Performance report | 31 March 2025

4D Global Infrastructure Fund (Unhedged)

Overview

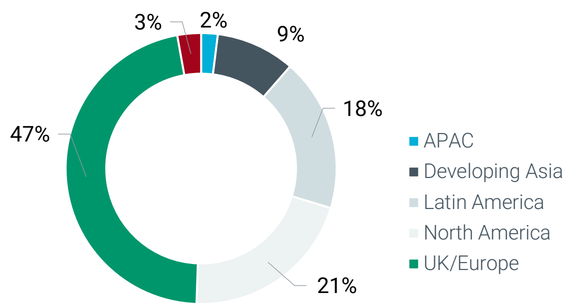
4D Infrastructure is a boutique asset manager investing in listed infrastructure companies across all four corners of the globe. Our investment objective is to identify quality infrastructure companies that are trading below fair value and have sustainable, growing earnings combined with sustainable,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

Net returns

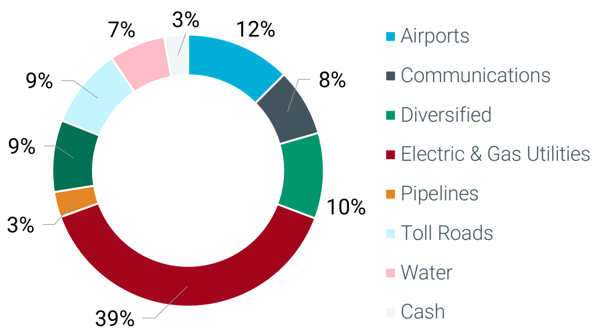
	1 mth	3 mths	1 year	3 years p.a.	5 years p.a.	Since inception[2] p.a.
Fund	3.62%	5.42%	9.78%	8.75%	9.50%	9.29%
Benchmark[1]	0.61%	1.73%	8.38%	9.94%	9.47%	8.45%
Value added	3.01%	3.70%	1.40%	-1.19%	0.03%	0.84%
FTSE Global Core Infra 50/50 Net Total Return Index (AUD)[3]	1.85%	4.14%	18.35%	9.04%	8.97%	9.28%
S&P Global Infra. Net Total Return Index (AUD)[4]	1.82%	3.74%	23.29%	11.89%	12.46%	9.33%

Performance figures are net of fees and expenses.
'Value added' calculation does not use rounded performance figures. Past performance is not indicative of future performance.

Regional breakdown



Sector breakdown



Top 10 positions

Stock	End weight %
Cellnex	5.45
Iberdrola	4.98
National Grid	4.50
SSE	4.47
NextEra Energy	4.04
CCR	3.49
Fraport	3.25
Dominion	3.07
American Water Works	3.06
Ecorodovias	3.04
Total	39.37

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Portfolio performance review

The 4D Global Infrastructure Fund (Unhedged) was up net 3.62% (AUD) in March, outperforming the benchmark return of 0.61% (by 3.01%) and out performing the FTSE 50/50 Infrastructure Index which was up 1.85% (AUD). Currency added 177bps to performance.

The strongest performer for March was Chinese gas distributor, ENN Holdings up 21.2% after the parent launched a take out offer (mix cash/equity).

The weakest performer in March was Chinese gas distributor, China Resources Gas -11.5% following a very weak FY results announcement which shocked the market.

Markets remain volatile on the outlook for inflation, economic growth and the state of the labour market as well as geopolitical concerns. Interest rates are generally moving down. However, there remains a fine balancing act between rates, resilient demand, inflation and geopolitical threats to trend. Listed infrastructure, as an asset class, fundamentally can do well in all scenarios - with explicit or implicit inflation hedges and long-term predictable earnings profiles underpinned by contract or regulation.

Month in review

Uncertainty over trade policy carried over into March. The S&P500 entered correction territory, down 10% from its peak, whilst the Magnificent 7 dropped 20% from their December high.

The deadline for Trump's 25% tariffs on Canadian and Mexican imports and 10% on Chinese goods passed – with the administration one day later announcing multiple exemptions and delays, including a one-month break for goods under USMCA (US Mexico Canada Agreement). The US also enacted 25% tariffs on steel and aluminium imports (4.5% of total US goods imports) – which led to some retaliatory tariffs, including from Europe and China. There were also 25% tariffs announced on all non-US made auto's which were unveiled ahead of a broader announcement of global reciprocal tariffs on April 2 labelled "Liberation Day".

On the economic data front, US manufacturing continues to weaken, as the demand pull forward in December and January ahead of tariffs becomes evident. ISM Manufacturing new orders weakened to contractionary territory. US retail sales data also disappointed. Real spending was up just 0.1% in February (0.3% expected), with the annual core inflation increasing to 2.8% from 2.6%. This spending data was the first evidence of hard data (as opposed to survey data, such as consumer confidence and expectations) of a weakening consumer - adding to stagflation concerns.

The cooling economic data since February, with moderating consumer spending, elevated business uncertainty and increasing consumer inflation expectations is giving the market hope of more interest rate cuts from the Fed – with the market now pricing in 3 cuts for the rest of 2025. In the Fed's updated Statement of Economic Projections, it increased its inflation expectations and lowered growth expectations for 2025 and 2026. Of note, the Fed warned "uncertainty around the economic outlook has increased".

Chart 1: Fed's March Statement of Economic Projection

	GDP		Unemployment		Core PCE		Rates estimates	
Dates	Old	New	Old	New	Old	New	Old	New
2025	2.1	1.7	4.3	4.4	2.5	2.8	3.9	3.9
2026	2.0	1.8	4.3	4.3	2.2	2.2	3.4	3.4
2027	1.9	1.8	4.3	4.3	2.0	2.0	3.1	3.1
LR*	1.8	1.8	4.2	4.2			3.0	3.0

(Source – Standard Chartered, Fed)

In Europe, the ECB cut rates 25bps to 2.5% as expected, as it takes a less restrictive approach to monetary policy. In Germany, the outgoing government in its final week of sitting, approved major new fiscal reforms that will dramatically change the government's fiscal spending and debt trajectory. Defence spending above 1% of GDP would be exempt from the current 'debt brake' that caps government borrowing, as well as the creation of a €500bn fund for infrastructure and national security, spent over 12 years. There are also plans at the EU level to increase defence spending due to Trump's hostility towards NATO and uncertainty around the Administration's support of the Ukraine war effort. Structurally higher spending is a positive catalyst for Europe, particularly Germany, whose manufacturing industry has lagged with higher energy cost and weaker China demand the last 3 years.

China held its Two Session's meetings in March, which revealed key economic targets and policy guidance. Notably, China retained a GDP growth of around 5%, raised its budget deficit target to 4% of GDP (the highest in decades) and lowered its inflation target to 2%. They stated support for the AI industry and funding consumables trade-in programs. To achieve these growth levels, more stimulus is expected through 2025.

Chart 2: China Two Sessions Targets

	2023 Target	2023 Actual	2024 Target	2024 Actual	2025 Target
GDP growth (%)	Around 5.0%	5.4%	Around 5.0%	5.0%	Around 5.0%
CPI inflation (%)	Around 3.0%	0.2%	Around 3.0%	0.2%	Around 2.0%
Survey-based jobless rate (%)	Around 5.5%	5.1%	Around 5.5%	5.1%	Around 5.5%
Urban job creation (millions)	12.0	12.44	>12.0	12.56	>12.0
Fiscal deficit (% of GDP)	3.0% (raised to 3.8%)	3.1%	3.0%	3.0%	Around 4.0%
Local government special bonds quota (CNY tn)	3.80	3.80	3.90	4.02	4.40
Ultra-long special sovereign bonds (CNY tn)	NA	NA	1.0	1.0	1.3
Fiscal policy stance	"Adhere to proactive fiscal policy"		"Moderately strengthen proactive fiscal policy"		"More proactive fiscal policy"
Monetary policy stance	"Adhere to prudent monetary policy"		"Prudent monetary policy"		"Moderately loose monetary policy"

(Source; UOB)

In Latin America, Brazil raised rates 100bps and announced its intention to continue raising rates, but at a lower magnitude – in an attempt to stem high inflation expectations, resilience of economic activity and labour market pressures. Meanwhile Mexico cut rates 50bps, as it defends itself from Trump's tariff uncertainty whilst inflation sits within its target range.

Fund details

Feature	Information
APIR code	BFL0019AU
Investment manager	4D Infrastructure
Portfolio manager	Sarah Shaw
Reporting currency	A$ Unhedged
Recommended investment period	Five years
Cash limit	10%
No. of securities	38
Application/redemption price (AUD)[5]	1.8230/1.8158
Distribution frequency	Quarterly
Management fees and costs[6]	1.00% p.a. (including GST)
Performance fee[7]	10.25% p.a. (including GST)
Buy/sell spread	+/- 0.20%
Minimum investment (AUD)	25,000

How to invest

The Fund is open to investors directly via the PDS (available on our website), mFund (code: 4DI01) or the following platforms. Visit How to invest to find out more.

Platforms

AMP North
BT Asgard (Panorama)
CFS (FirstWrap, Edge)
Dash
Hub24 (Super, IDPS)
Macquarie Wrap (IDPS, Super)
Mason Stevens
Netwealth (Super Service, Wrap Service, IDPS)
OneView
Powerwrap (IDPS)
Praemium (Non Super, Super)

Get in touch

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1 OECD G7 Inflation Index + 5.5%.

2 Inception date is 7 March 2016.

3 The reference index is the FTSE Global Core Infrastructure 50/50 Net Total Return in AUD. This is provided as an indictive comparison only and is not the Fund Benchmark.

4 The reference index is the S&P Global Infra AUD Net Total Return Index. This is provided as an indictive comparison only and is not the Fund Benchmark.

5 All unit prices carry a distribution entitlement.

6 Management fees and costs consist of annual management fee rate and capped recoverable expenses. For a detailed split of the fees and costs, please refer to the fund(s) PDS.

7 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.