

4D Global Infrastructure Fund

ARSN: 610 092 503 mFund: 4DI01

Monthly performance update

As at 30 June 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).

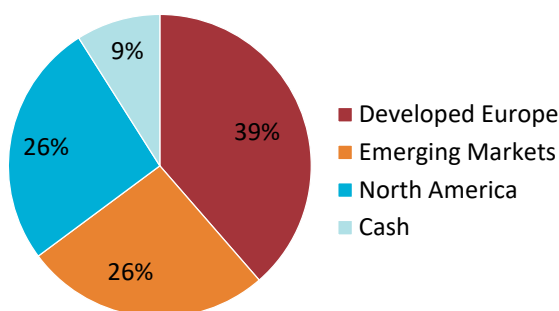
Performance

	1 month	3 month	6 month	1 year	2 years (pa)	3 years (pa)	Inception (pa)*
4D Global Infrastructure Fund	-2.04%	5.12%	-10.52%	-4.45%	7.70%	7.35%	9.75%
Benchmark: OECD G7 Inflation Index + 5.5%	0.31%	1.55%	3.05%	6.83%	6.94%	7.15%	7.15%
Over/under performance	-2.35%	3.57%	-13.58%	-11.28%	0.76%	0.20%	2.60%

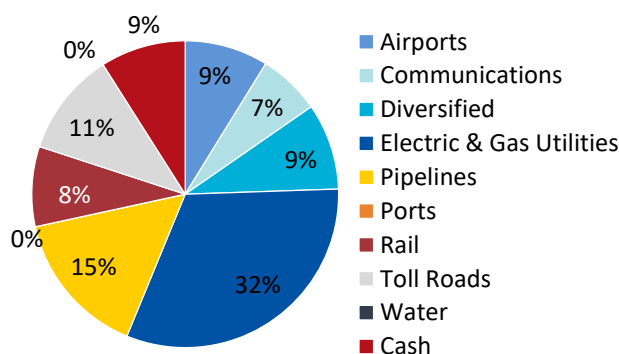
Performance figures are net of fees and expenses unless otherwise stated.

*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	42
Application/Redemption Price (AUD) ¹	1.3837/1.3754
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	5.70
Iberdrola	5.17
Jasa Marga	4.34
Getlink	4.22
Cheniere Energy	4.09
National Grid	3.70
Shenzhen International	3.65
Kinder Morgan	3.49
Ferrovial	3.16
AENA	2.78
Top 10 Total	40.30

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Portfolio performance review

The 4D Global Infrastructure Fund was down a net 2.04% (AUD) in June, under-performing the benchmark's return of 0.31% (by 2.35%) but out-performing the FTSE 50/50 Infrastructure Index, which was down 5.58% (AUD) in June. The A\$ finished at 69.03c, up 3.5% detracting from reported net performance of the Fund.

The strongest performer for June was Indonesian toll road operator, Jasa Marga up 24.4% as it rebounds from an oversold position as traffic starts to recover and the government pledges continued support for the growth of the sector,

The weakest performer in June was German airport group, Fraport down 13.2% as flights remain grounded, COVID-19 continues to spread and expectations of a return to normal travel environments get further pushed out. We believe that the weak environment is more than priced in to the current share price.

We continue to position for the prevailing economic outlook and infrastructure as a means of a recovery as we will look to capitalize on the raft of opportunities currently on offer.

Month in review

The US S&P 500 was up 1.94%, the broader MSCI World Index was up 2.65% while EMs were up 7.35% (all USD).

Macro factors, particularly the COVID-19 pandemic and global protests, again dominated equity market thinking during June 2020. The IMF downgraded its growth outlook for the world economy, projecting a deeper global recession and slower recovery than it had anticipated in April. It now expects global GDP to shrink 4.9% in 2020 (-3% was expected in April), while for 2021 they see growth of 5.4% (+5.8% in April). However, some global economic data points were better than expected in June – US Non-farm payrolls rebounded +2,509k in May (consensus: -7,500k) as the US unemployment rate fell to 13.3% (consensus: 19%), some activity indicators in Europe are also improving ahead of expectations while the Australian economy is rebounding faster than had been expected.

Separately the IMF's MD, Kristalina Georgieva, noted that during the Great Depression there was very little immediate policy action by governments whereas there certainly has been this time around. Fiscal measures totaling ~US\$10 trillion have been deployed, while Central Banks have injected over US\$6 trillion in liquidity. This is now being accompanied by the lifting of lockdowns. For example, UBS estimate that Korea and Taiwan are both back to pre-Covid mobility levels (100%). Several other countries are not far behind: Czech Republic (99%), Greece (98%), HK (94%), Poland (94%), NZ (93%), Hungary (93%), Turkey (92%), Sweden (92%), Japan (90%),

and Australia (90%). By contrast, Peru (44%), Chile (50%), Colombia and the Philippines (both 61%) languish near the bottom.

Infrastructure, in all its forms, was always going to be integral to the global recovery. For example, several press reports cite US President Trump's plan for a US\$1tn infrastructure stimulus to help with economic restart. Persistently low interest rates, ongoing infrastructure needs in most countries and the impact of COVID-19 means that infrastructure stimulus is generally welcomed by those advocating Keynesian economic policy. Global Infrastructure Hub data across 56 countries and multiple sectors suggest a US\$15tn infrastructure investment gap over the next 20 years – no wonder spending today is welcomed.

Infrastructure investment delivers a significant economic multiplier when capital is efficiently allocated. Therefore, such stimulus initiatives can generate broad based positive impacts. As 4D has consistently maintained, the prospect of increased investment need, together with stretched government balance sheets, inevitably leads to a longer-term trend of increased privatizations, and more investment opportunities in infrastructure for the private sector.

The latest polling and betting odds data suggest that Joe Biden is pulling ahead of Donald Trump in the race to win November's US Presidential election. Mr Trump's approval ratings have taken a hit from his handling of the coronavirus pandemic and recent US protests. It is still very early days in the campaign but given the many global issues and tensions at play, and the difference in policies between the two candidates, it will be a very important election both locally and globally.

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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