund are those that score highly on the value and quality criteria. Finally, the team considers and debates various geopolitical and macroeconomic scenarios and the potential impact on the overall portfolio.

Portfolio Construction and Risk Controls

The portfolio typically features around 40 holdings and does not hold fewer than 20 stocks. While the fund is constructed from the bottom-up, regional and sector risks are carefully monitored by the team. This is to ensure that the fund is diversified across both countries and sectors. Individual position sizes are a reflection of the team's conviction and typically companies that rank higher on the quality and value assessment will have a greater weight in the fund. The fund may hold emerging market stocks, as long as they meet their strict investment criteria, but with an internal limit of 20% (typically this has been well below the limit).

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