4D Global Infrastructure Fund

ARSN: 610 092 503 mFund: 4DI01

Monthly performance update

As at 31 January 2021

Overview

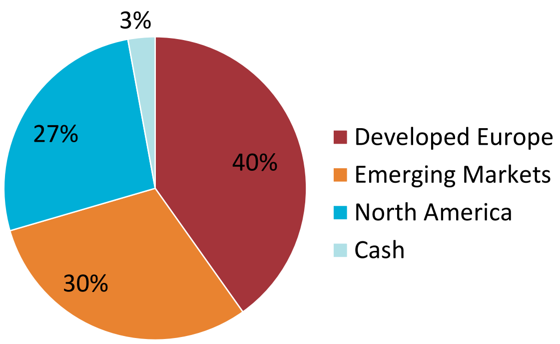
4D Infrastructure (4D) is a boutique asset manager investing in listed infrastructure companies across all four corners of the globe. Our investment objective is to identify quality infrastructure companies, trading at or below fair value with sustainable, growing earnings combined with sustainable, growing dividends. The 4D Global Infrastructure Fund ('the Fund') aims to outperform the OECD G7 Inflation Index + 5.5% p.a. over the medium to long term (before fees).

Performance

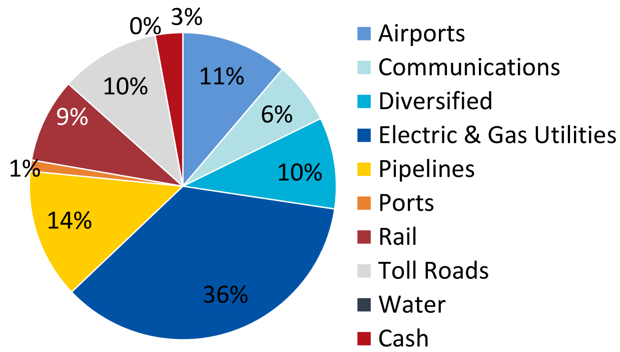
	1 month	3 month	6 month	1 year	2 years (pa)	3 years (pa)	Inception (pa)*
4D Global Infrastructure Fund	-2.99%	5.68%	2.24%	-14.52%	3.97%	5.61%	8.62%
Benchmark: OECD G7 Inflation Index + 5.5%	0.49%	1.58%	3.67%	6.25%	6.58%	7.01 %	7.07%
Over/under performance	**-3.48%**	**4.10%**	**-1.43%**	**-20.77%**	**-2.61%**	**-1.40%**	**1.55%**

Performance figures are net of fees and expenses unless otherwise stated.
*Inception date is 7 March 2016

Regional Breakdown



Sector Breakdown



FUND DETAILS	
APIR Code	BFL0019AU
Investment Manager	4D Infrastructure
Portfolio Manager	Sarah Shaw
Benchmark	OECD G7 Inflation Index + 5.5%
Inception Date	7 March 2016
Reporting Currency	A$ Unhedged
Recommended Investment Period	Five years
Stock / Cash Limit	+7% / 10%
No. of Securities	44
Application/Redemption Price (AUD)[1]	1.3825/1.3743
Distribution Frequency	Quarterly
Management Fee[2]	0.95% p.a. (including GST)
Performance Fee[3]	10.25% p.a. (including GST)
Buy/Sell Spread	+/- 0.30%
Minimum Investment (AUD)	25,000

Top 10 Positions

IN ORDER OF PORTFOLIO WEIGHT	END WEIGHT %
Cellnex	5.19
Iberdrola	4.94
Jasa Marga	4.33
Getlink	4.25
Cheniere Energy	4.18
Shenzhen International	3.98
Ferrovial	3.42
Enel SPA	3.41
Nextera Eenergy	3.24
AENA	3.12
Top 10 Total	**40.06**

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4D infrastructure

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Portfolio performance review

The 4D Global Infrastructure Fund was down a net 2.99% (AUD) in January 2021, under-performing the benchmark's return of 0.49% (by 3.48%) and under-performing the FTSE 50/50 Infrastructure Index, which was down 1.32% (AUD). Currency continues to be a detractor in January.

The strongest performer for January was Chinese port operator China Merchants Port Holdings Ltd up 14% as throughput numbers beat expectations, there are improving signs of demand recovery with the Company talking up the outlook for yields.

The weakest performer in January was Spanish conglomerate Ferrovial down 12.4 % as restrictions imposed as a result of the second wave of COVID shut down economies and reduce movement across their infrastructure assets. The stock has been oversold and is positioned well to capitalize on the recovery phase.

We continue to position for the prevailing economic outlook and infrastructure as a means of a recovery as we continue to capitalize on the raft of opportunities currently on offer.

Month in review

The world changed on 20 January 2021, hopefully for the better. We look forward to a more conventional, less confrontational form of governance under the new US President. We also look forward to the US resuming its crucial role as leader of the free world. Mr Biden spoke of unity and governing for all. This is a key reason why we are optimistic about the outlook for 2021.

Getting things moving Mr Biden will ask US Congress for US$1.9 trillion to fund immediate relief for the pandemic-wracked US. The proposal will be the first phase of a two-part strategy, with a broader program in subsequent weeks focused on longer-term goals such as infrastructure and climate change.

The world economy is facing a tougher start to 2021 than expected as COVID infections surge and the roll out of vaccinations, while underway, is taking longer than anticipated. While we believe global growth is still on course to rebound quickly from the recession of 2020 once restriction ease, it may take longer than we hoped to ignite.

Reflecting on the tumultuous past year, China will likely be the only large economy to record positive economic growth in 2020 (some smaller economies, such as Bangladesh, Egypt and Vietnam will also do so). China's GDP showed an initial estimate of growth for 2020 of 2.3%. This was a little above analysts' expectations, although the issue is clouded by revisions to historical data.

Reflecting continued strong measures from governments to promote global growth, the IMF reported that global fiscal support reached nearly US$14 trillion as of end-December 2020, up by about US$2.2 trillion since October 2020. It comprises US$7.8 trillion in additional spending (or measures to forgo revenues), and US$6 trillion in guarantees, loans, and equity injections.

This support has varied across countries depending on the impact of the pandemic-related shocks and the governments' ability to borrow. In advanced economies, fiscal actions cover several years (exceeding 4% of GDP in 2021 and beyond). In contrast, support in emerging markets and developing countries was frontloaded, with a large share of measures expiring. Together with economic contraction that has resulted in lower revenues, such support has led to a rise in public debt and deficits. Average public debt worldwide approached 98% of GDP at end-2020, compared with 84% projected pre-pandemic for the same date.

In global trade news the RIO Times reports that the French government will not endorse the association agreement between the European Union and MERCOSUR countries (Argentina, Brazil, Paraguay, and Uruguay) unless it includes guarantees that increased trade will not result in increased deforestation.

The UK finally left the EU on 1 January 2021. It did so with a zero-tariff, zero-quota trade deal to fall back on. The EU-UK Trade and Co-operation Agreement (TCA) removes much of the uncertainty about the future of the relationship between the UK and the EU. However, as details of the TCA have become clear, so have its implications for various industry sectors.

How to invest

The Fund is open to investors directly via the PDS (available at 4dinfra.com), mFund (code: 4DI01) or the following platforms.

Platforms	
BT (Wrap, Panorama)	Powerwrap (IDPS)
Hub24 (IDPS, Super)	Wealthtrac
Macquarie Wrap (IDPS, Super)	Praemium
Mason Stevens	Wealth O2
Netwealth (Super Service, Wrap Service, IDPS)	

Contact details

Call us on: 1800 895 388 (AU) or 0800 442 304 (NZ)
Email us at: client.experience@bennelongfunds.com
Mail us at: Level 26, 20 Bond Street Sydney NSW 2000
Visit our website at: 4dinfra.com

1. All unit prices carry a distribution entitlement.
2. Management fee is 0.95% p.a. (including GST net of reduced input tax credits) of the Net Asset Value of the Fund.
3. Performance fee is 10.25% (including GST net of reduced input tax credits) of any amount by which the investment return is greater than the return of the benchmark (OECD G7 inflation index + 5.5% per annum).

All values are in Australian dollars.

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