4D Global Infrastructure Fund

ARSN: 610 092 503 mFund: 4DI01

Monthly performance update

As at 30 April 2021

Overview

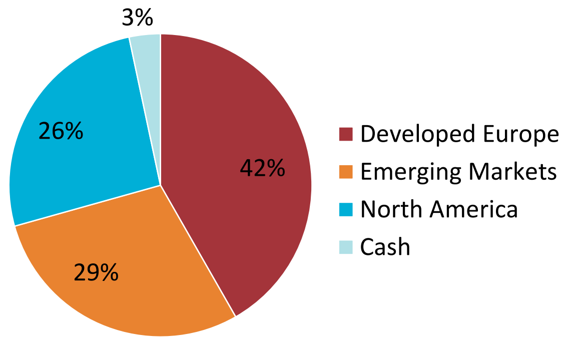
4D Infrastructure (4D) is a boutique asset manager investing in listed infrastructure companies across all four corners of the globe. Our investment objective is to identify quality infrastructure companies, trading at or below fair value with sustainable, growing earnings combined with sustainable, 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

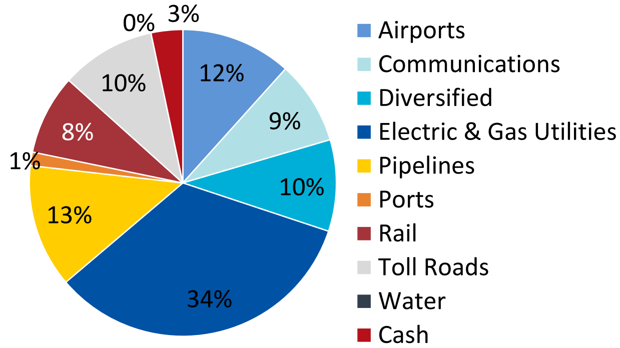
	1 month	3 month	6 month	1 year	2 years (pa)	3 years (pa)	5 years (pa)	Inception (pa)*
4D Global Infrastructure Fund	2.39%	7.53%	13.64%	11.05%	3.64%	7.71%	8.73%	9.74%
Benchmark: OECD G7 Inflation Index + 5.5%	0.87%	1.71%	3.32%	6.54%	7.06%	6.97 %	7.19%	7.08%
Over/under performance	**1.52%**	**5.82%**	**10.32%**	**4.51%**	**-3.42%**	**0.74%**	**1.54%**	**2.66%**

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	43
Application/Redemption Price (AUD)[1]	1.4847/1.4759
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	6.54
Iberdrola	4.88
Cheniere Energy	3.87
Enel	3.76
Groupe Eurotunnel	3.73
Jasa Marga	3.69
Shenzhen International	3.60
Ferrovial	3.60
Fraport	3.19
Kinder Morgan	3.14
Top 10 Total	**40.00**

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Portfolio performance review

The 4D Global Infrastructure Fund was up a net 2.39% (AUD) in April 2021, out-performing the benchmark's return of 0.87% (by 1.52%) and out performing the FTSE 50/50 Infrastructure Index, which was up 2.02% (AUD).

The strongest performer for April was US rail company Kansas City South up 10.7% as the two Canadian rail heavy weights (Canadian Pacific and Canadian National) target its assets with competing takeout offers on the table.

The weakest performer in April was Brazilian contract generator AES Brasil down 21.1%. This was partly timing, with a recovery on 1 May, and partly ahead of an anticipated weak Q1.

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

It is one year into the COVID pandemic and the global community still confronts extreme social and economic pain and millions remain unemployed. Yet, even with high uncertainty about the path of the pandemic, a way out of this health and economic crisis is increasingly visible says the IMF. Thanks to the ingenuity of the scientific community hundreds of millions of people are being vaccinated and this is expected to power recoveries in many countries later this year. Economies also continue to adapt to new ways of working despite reduced mobility, leading to a stronger than anticipated rebound across regions. Additional fiscal support in large economies, particularly the United States, has further improved the outlook. The IMF are now projecting a stronger recovery for the global economy compared with their January forecast, with growth projected to be 6% in 2021 and 4.4% in 2022 after an estimated historic contraction of -3.3% in 2020.

The IMF predicts that China will drive global economic growth in coming years as the world recovers from the pandemic that's killed 2.9 million people. China will contribute more than 20% of the total increase in the world's GDP in the 5 years through 2026, according to Bloomberg/IMF forecasts. Global GDP is expected to rise by more than US$28 trillion to US$122 trillion over that period, after falling $2.8 trillion in 2020 in the biggest peacetime shock to output since the Great Depression. China's resilience and its higher-yielding assets have attracted investors from around the world.

US Federal Reserve Chair Jerome Powell and colleagues upgraded their assessment of the US economy in April but said they were not yet ready to consider scaling back pandemic support. '*Indicators of economic activity and employment have strengthened*' the Federal Open Market Committee said in a statement after holding its key interest rate near zero and maintaining a US$120 billion monthly pace of asset purchases. Growing optimism for the US recovery has been helped by widening vaccinations and aggressive monetary and fiscal support. President Joe Biden unveiled a sweeping US$1.8 trillion plan to expand educational opportunities and childcare, hot on the heels of a US$1.9 trillion pandemic relief plan and a proposed US$2.25 trillion infrastructure plan.

In her first major speech on international economic policy, US Treasury Secretary Janet Yellen made a case for a minimum corporate tax rate across the world's major economies. She spoke of an American return to the '*global stage'* and singled out China, saying the US needs a '*strong presence in global markets'* to level the playing field. The tax proposal marks the return of the US to years-long talks to develop a global agreement on minimum levels.

The US is home to some of the most profitable companies in the world but UBS research indicates that its tax share as a percentage of GDP is one of the lowest amongst the OECD, falling from 2% to 1% since the enactment of the 2017 Trump tax reforms (the OECD average is 3.1%). President Biden's '*Made in America Tax Plan'* (*MIATP*) is still pitching a 28% Federal marginal tax rate while the backstop 15% minimum tax on book earnings remains. However, this version of the tax proposal narrows the scope to companies earning more than US$2 billion per year (*Previously US$100 mn*).

UBS says that over the last 20 years the average OECD marginal tax rate has fallen from 32.2% to 23.3% (*OECD Tax Database*). A minimum global corporate tax threshold (*MIATP 21% proposal*) would allow the US to increase its tax rate whilst reducing the risk of competitive tax undercutting. Importantly this is a proposal that has been immediately welcomed by Mario Draghi, the Italian PM and current chair of the G20.

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.