

4D Global Infrastructure Fund

ARSN: 610 092 503 mFund: 4DI01

Monthly performance update

As at 31 October 2020

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).

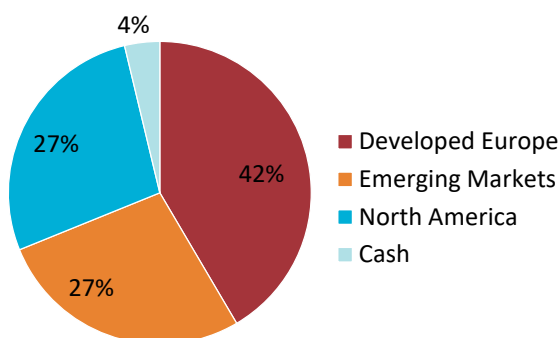
Performance

	1 month	3 month	6 month	1 year	2 years (pa)	3 years (pa)	Inception (pa)*
4D Global Infrastructure Fund	0.83%	-3.25%	-2.28%	-13.09%	5.06%	3.59%	7.82%
Benchmark: OECD G7 Inflation Index + 5.5%	0.75%	2.06%	3.12%	6.26%	6.69%	7.14 %	7.11%
Over/under performance	0.08%	-5.31%	-5.39%	-19.36%	-1.63%	-3.55%	0.72%

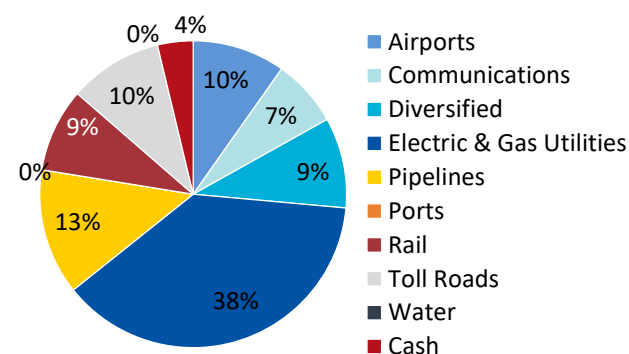
Performance figures are net of fees and expenses unless otherwise stated.

*Inception date is 7 March 2016

Regional Breakdown



Sector Breakdown



Top 10 Positions

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	1.3106/1.3027
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

IN ORDER OF PORTFOLIO WEIGHT	END WEIGHT %
Cellnex	6.03
Iberdrola	4.92
Getlink	4.27
Jasa Marga	4.17
Shenzhen International	3.90
Cheniere Energy	3.84
Ferrovial	3.33
Nextera Energy	3.29
Kinder Morgan	3.14
EDP Renovaveis	2.97
Top 10 Total	39.87

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Portfolio performance review

The 4D Global Infrastructure Fund up a net 0.83% (AUD) in October, out-performing the benchmark's return of 0.75% (by 0.08%) but under-performing the FTSE 50/50 Infrastructure Index, which was up 1.38% (AUD) in October. Currencies were mixed with the AUD/USD finishing at 70.28c, down 1.4%.

The strongest performer for October was Chinese gas distributor ENN Energy Holdings up 16.1% for the month as volumes and growth outlook continue to positively surprise.

The weakest performer in October was Brazilian toll road operator Ecorodovias down 15.6% on no stock specific news. The stock has been oversold and this is a buying opportunity.

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 US S&P 500 was down 1.1%, the broader MSCI World Index was down 3.1% while EMs were up 2.1% (all USD) in October 2020.

The two key global equity market issues in play in October were the worsening COVID-19 situation and the US Presidential election.

Mr Biden won the electoral college vote to become the 46th President of the United States. But Mr Trump appears to be far from giving-in, launching a number of legal challenges. From a policy perspective, the Biden victory did not see the 'Blue Sweep' the Democrats had hoped for meaning a divided US Congress will probably prevail again. This means that many of Mr Biden's key election policy ambitions could be frustrated including planned increases in US taxes and a multi trillion US\$ green energy infrastructure package. The absence of any major policy changes may be, at least near-term, a positive for equities.

In very welcome news the Pfizer/BioNTech vaccine has shown to be 90% effective at stopping coronavirus infection. However, the currently the worsening COVID pandemic, especially in the US and Europe, may see the global economic recovery deferred until 2021. While the pandemic will likely last longer than was hoped, we believe the global economy will ultimately emerge stronger for the experience. The huge fiscal and monetary stimulus is still to be fully felt in economic terms with, of course, much of that spending focused on infrastructure investment including the energy transition. All this investment will be a strong positive for the global economy over coming years.

An un-anticipated and unwelcome by-product of the pandemic has been falling birth rates. This is a major concern as, especially in developed nations, demographics are often poor with rapidly

ageing populations raising difficult long-term economic and social issues. For example, in Singapore the government is trying to coax people into reproducing with a one-off grant of S\$3,000 (US\$2,200) for having a child in the next two years on top of existing schemes.

In contrast to the US, Jacinda Ardern's clear election victory in NZ is seen as an endorsement of an inclusive brand of leadership that may ripple beyond New Zealand's borders. In an age of populism and confrontation, Ardern's brand of empathy and kindness won her Labour Party its biggest share of the vote in more than 70 years. Populism, and the poor policy choices and social outcomes it can lead to, remain a key longer-term concerns for equity markets.

Continuing its changing global profile, Bloomberg reports that China has promised to become a technological powerhouse emphasizing quality growth over speed as it unveiled the first glimpses of its economic plans for the next five years. Initial details released by the Communist Party's Central Committee pledged to develop a robust domestic market and elevated China's self-reliance in technology into a national strategic pillar. China's changing global profile and position will be a key macro issue for markets for the foreseeable future.

In a concerning development Thailand declared a state of emergency in the capital Bangkok after tens of thousands of anti-government protesters surrounded the prime minister's office demanding greater democracy and less power for the monarchy. The declaration goes into immediate effect and bans gatherings of five or more people. Demonstrations began in early July. The protesters are calling for the resignation of Prime Minister Prayuth Chan-Ocha, a former army chief who staged a coup in 2014, and a rewriting of the constitution that helped him stay on following elections last year. They also want curbs on the monarchy.

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, Super, 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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