

4D Global Infrastructure Fund

ARSN: 610 092 503 mFund: 4DI01

Monthly performance update

As at 30 April 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).

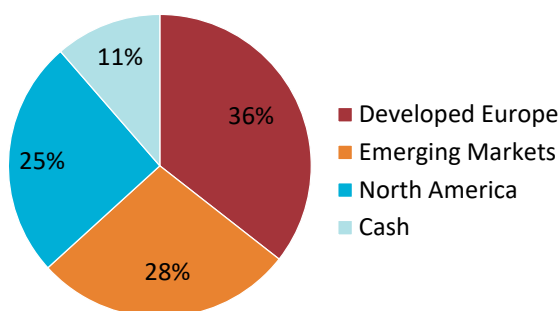
Performance

	1 month	3 month	6 month	1 year	2 years (pa)	3 years (pa)	Inception (pa)*
4D Global Infrastructure Fund	2.21%	-17.22%	-11.06%	-3.27%	6.08%	7.52%	9.42%
Benchmark: OECD G7 Inflation Index + 5.5%	0.59%	1.44%	3.05%	7.61%	7.19%	7.28%	7.21%
Over/under performance	1.63%	-18.66%	-14.12%	-10.88%	-1.11%	0.24%	2.21%

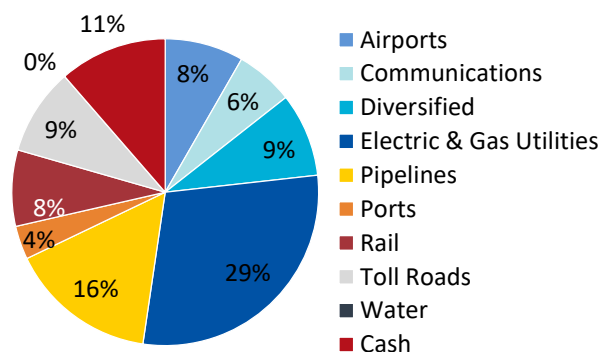
Performance figures are net of fees and expenses unless otherwise stated.

*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	43
Application/Redemption Price (AUD) ¹	1.3606/1.3524
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	5.07
Iberdrola	4.66
Cheniere Energy	4.17
Getlink	4.08
Shenzhen International	3.78
Kinder Morgan	3.57
DP World	3.53
Jasa Marga	3.31
National Grid	3.23
Ferrovial	2.88
Top 10 Total	38.28

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Portfolio performance review

The 4D Global Infrastructure Fund was up a net 2.21% (AUD) in April, out-performing the benchmark's return of 0.59% (by 1.63%) and the FTSE 50/50 Infrastructure Index, which was up 1.03% (AUD) in April. The A\$ finished at 65.1c, up 6.2% detracting from reported net performance of the Fund.

The strongest performer for April was US midstream operator Targa Resources up 89% recovering some of its March losses.

The weakest performer in April was US utility CMS, down 2.8% for the month having held up better than some during the March sell off. Utilities will offer relative resilient earnings over coming months as economic deterioration plays out around the globe

We continue to maintain a relatively high cash position awaiting core economic data and a stabilization of the contagion when we will look to capitalize on the raft of opportunities currently on offer.

Month in review

The US S&P 500 was up 12.8%, the broader MSCI World Index was up 10.9% while EMs were up 9.2% (all USD).

Covid-19 and various policy responses to the pandemic continued to dominate equity markets for the month of April 2020. Promisingly, there is now broad based talk of easing the restrictions that have been put in place over the past couple of months to control the spread of the virus. Hopefully, the world is not moving prematurely in this direction.

As we move into Phase 2 of the pandemic (as defined by the IMF) and the virus is hopefully under control, focus will turn to not only the shape of the economic recovery but also whether the huge monetary and fiscal stimulus measures are inflationary.

UBS forecast the US government budget deficit to reach around 20% of GDP this year, while the Federal Reserve balance sheet has surged almost 60% year-to-date with more to come in the next couple of months. Yet core US CPI fell on an outright basis month-on-month in March for only the third time since the early 1980s. In the near term the consequences of plummeting demand seem to be far outweighing those of restricted supply; prices for oil, airfares, and lodging away from home are tumbling. As time passes inflation should turn positive again.

Central bank accommodation of large, sustained government budget deficits has led to inflation (Weimar Germany, Russia in the 1990s, and perhaps the US after World War II and Vietnam). On the other hand, fiscal and monetary stimulus increased significantly in many developed countries following the GFC, yet inflation slowed over the past decade. Similarly, the sustained fiscal and monetary stimulus in Japan since the mid-1990s has been accompanied by

very low inflation. Since the 1980s, there has been little correlation in money growth and inflation in the US. The stimulus could lead to Inflation if demand exceeds supply for a sustained period. In the current situation, the stimulus is boosting demand, but not enough to offset the overall loss in demand from joblessness and mobility restrictions.

Reflecting the extent the virus has had on the international community, the US Presidential election, scheduled for November 2020, has been largely sidelined in discussions as focus remains intensely on Covid-19. Normally, during an election year, it would be page 1 news around the world every other day of the week. Prior to the pandemic emerging, President Trump would appear to have been in a strong position for re-election. He was a sitting president who, despite some very quirky behavior, had delivered a sustained period of strong US economic growth, created millions of new jobs and succeeded in re-negotiating a number of US trade deals in the US' favour. However, the Covid-19 pandemic changes the equation considerably with some arguing that the Presidential election will effectively be a referendum on Mr. Trump's handling of the crisis. With the US, like the rest of the world, likely heading towards a pandemic induced recession this will make Mr. Trump's position even more challenging. Of the six US presidents who experienced a recession in the lead-up to an election five lost their re-election bid. However, maybe the difference here is that it will be a global recession driven by responses to Covid-19 and not one specifically induced by the President's economic policies.

Democratic candidate Joe Biden has largely remained under the radar since his nomination so, apart from not being Donald Trump, his policies are not well understood as yet. As they become available the equity market will closely scrutinize them.

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)	Spitfire (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.services@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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