

First Sentier Investors (Australia) RE Ltd

Form ADV Part 2A
– The Brochure

A Guide to Our Services

Item 1: Cover Page

This brochure provides information about the qualifications and business practices of First Sentier Investors (Australia) RE Ltd ABN 13 006 464 428 (“**FSI ARE**”).

The information in this brochure has not been approved or verified by The United States Securities and Exchange Commission (“**SEC**”) or by any State securities authority.

FSI ARE is registered as an investment adviser with the SEC. Registration as an investment adviser with the SEC does not imply any certain level of skill or training.

If you have any questions about the contents of this brochure, please contact us on +61 2 9010 5200 or (emma.tetley@firstsentier.com).

Additional information is also available on the SEC’s website at www.adviserinfo.sec.gov.

First Sentier Investors (Australia) RE Ltd
Level 5, Tower 3, International Towers
300 Barangaroo Avenue
Barangaroo NSW 2000
www.firstsentierinvestors.com.au

March 2021

Item 2: Material Changes

There have been no material changes to our disclosures since our last filing.

Item 3: Table of Contents

ITEM 1: COVER PAGE	1
ITEM 2: MATERIAL CHANGES.....	2
ITEM 3: TABLE OF CONTENTS.....	3
ITEM 4: ADVISORY BUSINESS OVERVIEW.....	4
ITEM 5: FEES AND COMPENSATION.....	5
ITEM 6: PERFORMANCE BASED FEES AND SIDE-BY-SIDE MANAGEMENT	6
ITEM 7: TYPES OF CLIENTS	6
ITEM 8: METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS	6
ITEM 9: DISCIPLINARY INFORMATION	14
ITEM 10: OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFIRMATIONS.....	14
ITEM 11: CODE OF ETHICS, PARTICIPATION OR INTERESTS IN CLIENT TRANSACTIONS AND PERSONAL TRADING.....	15
ITEM 12: BROKERAGE PRACTICES	17
ITEM 13: REVIEW OF ACCOUNTS.....	19
ITEM 14: CLIENT REFERRAL AND OTHER COMPENSATION.....	19
ITEM 15: CUSTODY	19
ITEM 16: INVESTMENT DISCRETION	20
ITEM 17: VOTING RIGHTS.....	20
ITEM 18: FINANCIAL INFORMATION	21

Item 4: Advisory Business Overview

First Sentier Investors (Australia) RE Ltd (“**FSI ARE**”) (ABN 13 006 464 428) is part of First Sentier Investors, a global asset management business. FSI ARE is 100% owned by Mitsubishi UFJ Trust and Banking Corporation (MUTB) and ultimately 100% owned by Mitsubishi UFJ Financial Group, Inc. (“**MUFG**”).

First Sentier Investors is one of the largest investment managers in Australia with US\$176.6bn funds under management as at 31 December 2020 and 234 investment focussed employees located in offices in Sydney, New York, London, Edinburgh, Dublin, Paris, Singapore, Frankfurt, Tokyo and Hong Kong.

In Australia, FSI ARE is the holder of an Australian Financial Services Licence (AFSL 240550) issued by the Australian Securities and Investments Commission.

FSI ARE will offer investment advice primarily to institutions with respect to unlisted infrastructure assets focussing on utility, transport and energy assets. FSI ARE will principally target investments in mature, income-generating economic infrastructure where the application of specialist skills in investment origination, evaluation and active asset management can add value.

FSI ARE will provide discretionary and non-discretionary investment management services to institutional clients through a separate account based on customized investment objectives or guidelines, time horizons, risk tolerances and limitations of such clients. FSI ARE will tailor the fees charged to clients and the type of reporting they receive.

FSI ARE will act as the investment manager to investment vehicles with U.S. and non-U.S. institutional investors (“Private Funds”). FSI ARE does not anticipate registering such investment vehicles under the U.S. Investment Company Act of 1940 and their shares or interests, as applicable, will not be registered under the U.S. Securities Act of 1933. Accordingly, no Private Funds will be publicly offered in the United States.

FSI ARE does participate in wrap fee programs in Australia that are not available for investment by US persons.

FSI ARE provides discretionary sub-investment management services in respect of publicly traded securities for the advisory services of First Sentier Investors (Hong Kong) Limited (“**FSI HK**”), an affiliate of FSI ARE. FSI HK is licensed by the Securities and Futures Commission in Hong Kong and is an SEC registered investment adviser.

FSI ARE also provides non-discretionary investment management services to Australian institutional clients through the provision of model portfolios. These model portfolios are used by the institutional clients to manage their underlying client accounts. FSI ARE does not enter into a direct relationship with the end clients of the institutional firms that offer its models.

As of 31 December 2020, FSI ARE assets under management were as follows:

Discretionary:	US\$ 7,188,916,319
<u>Non-Discretionary:</u>	<u>Nil</u>
Total:	US\$ 7,188,916,319

This includes assets where we have sub-delegated discretion to an affiliate and assets where an affiliated manager has delegated authority to FSI ARE. Therefore, certain of the assets will also be included in the AuM reported by our affiliated managers.

Item 5: Fees and Compensation

Segregated accounts

Fees and compensation will be negotiated on a case by case basis with our clients. We will either charge an advisory fee based on a percentage of assets under management or clients may choose to pay a fee with an element of percentage of assets under management and an element of performance based advisory fee.

Clients will pay advisory fees quarterly in arrears and performance based fees will normally be paid annually in arrears.

FSI ARE will normally invoice clients directly for the fees they have incurred. FSI ARE will not deduct fees directly from client accounts unless clients have explicitly instructed us to do so. This will be done after the client's receipt and review of the invoice or fee calculation.

In addition to FSI ARE's advisory fee, clients will incur other fees and expenses charged by third parties in relation to their accounts which include, but are not limited to, valuation and audit fees, custody fees, brokerage, foreign exchanges fees and other transaction costs.

Private Funds

For management of the Private Funds, FSI ARE will receive an investment advisory fee as a percentage of assets under management paid quarterly in arrears. FSI ARE will also be entitled to a performance fee on the terms described in the constituent documents of the fund and the private placement memorandum.

FSI ARE will pay out of the assets of the Private Fund (and accordingly, the investors will bear) all of the ordinary and extraordinary expenses, which include, but are not limited to:

- expenses associated with the holding of existing Investments, for example valuation fees;
- expenses associated with the acquisition or disposal of investments, for example due diligence costs;
- administrative costs, for example registry and custodial charges;
- costs incurred in obtaining financial accommodation for the Private Fund;
- interest charges on financial accommodation;
- costs incurred in connection with professional consultants or advisors (eg legal, tax, accounting, audit or valuation) whether or not members of MUFG ;
- communication and reporting expenses (including costs incurred to convene meetings, etc.); and
- other costs including bank fees and printing and postage costs.

Item 6: Performance Based Fees and Side-by-Side Management

Performance Fees

As described in the Fees and Compensation section, clients that invest through a segregated account can choose a fee containing an element of a performance based advisory fee.

With respect to the Private Funds, FSI ARE, or its Affiliate, will share a proportion of the Private Fund's investment outperformance over an agreed hurdle rate.

Item 7: Types of Clients

FSI ARE provides investment advice to institutional investors, including:

- Pension plans
- Insurance companies
- Endowments
- State and Municipal organisations
- Charitable organisations

FSI ARE will require a minimum account size of \$50 million for a separate account. Clients are generally 'qualified purchasers' as defined in section 2(a)(51)(A) of the Investment Company Act of 1940.

Item 8: Methods of Analysis, Investment Strategies and Risk of Loss

Methods of Analysis – Unlisted Infrastructure Assets

First Sentier Investors has a 20 year history of managing infrastructure investments in a variety of sectors and through all stages of an economic cycle and an asset lifecycle. Each investment opportunity will be analyzed with respect to key investment criteria, including:

- Portfolio suitability (sector, country, etc);
- Country, legal and political risk;
- Industry/regulatory environment;
- Environmental and social and governance issues;
- Competitive position; and
- Expected return/risk.

Based on this preliminary investment review, a presentation will be made to the Investment Committee and a decision will be made on whether to progress the opportunity to the due diligence phase.

The objective of the due diligence phase is to undertake a detailed assessment of the investment opportunity in order to understand the overall risk and return profile of the investment and its suitability for the client and to develop a strategy to minimise execution risk and improve the probability of securing the investment on attractive terms. The due diligence process typically involves:

- Appointing appropriate due diligence advisors to undertake independent assessments of financial and operating information. A concerted effort is made to appoint advisors in a timely manner, so as to ensure the best possible advisory team can be retained for the transaction;
- Developing a detailed understanding of both the asset profile and investment profile;
- Meeting with existing management teams and current owners of the asset if possible;
- Identifying quantifiable and non-quantifiable risk factors and mitigants;
- Identifying growth potential and any other opportunities to optimise the asset profile and investment profile;

- Developing a financial model with long-term cash flow projections to support an investment case and stress test the investment profile.

The due diligence process involves developing a detailed understanding of the impact of multiple factors relating to the investment opportunity including macro factors (such as industry/sector specific variables, country and political risk and general market condition) and micro factors (including strength of management team, competitive position with industry, cost and capital structures and demand).

Investment Strategies

Our investment strategy is designed in order:

- to create a diversified infrastructure portfolio capable of generating attractive risk-adjusted returns over a long term horizon, and
- to leverage the deep skillset, 25+ years of investment experience and substantial resources of the Investment Team in order to procure and actively manage quality assets to enhance the Private Funds' investment performance.

The pillars of the investment strategy are:

- Long term investment horizon – a strategic focus on mature assets offering sustainable income generation in OECD countries
- Core and Core+ (value-added) infrastructure opportunities – the Private Funds aim to avoid style drift into peripheral infrastructure or emerging markets
- Mid-market deals, typically focusing on seeking high-value opportunities
- Active asset management – FSI seeks lead or co-lead positions which offer greater control and influence over asset management activities, supporting development and implementation of strategic goals, and championing responsible investment and the adoption of relevant United Nations' Sustainable Development Goals across all stages of the investment lifecycle.

The target sectors include (but are not limited to) gas, water and electricity networks, oil, gas and chemical storage facilities, airports, ports, rail, toll roads, transport services, renewables, waste, and fixed telecommunications infrastructure.

The Private Funds seeks to invest in established and operating businesses, and seeks to manage exposure to material revenue, operating and construction risks.

Risk Factors

General investment risk

Direct investment in infrastructure is speculative and involves substantial risk, including the risk of loss of an investor's entire investment. The Private Funds are subject to those market risks common to investing in all types of financial instruments. In addition, infrastructure investments are subject to some of the following material risks.

Demand Risk and Usage Charges

The level of demand, usage or patronage for the service or commodity provided by an infrastructure Investment of the Fund may fall below expectations and adversely affect the performance of the Fund.

Regulatory, Political and Social risk

Investments may be made in assets that are subject to industry-specific regulation including price and environmental regulation. An underlying asset may breach the regulatory regime it is subject to. There

is also the risk that changes to existing laws or the introduction of new legislation may adversely affect the value of investments.

In addition, the operations of Investments may rely on government permits, licences, concessions, leases or contracts.

With any Investment, there exists the risk of adverse political, legal and tax developments, including nationalisation, termination or non-payment of concessions, confiscation without fair compensation, windfall profit tax, or war. Furthermore, any restriction imposed to prevent capital flight may make it difficult or impossible to exchange or repatriate currency.

Counterparty risk

Counterparty risk is the risk of loss caused by another party defaulting on its financial obligations either because they become insolvent or cannot otherwise meet their obligations to the Private Funds or their underlying investments. A party defaulting on its obligations could subject the Private Funds to substantial losses because the Private Funds will still be required to fulfil its obligations on any transactions which were to have substantially offset other contracts.

Operating Risk

The Private Funds are exposed to the operating risk of the underlying business of each Investment. Specialised skills are required to run an infrastructure business successfully. An inefficient or failed operation may adversely affect the profitability of the underlying business leading to a lower performance on the Private Funds' Investment.

The operations of infrastructure assets may be affected by macroeconomic and emerging environmental factors, such as the rate of inflation or changing climate conditions in the countries where those investments are located. There is a risk that such macroeconomic factors may adversely affect the income or expenses of Investments, thereby reducing performance from those Investments.

Construction risk

Construction risk is the risk that an Investment, an element of which is under construction, may not be completed within expected cost, within the agreed time frame or to the agreed specification, in each case leading to a lower return than expected.

Reputation and environmental risk

Reputation risk arises from the public's adverse perception of the performance of an asset. This may involve issues such as impacts on public health or safety, environmental damage or social justice, for example. The broader issue associated with reputation risk is that once a particular asset is tainted in the public eye, this brand damage may extend across the portfolio of assets within a Private Fund or separate account.

Liquidity risk

The investments of the Private Funds into unlisted infrastructure assets are highly illiquid and difficult to realise. There is no obligation to permit redemption of an Investor's interest in the Private Funds if requested, and the Private Funds may not have sufficient available cash to fund the redemption when requested. The Private Funds will be under no obligation to make such cash available through the sale of assets, borrowings or otherwise to provide liquidity for Investors.

Litigation risk

If any of the Fund's portfolio investments become involved in material or protracted litigation, the litigation expenses and the liability threatened or imposed could have a material adverse effect on the Fund.

Economic Conditions and Business risk

Changes in economic conditions, including, for example, interest rates, foreign exchange rates, inflation rates, employment conditions, competition, technological developments, political and diplomatic events and trends, and changes in tax laws and regulations can affect substantially and adversely the business and prospects of the investments. None of these conditions are within the control of FSI ARE and no assurances can be given that FSI ARE will anticipate such developments.

The investments consist primarily of securities issued by entities which are privately owned. Operating results of such entities will be difficult to predict. Such Investments are subject to a high degree of business and financial risks that can result in substantial losses.

Force Majeure Risk

Force majeure is the term generally used to refer to an event beyond the control of any party, including acts of God, fires, floods, earthquakes, wars, strikes and acts of terrorism. Some force majeure risks are uninsurable and, if such events occur, they may have adverse effects on the Fund or the Investments.

Valuation and Reporting Risk

The information and valuation data provided by the independent valuer may not always be provided in a timely manner and may contain valuation errors. In such a case, adjustments may be made in good faith to account for relevant factors should the information from the independent valuer be delivered late or be obviously incomplete or inaccurate. As a result, such indicative NAV may not be accurate and may be revised on a subsequent valuation date.

There can be no assurance that the Investment values that factor into the calculation of the NAV from time to time will ultimately be realised and the NAV of the Private Fund may be adversely affected if the values of Investments that the Private Fund records are materially higher than the values that are ultimately realised upon disposal.

Pandemics

Global pandemic events such as COVID-19 in 2020 can affect the industries and assets in which the Fund invests as well as the operations of the Trustees/GP and Managers, Fund counterparties, service providers and key stakeholders of the Fund.

The pandemic events can result in closures of manufacturing facilities, warehouses and logistics supply chains, the imposition of travel restrictions and bans and other governmental responses or actions all of which have the potential to directly impact assets in which the Fund invests. Further, government and/or corporate imposed self-quarantining of personnel in jurisdictions in which the Trustees/GP and Managers operate and work may impact their ability to perform their role at full capacity levels. Such events may also impact the ability of service providers, operating companies and counterparties to key asset level commercial contracts (and their respective personnel) to perform their obligations which can potentially lead to default or early termination.

The occurrence of any one or more of these events as a result of a global pandemic has the potential to materially and adversely impact the operations and/or performance of the Fund's investments and

consequently the Fund's financial performance and profitability. This could subsequently impact the ability of the Fund's investments to perform under their existing financial covenants, refinance assets on favourable terms and exit investments at a premium (or at all) during the pandemic period.

Methods of Analysis – Global Listed Securities

FSI ARE manages global listed securities traded across global stock exchanges.

Investment Approach

Being a separate and dedicated funds management business allows us to focus on our key strengths in asset management, while developing a performance culture to better position us to attract and retain quality personnel that will underpin the performance of our clients' investments.

We aspire to be a world class asset manager, delivering superior investment performance to our clients in Australia and around the world. More than just outperforming benchmarks and peers, this means exceeding our clients' investment objectives and their expectations of service, accountability and initiative. To achieve this, we ensure that our interests are aligned with those of our clients and uphold a culture of always acting in our clients' best interests.

Key Strategies

Global Listed Infrastructure

The investment process utilises an active, bottom-up security selection process that aims to exploit market inefficiencies. We target undervalued securities where the market underestimates the level and quality of sustainable free cash flows. We seek to earn excess returns by integrating a rigorous stock selection process, leading to high conviction stock positions with strict portfolio management risk controls.

The strategies invest in infrastructure and utility securities which control assets with monopoly characteristics. The assets in which we invest should have high barriers to entry, strong pricing power, sustainable growth and predictable cash flow. We look for companies with robust business models and strong management execution.

Global Property Securities

The investment process is primarily focused on bottom-up stock research. We focus on undervalued real estate securities with sound qualitative attributes and sustainable earnings growth. Securities are then ranked within each region according to valuation and qualitative measures.

The investment team of regional specialists undertakes rigorous research process and proprietary valuation techniques identifying mispriced opportunities in a risk-adjusted framework in order to achieve outperformance objectives. Focused research effort in real estate markets that are under-researched provides further opportunities to add value to portfolios. A great deal of emphasis is placed on meetings with individual companies in order to help identify undervalued securities.

Material Risks for Investment Strategies

As with any investment, loss of principal is a risk of investing with any of the investment strategies described above. The strategies described above also are subject to the risks summarised below. However, the following list of risk factors does not purport to be a complete explanation of the

risks involved in an investment strategy. Prospective clients are encouraged to consult their own financial advisors, legal and tax professionals on an initial and continuous basis in connection with selecting and engaging the services of FSI ARE for a particular strategy. In addition, due to the dynamic nature of investments and markets, strategies may be subject to additional and different risk factors not discussed herein.

Investments in portfolios are not bank deposits and are not insured or guaranteed by the Federal Deposit Insurance Corporation or any other governmental agency, entity or person. Past results are not predictive of future results, clients should also refer to portfolio guidelines as well as to each portfolio's governing documents for further information on methods of analysis, investment strategies and risks specific to their portfolio investment.

General Risks

Market Risk - Investment returns are influenced by the performance of the market as a whole. This means that the investments can be affected by things like changes in interest rates, investor sentiment and global events, depending on which markets or asset classes our clients invest in.

Security and investment-specific Risk - Within each asset class and each option, individual securities like mortgages, shares, fixed interest securities or hybrid securities can be affected by risks that are specific to that investment or that security. For example, the value of a company's shares can be influenced by changes in company management, its business environment or profitability. These risks can also impact on the company's ability to repay its debt.

Liquidity Risk - Liquidity risk refers to the difficulty in selling an asset for cash quickly without an adverse impact on the price received. Assets such as shares in large listed companies are generally considered liquid, while 'real' assets such as direct property and infrastructure are generally considered illiquid.

Under abnormal or difficult market conditions, some normally liquid assets may become illiquid, restricting the ability to sell them and to make withdrawal payments or process switches for investors without a potentially significant delay or discount to value.

Counterparty Risk - This is the risk that a party to a transaction such as a swap or foreign currency forward fails to meet its obligations such as delivering a borrowed security or settling obligations under a financial contract.

Non-Diversification Risk - Non-diversification of investments means a portfolio may invest a large percentage of its assets in securities represented by a small number of issuers. As a result, the portfolio's performance may depend on the performance of a small number of issuers.

Concentration Risk - Concentrating investments in a particular country, region, market, industry or asset class means that performance will be more susceptible to loss due to adverse occurrences affecting that country, region, market, and industry or asset class. A portfolio concentrating in a single jurisdiction is subject to greater risk of adverse economic conditions and regulatory changes than a portfolio with broader geographical diversification.

Derivatives Risk - Certain of the portfolios use derivatives, specifically options, index options, interest rate caps, collars, futures contracts, options on futures contracts, and forward currency exchange contracts, to manage various types of risk, enhance a portfolio's return, reduce transaction costs, maintain full market exposure, manage cash flows, preserve capital or hedge against adverse movements in currency exchange rates.

The use of derivatives presents risks different from, and possibly greater than, the risks associated with investing directly in traditional securities. The use of derivatives can lead to losses because of adverse movements in the price or value of the underlying asset, index or rate, which may be magnified by certain features of the derivatives, and changes in the value of the derivative, may not correspond, as intended, with changes in the value of the underlying asset, index or rate.

These risks are heightened when the adviser uses derivatives to enhance a fund's return or as a substitute for a position or security, rather than solely to hedge (or offset) the risk of a position or security held by the portfolio. In addition, when the portfolios invest in certain derivative securities, there is the possibility that they are effectively leveraging their investments, which could result in exaggerated changes in the net asset value of the portfolios' shares and can result in losses that exceed the amount originally invested.

Deflation Risk — Deflation risk is the risk that prices throughout the economy decline over time, which may have an adverse effect on the market valuation of companies, their assets and revenues. In addition, deflation may have an adverse effect on the creditworthiness of issuers and may make issuer default more likely, which may result in a decline in the value of a portfolio.

Inflation Risk — Inflation risk is the risk that the value of assets or income from investments will be worth less in the future as inflation decreases the value of money. As inflation increases, the real value of an account and distributions can decline.

Management Risk - The investment strategies, techniques and risk analyses employed, while designed to enhance returns, may not produce the desired results. The assessment of a particular security or assessment of market, interest rate or other trends could be incorrect, which can result in losses.

Political and Economic Risks — International investing is subject to the risk of political, regulatory, social, or economic instability in the country of the issuer of a security, the difficulty of predicting international trade patterns, the possibility of the imposition of exchange controls, expropriation, limits on removal of currency or other assets, and nationalization of assets.

Force Majeure Risk - Force majeure is the term generally used to refer to an event beyond the control of any party, including acts of God, fires, floods, earthquakes, wars, strikes and acts of terrorism. Some force majeure risks are uninsurable and, if such events occur, they may adversely affect the value of a security.

Preferred Security Risk - Preferred securities are subordinated to bonds and other debt instruments in a company's capital structure and therefore will be subject to greater credit risk than those debt instruments.

Potential Environmental Risk - The portfolio may hold securities in an issuer who may be liable for the costs of removal or remediation of hazardous or toxic substances. The costs of any required remediation or removal of such substances may be substantial. The presence of such substances, or the failure to remediate such substances properly and any regulatory penalties may adversely impact the value of the securities causing a loss.

Style-Specific Risk - Different types of stocks tend to shift in and out of favour depending on market and economic conditions. To the extent a portfolio emphasizes a value style of investing, it runs the risk that undervalued companies' valuations will never improve.

Currency Risk - Returns from offshore investments can be impacted by foreign exchange movements. Currency hedges are, therefore, established to ensure that foreign exchange

movements do not have a meaningful influence on performance. These facilities are reviewed on an on-going basis.

Underlying Asset Currency Risk - The assets of a company may be held in a country other than where the security is issued. This has the potential to create an additional underlying currency risk for that security.

Changes to laws and regulatory Risk - A government or governmental agency in a country in which a security is issued or asset held may amend, repeal, enact or promulgate a new law or regulation, or a government authority or a court may issue a new interpretation of existing law or regulation that could substantially affect the security resulting in a loss. In addition changes in legal, tax and regulatory regimes within the jurisdictions of investments may occur which may materially affect the performance of a security.

Company specific Risk - This is the risk that a company in which FSI ARE invests does not perform as successfully as anticipated. While it is impossible to completely eliminate this risk, the effect of such a situation on the value of the investment can be reduced through diversification. This implies that unless returns of individual securities are perfectly positively correlated, a negative return from one security will be somewhat offset by better returns in others. This principle of diversification acts to reduce risk and reduce the return volatility of our portfolios.

Specific Strategy Risks – Global Listed Infrastructure

Interest rate Risks - Owing to the stable nature of cash flows, many securities with an exposure to infrastructure assets are able to be relatively highly geared. Consequently, they are exposed to movements in interest rates and to contractual repayment obligations with financiers. Movements in interest rates also affect the discount rates used in the valuation of these long duration assets. We seek to minimise interest rate risk by identifying assets with strong market positions, sustainable growth opportunities, inflation protected income and relatively low or hedged debt levels.

Exogenous Risks – Securities with an exposure to infrastructure assets may be impacted by exogenous events. For example, the essential nature of infrastructure assets may increase the risk of terrorist attacks while their capital intensity may increase the risk stemming from natural disasters. While these events are difficult to predict, we seek to minimise exogenous risks through portfolio diversification.

Operating Risk - The investment strategies will ultimately be exposed to the operating risk of the underlying businesses. Specialist skills are required in running an infrastructure business such as an airport or power station. An operating failure may adversely affect the profitability of the business and therefore the return of the investment. We seek to minimise the operating risks through portfolio diversification and detailed fundamental analysis. We aim for deep understanding of industry drivers, detailed analysis of company financials, regular meetings with management to understand and assess company strategy and execution, plus effective reviews of environmental, social and governance issues.

Demand Risk - The level of demand, usage or patronage for the service provided by an infrastructure asset may fall below expectations and adversely affect the performance of the investment.

Personnel Risks – The performance of a security which derives income from infrastructure assets may be impacted by the loss of key asset management personnel. We seek to minimise

personnel risks by allocating significant resources to the investments. Remuneration is competitive and directly linked to the performance of the investment. Teams are mandated to grow funds under management and are backed by internal resources, including product development, information technology, trading and distribution.

Specific Strategy Risks – Global Property Securities

Property market Risk - demand and supply - The movement of capital in and out of both direct property and listed property securities can have a major impact on valuations. Consideration is given to the level of property investment sophistication and historic volatility of capital inflows/outflows before establishing an investment in a particular region.

Oversupply may develop in a particular region or segment of the property market as vacancy levels increase, rental demand declines or as new supply is added. Such an occurrence may result in downward pressure on valuations, possibly leading to declining trust distributions and capital values. This risk is partially mitigated by ensuring that there is a diversified spread of holdings by region and sector and by type of security held.

Item 9: Disciplinary information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to a client's or prospective client's evaluation of our company or the integrity of our management. At the present time, FSI ARE does not have any material legal, financial or other disciplinary items to report.

Item 10: Other Financial Industry Activities and Affirmations

FSI ARE is a wholly owned subsidiary of MUTB. MUTB is one of Japan's leading asset managers and is a wholly owned subsidiary of MUFG, a global financial group. In some cases, FSI ARE may have business arrangements with related persons/companies or with their clients. In some cases, these business arrangements create potential conflicts of interest or the appearance of a conflict of interest between FSI ARE and a client. Recognized conflicts of interest are discussed in Item 11 (Code of Ethics, Participation or Interest in Client Transactions and Personal Trading) of this Brochure.

Affiliated Broker Dealers

FSI ARE is associated with several broker dealers: MUFG Securities Americas Inc., Unionbank Investment Services, LLC, and MUFG Securities EMEA Plc.

As appropriate and in accordance with regulation and client agreements, FSI ARE will on an arm's length basis, utilize the services of the affiliated broker dealers. FSI ARE will execute client transactions only when consistent with its duty to place the interests of clients first and to seek best execution (please see Item 12 – Brokerage Practices).

Affiliated Investment Advisers

First Sentier Infrastructure Managers (International) Limited (FSIMIL) is an SEC registered investment adviser and is an affiliate of FSI ARE. FSIMIL is a wholly owned subsidiary of MUTB. MUTB is one of

Japan's leading asset managers and is a wholly owned subsidiary of MUFG, a global financial group. FSI MIL provides investment advice to Private Funds.

First Sentier Investors (Australia) Infrastructure Managers Pty Ltd (FSI AIMP) is an SEC registered investment adviser and is an affiliate of FSI ARE. FSI AIMP is a wholly owned subsidiary of MUTB. MUTB is one of Japan's leading asset managers and is a wholly owned subsidiary of MUFG, a global financial group. FSI AIMP provides investment advice to Private Funds. FSI AIMP serves as a sub-adviser for accounts or clients for which one or more First Sentier Investors affiliates serve as investment manager or investment adviser and FSI AIMP has appointed one or more First Sentier Investors affiliates as sub-adviser.

First Sentier Investors (Australia) IM Ltd ("FSI AIM") is an SEC registered investment adviser and is an affiliate of FSI ARE. FSI AIM is an investment advisory firm providing discretionary investment management and portfolio management services to a range of institutional clients and funds.

First Sentier Investors (US) LLC ("**FSI US**") is an SEC registered investment adviser and is an affiliate of FSI ARE. FSI US was established in 2014 and is a wholly owned subsidiary of MUFG. FSI US provides discretionary management services to institutional clients and funds. Employees of FSI US provide U.S. marketing and solicitation services for the advisory services of FSI ARE.

First Sentier Investors (Hong Kong) Limited ("**FSI HK**"), an affiliate of FSI ARE is licensed by the Securities and Futures Commission in Hong Kong and is an SEC registered investment adviser. It was incorporated in 1987 and is a wholly owned subsidiary of MUTB. FSI HK is an investment advisory firm providing discretionary investment management and portfolio management services to a range of institutional clients and funds. Employees of FSI ARE provide sub-investment management services for the advisory services of FSI HK.

FSI ARE serves as a sub-adviser for accounts or clients for which one or more First Sentier Investors affiliates serve as investment manager or investment adviser and FSI ARE has appointed one or more First Sentier Investors affiliates as sub-adviser. FSI ARE also provides and receives services in the areas of legal and compliance, risk management, human resources, finance, information technology, trade support, back and middle office support, and sales and marketing.

Item 11: Code of Ethics, Participation or Interests in Client Transactions and Personal Trading

FSI ARE has adopted a Code of Ethics ("**the Code**") that requires all supervised persons to:

- Act with integrity, competence and in an ethical and professional manner;
- Always act in the best interests of clients;
- Comply with applicable U.S. federal securities laws, as well as all other applicable laws, rules and regulations; and
- Promptly report violations of the Code of Ethics.

Definitions:

Supervised Person: is any partner, officer, director (or other person occupying a similar status or performing similar functions), or employee of an investment adviser, or other person who provides investment advice on behalf of the investment adviser and is subject to the supervision and control of the investment adviser.

Access Person: is a Supervised Person who has access to non-public information regarding clients' purchase or sale of securities, is involved in making securities recommendations to clients or who has access to such recommendations that are non-public.

All Supervised Persons have received a copy of the Code and are required on an annual basis to confirm that they have read and understood the content.

The Code includes policies which will ensure the standards detailed above are adhered to and include:

Protection of Material Non-public Information

It is a crime in the U.S. and many other countries to transact in a company's securities while in possession of material non-public information about the company. Supervised Persons are responsible for safeguarding non-public information relating to securities recommendations, fund and client holdings. As such, Supervised Persons should not trade based on FSI ARE's confidential and proprietary investment information. Other types of information (e.g., marketing plans, employment issues, client identities, etc.) may also be confidential and should not be shared with individuals outside FSI ARE (except those retained to provide services for FSI ARE).

Personal Securities Trading

The Code of Ethics governs personal trading by all Supervised Persons and members of their household. Supervised Persons are permitted to maintain personal securities accounts provided that such accounts are disclosed to FSI ARE and that any personal trading is consistent with applicable law and the Code of Ethics.

In summary, pre-approval is required for all transactions in listed securities and all positions must be held for 60 days. Portfolio managers and research analysts cannot invest in any security that is or may be held by a Private Fund or other portfolio for which he or she has responsibility.

Gifts and Gratuities

The purpose of business entertainment and gifts in a commercial setting is to create good will and sound working relationships; not to gain unfair advantage with clients or vendors. No gift or entertainment should ever be offered, given, provided or accepted by any FSI ARE Supervised Person unless it: (i) is unsolicited, (ii) is not a cash gift, (iii) is consistent with customary business practices, (iv) is not excessive in value, (v) cannot be construed as a bribe or payoff and is given or accepted without obligation, and (vi) does not violate applicable laws or regulations.

Conflicts of Interest

In the discharge of its fiduciary duties FSI ARE has in place policies and procedures to manage actual or perceived conflicts of interest. In summary this involves:

- Putting in place controls to ensure the impact of the actual or potential conflict is reduced to an acceptable level; and/or
- Disclosing all material facts concerning any actual or potential conflict that may arise; or
- If an actual or potential conflict cannot be effectively managed by either disclosure or control then the situation must be avoided.

Outside business interests and affiliations

FSI ARE's fiduciary duties to clients dictate that FSI ARE and its Supervised Persons devote their professional attention to client interests above their own and those of other organisations.

You may request a copy of our Code of Ethics by writing to the Chief Compliance Officer, First Sentier Investors (Australia) RE Ltd, Level 5, Tower 3, International Towers, 300 Barangaroo Avenue, Barangaroo, NSW 2000 AUSTRALIA.

Item 12: Brokerage Practices

Unlisted Infrastructure Assets

Typically, FSI ARE transactions do not involve the use of a financial intermediary such as a broker-dealer in relation to unlisted infrastructure transactions, because they are made on a negotiated basis.

Investment allocation for unlisted infrastructure assets

FSI ARE seeks to allocate investments in a manner that is consistent with its duty to: (1) treat all clients fairly and equitably over time; and (2) not to systematically advantage or disadvantage any single client or group of clients.

FSI ARE and its affiliates has adopted an allocation protocol which governs the way in which investment opportunities are allocated between Private Funds and separate mandates.

Although allocating orders among FSI ARE clients creates potential conflicts of interest because FSI ARE could receive greater fees or overall compensation from some clients than received from other clients, allocation decisions will not be made based on such greater fees or compensation.

Global Listed Securities

Counterparty Selection

FSI ARE has a rigorous counterparty approval process to ensure that we use suitable, reliable counterparties (brokers) when dealing on behalf of clients. In order to ensure that they are suitable and reliable we have adopted an approved list of counterparties which have been reviewed and considered to be appropriate for us to deal with on behalf of our clients.

In selecting brokers to execute transactions for our client accounts FSI ARE considers the following factors:

- Financial Strength;
- Trading expertise — broker's ability to execute the trade with the minimum impact on the market price (i.e., get the best price);
- Technology and trading platforms — the efficiency of the broker's technology and trading platforms including ease of use and speed of execution;
- Broker's support in setting trading strategy;
- Efficiency of trade settlement; and
- Commission and settlement costs.

FSI ARE maintains a list of approved brokers. Brokers must meet financial strength requirements and provide basic service capabilities. We rate brokers on the quality of their execution services, operational capabilities and research services.

FSI ARE conducts a rolling programme of assessment and each counterparty is reviewed at least annually.

Use of Dealing Commissions

All broker related research services consumed by the investment teams are paid for directly by the firm from our own resources. Thus we will make separate payments to the providers for such services directly. Hence the dealing commission is only for trade execution services.

The Securities Exchange Act of 1934 established criteria for “qualified” brokerage and research services. We believe that the research and services received for client commission’s fall within the definition of “qualified” brokerage or research service.

The use of client commissions for research and services is a potential conflict of interest with an incentive to allocate trades to a particular broker to obtain research services rather than to the broker who would be expected to provide the best combination of commission and price.

No arrangements regarding the use of dealing commission may be entered into that could compromise our ability to seek best execution for our customers.

Directed Commission

Directed commission is where a client may instruct us to generate commission on their account in order to pay for a service which they have contracted from one or more particular brokers. As we only purchase execution services from the use of dealing commission, and abide to a ‘Best Execution’ approach to our dealing process, we will not enter into directed commission arrangements if requested to do so by clients or prospective clients.

Cross Transactions

Where an internal crossing or “put-through” is undertaken, where one internal fund/client is selling and another is buying, the equity dealer must ensure the price is fair to both customers. Our standard approach in all such cases is to transact through a broker as a net trade, rather than to cross internally: this creates a clear audit trail with an external party and ensures all regulatory reporting is conducted. Crosses are executed only with client authorization and only for clients that are not plans, trusts or retirement accounts governed by the Employee Retirement Income Security Act of 1974, as amended. Such transactions are only entered into when FSI ARE deems the transaction to be in the best interest of both clients and at a price FSI ARE has determined by reference to independent market source.

Neither FSI ARE nor any related party receives any compensation as a consequence of such ‘cross’ transactions.

Aggregation and Allocation of Orders

FSI ARE seeks to aggregate and allocate trade orders in a manner that is consistent with its duty to: (1) seek best execution of client orders; (2) treat all clients fairly and equitably over time; and (3) not systematically advantage or disadvantage any single client or group of clients.

FSI ARE follows policies and procedures pursuant to which it can combine or aggregate purchase or sale orders for the same security for multiple client accounts (also known as a bunched order) so that the orders can be executed at the same time. FSI ARE aggregates orders when FSI ARE considers doing so appropriate and in the interests of its clients. FSI ARE’s client accounts can be included in the aggregated orders with clients of FSI ARE’s affiliated advisers.

When orders are aggregated, the orders can be placed with one or more brokers for execution. When a bunched order is filled, FSI ARE generally will allocate the securities purchased or proceeds of sale pro rata among the participating client accounts based on the pre-trade allocation. Adjustments or changes can be made under certain circumstances, such as to avoid small allocations or to satisfy cash flows and guidelines. If an order at a particular broker is filled at several different prices, through multiple trades, generally all participating client accounts will receive the average price.

Although allocating orders among FSI ARE clients creates potential conflicts of interest because FSI ARE receives greater fees or overall compensation from some clients than received from other clients, allocation decisions will not be made based on such greater fees or compensation. When an investment opportunity is suitable for two or more clients, allocations will be made in a fair and equitable manner, and will take the following factors, among others, into consideration: the relative size of the client account, available cash for investment, investment objectives and restrictions, liquidity considerations, legal and regulatory restrictions, portfolio risk/return objectives, investment horizons, and client instruction.

Item 13: Review of Accounts

FSI ARE regularly reviews client accounts. The frequency of that review is determined by the requirements of the client and the nature of the mandate and includes periodic reviews of performance, investment activity and outlook. Normally these reviews would be carried out by the named portfolio managers, other qualified members of the investment team, together with the relationship manager, or in some cases, by the relationship manager directly. The named portfolio manager or senior member of the investment team and the primary relationship manager will normally discuss with the client on at least an annual basis.

Periodic written data, including valuations and transaction information, will be provided on a quarterly (or as otherwise agreed) basis and may be supplied to the client or the client's custodian for accounting or reconciliation purposes. In addition, clients will receive quarterly reports, either following a standard template, or tailored to suit the individual client or mandate requirements.

FSI ARE regularly reviews performance, counterparty risk and associated issues, breaches of investment guidelines and any general dealing or operational factors which affect the Private Funds.

In the event of a major market dislocation, or similar event, client accounts would be reviewed and appropriate action and communication undertaken promptly.

Item 14: Client Referral and Other Compensation

FSI ARE does not enter into agreements with third parties for the referral of new clients in the US.

FSI ARE does not receive any economic benefit from anyone who is not a client for providing investment advice.

Item 15: Custody

FSI ARE generally does not maintain custody of the assets of our clients with separately managed accounts or for Private Funds, however, self-custody is performed in limited circumstances. Instructions to facilitate portfolio management trading, payment of fees and any related issues are generally instructed through the client's or Private Fund's custodian.

All clients should receive account statements directly from the banks, trustees, or other qualified custodians with whom they have accounts. FSI ARE strongly urges all clients to compare the reports they receive from FSI ARE to the statements they receive from their broker-dealers, banks, trustees or custodians. Any issues or discrepancies should be communicated to FSI ARE promptly for investigation.

Item 16: Investment Discretion

FSI ARE will accept discretionary authority to manage accounts on behalf of clients, including private funds, through the negotiation, agreement and execution of an Investment Management Agreement which sets out the investment objectives of the client and any limits that the client may wish to impose on the discretionary authority.

For instance, clients may restrict the type of asset that may be included in the portfolio, or place limits on borrowing or limit investment in particular assets.

Each Investment Management Agreement will contain specific provisions that both parties, and in some cases, multiple parties, will agree to.

Item 17: Voting Rights

Unlisted Infrastructure Assets

Voting rights in infrastructure assets are managed through equity holders' agreements applying to the securities held in special purpose vehicles established to hold the relevant infrastructure assets.

The investment adviser will, to the extent of its delegated authority under the relevant IMA or governing document of the Private Fund, exercise the client's voting rights under the relevant equity holder's agreement.

Global Listed Securities

Proxy voting rights are an important part of shareholder responsibilities and we seek to vote on all possible resolutions at company meetings. Prior to voting, the relevant investment manager and analyst carefully consider each resolution. Recommendations from a selection of independent corporate governance research providers are also sought. Our investment teams retain full control over their proxy voting decisions, however, and do not necessarily follow the guidance provided by third party governance research providers.

FSI ARE has in place a corporate governance policy that describes the principles which are to be applied when voting the shares of listed companies. The policy outlines principles of good corporate governance and our approach to voting on specific types of resolutions in accordance with those principles. However, we recognise the unique circumstances of different companies and as a result may vote differently to the policy when we consider it to be in the best interests of our clients.

The authority and responsibility for exercising proxy votes will be defined within the investment management agreement executed between FSI ARE and each discrete mandate client. However, FSI ARE may still receive proxy voting instructions from each discrete mandate client on a case by case basis (provided FSI ARE is notified in a timely manner) or alternatively, the discrete mandate client may instruct their custodian directly.

Wherever a discrete mandate client delegates responsibility for exercising proxy votes and if requested by the client, FSI ARE will report back to the client how votes were cast on their behalf.

Our policy on proxy voting or additional information regarding how we voted on our clients' securities can be obtained upon request by writing to the Chief Compliance Officer at the address list on the cover page of this document.

Item 18: Financial Information

FSI ARE does not require prepayment of any advisory fees. Presently, FSI ARE has no financial commitments or obligations that would interfere with its obligations to its clients. FSI ARE has never filed for bankruptcy protection.