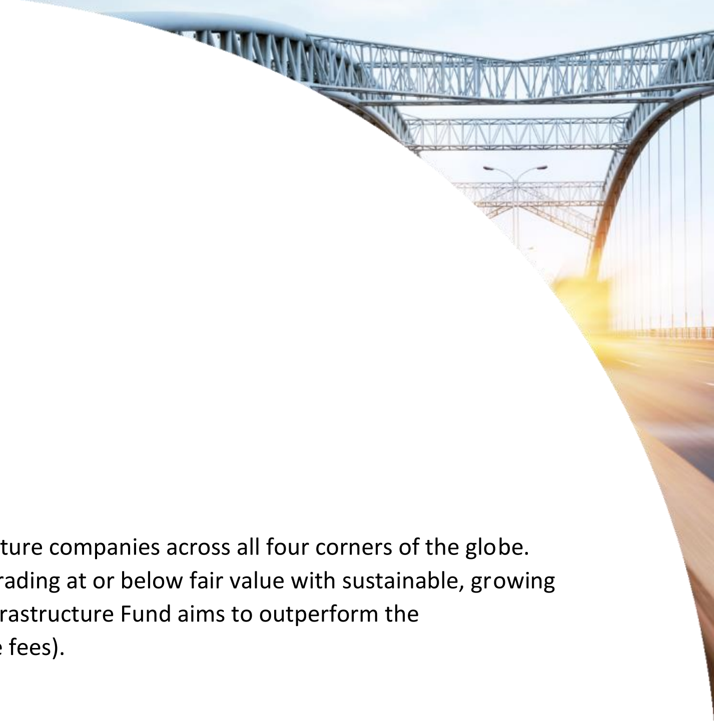


4D Global Infrastructure Fund

Performance report | 31 January 2022

Overview

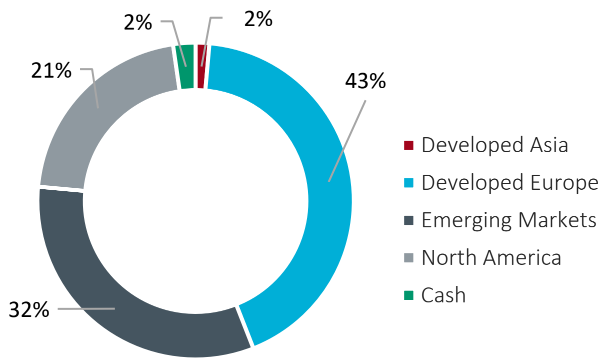
4D Infrastructure is a boutique asset manager investing in listed infrastructure companies across all four corners of the globe. Our investment objective is to identify quality infrastructure companies, trading at or below fair value with sustainable, growing earnings combined with sustainable, growing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

Net client returns (after fees and expenses)

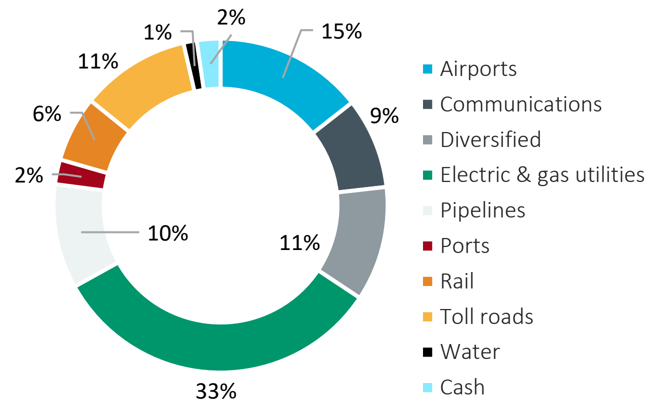
	1 mth	3 mths	6 mths	1 year	2 years p.a.	3 years p.a.	5 years p.a.	Since inception[2] p.a.
Fund	1.03%	4.38%	1.97%	15.79%	-0.51%	7.77%	11.11%	9.81%
Benchmark[1]	1.12%	2.51%	5.59%	10.56%	8.37%	7.89%	7.76%	7.65%
Value added	-0.09%	1.87%	-3.62%	5.23%	-8.88%	-0.12%	3.36%	2.15%

'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	5.77
Iberdrola	5.07
Enel	4.40
Getlink	3.96
Shenzhen International	3.84
Williams Co	3.79
Aena	3.55
Fraport	3.50
Ferrovial	3.48
Jasa Marga	3.48
Total	40.85

Portfolio performance review

The 4D Global Infrastructure Fund was up a net 1.03% (AUD) in January 2022, under-performing the benchmark's return of 1.12% (by 0.09%) but out-performing the FTSE 50/50 Infrastructure Index which was up 0.06% (AUD). Currency was a strong net contributor in January (+305bps).

The strongest performer for January was Williams Co up 15% as perceived energy names benefited from ongoing energy shortages and threat of activity by Russia.

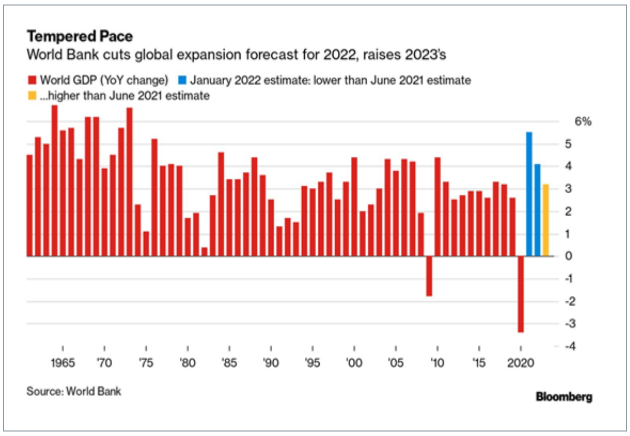
The weakest performer in January was European tower operator Cellnex, down 21.3%. The market seems undecided whether Cellnex is a tech play or a bond proxy. We believe it is neither and see this sell-off as a huge buying opportunity for a very attractive infrastructure name.

We continue to believe Central Banks will act prudently and cautiously in adjusting monetary policy in response to inflation pressures. But regardless we believe infrastructure is an asset class that can do well in an inflationary environment and we believe it is a sensible portfolio allocation at the current stage of the economic cycle. Within infrastructure we continue to favour user pays and real return utilities.

Month in review

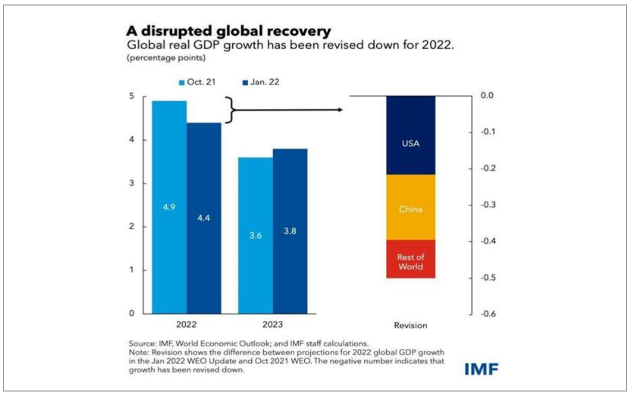
Global GDP growth forecasts are being reined in a touch at present but remain solidly in positive territory. ***The World Bank*** forecasts that:

- ***Global GDP*** will probably expand 4.1% this year, less than its 4.3% forecast in June 2021; and
- ***in 2023*** annual output is expected to expand by 3.2%, below the pre-pandemic trend in all regions.

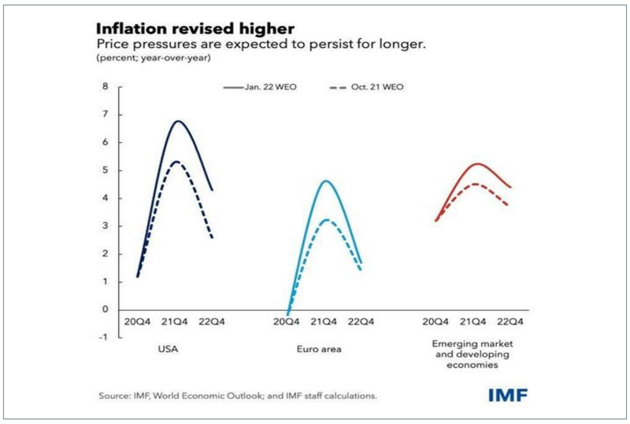


The IMF expects global growth to moderate from 5.9% in 2021 to 4.4% in 2022 – 0.5% lower for 2022 than projected in the previous IMF outlook in October 2021, largely reflecting forecast markdowns in the world's two largest economies, the US and China. Global growth is expected to slow to 3.8% in 2023. This is 0.2% point higher than the previous IMF forecast. The upgrade largely reflects a pick-up after current drags on growth dissipate in 2H22.

The IMF have also revised-up their 2022 inflation forecasts for advanced, emerging market and developing economies, with elevated price pressures expected to persist for longer.



Supply-demand imbalances are assumed to decline over 2022 based on industry expectations of improved supply, as demand gradually rebalances from goods to services, and extraordinary policy support is withdrawn. Assuming inflation expectations remain anchored the IMF expects inflation to subside in 2023.



Reflecting these increased inflation expectations US Federal Reserve Chair Jerome Powell pledged to do what's necessary to contain an inflation surge and prolong the expansion, reports Bloomberg. '*If we have to raise interest rates more over time, we will*,' Powell told the US Senate Banking Committee.

An emerging global economic issue is that in some countries jobs are plentiful yet workers scarce. The IMF explains this phenomenon based on data from the US and UK. It is also evident in Australia with the government suggesting unemployment could fall to <3% pa by year-end yet there remains wide-spread job availability.

What the IMF research found is that older workers leaving the workforce, the difficulty mothers of young children are facing with childcare and school interruptions, and a mismatch between the jobs available and those that people want are driving the trend. What's not having a major contribution is generous income support programs in response to the pandemic. This employment gap, if it is persistent or widens further, could have implications for growth, inequality, and inflation. A continued sluggish employment recovery amid sustained labour demand could constrain economic growth while fuelling wage increases. While higher wages would be good news for workers, they could further fuel inflation.

Fund details

Feature	Information
APIR code	BFL0019AU
Investment manager	4D Infrastructure
Portfolio manager	Sarah Shaw
Reporting currency	A$ Unhedged
Recommended investment period	Five years
Stock / cash limit	+7% / 10%
No. of securities	42
Application/redemption price (AUD)[3]	1.5792/1.5698
Distribution frequency	Quarterly
Management fee[4]	0.95% p.a. (including GST)
Performance fee[5]	10.25% p.a. (including GST)
Buy/sell spread	+/- 0.30%
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)
- Hub24 (IDPS, Super)
- Macquarie Wrap (IDPS, Super)
- Mason Stevens
- Netwealth (Super Service, Wrap Service, IDPS)
- Powerwrap (IDPS)
- Wealthtrac
- Praemium (Non Super, Super)
- Wealth O2

Get in touch

4Dinfra.com

1800 895 388 (AU) or 0800 442 304 (NZ)

client.experience@bennelongfunds.com

1 OECD G7 Inflation Index + 5.5%.

2 Inception date is 7 March 2016.

3 All unit prices carry a distribution entitlement.

4 Management fee is 0.95% p.a. (including GST net of reduced input tax credits) of the Net Asset Value of the Fund.

5 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.