

4D Global Infrastructure Fund

ARSN: 610 092 503 mFund: 4DI01

Monthly performance update

As at 28 February 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).

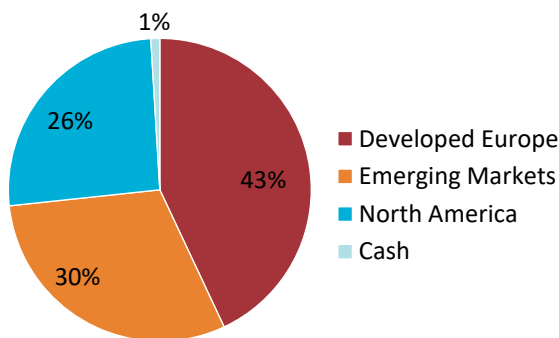
Performance

	1 month	3 month	6 month	1 year	2 years (pa)	3 years (pa)	Inception (pa)*
4D Global Infrastructure Fund	-1.27%	-4.94%	3.16%	-13.04%	1.91%	6.04%	8.21%
Benchmark: OECD G7 Inflation Index + 5.5%	0.26%	1.23%	3.49%	6.14%	6.61%	6.91%	7.01%
Over/under performance	-1.53%	-6.17%	-0.33%	-19.17%	-4.70%	-0.87%	1.19%

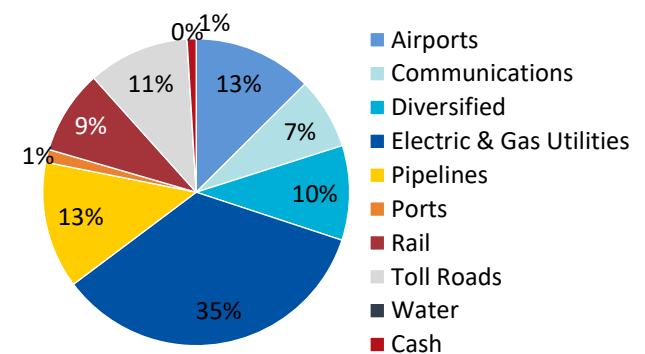
Performance figures are net of fees and expenses unless otherwise stated.

*Inception date is 7 March 2016

Regional Breakdown



Sector Breakdown



Top 10 Positions

IN ORDER OF PORTFOLIO WEIGHT	END WEIGHT %
Cellnex	5.31
Iberdrola	5.11
Getlink	4.50
Cheniere Energy	4.17
Jasa Marga	4.09
Enel	4.04
Shenzhen International	3.96
Ferrovial	3.53
AENA	3.42
Kinder Morgan	3.16
Top 10 Total	41.29

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	1.3651/1.3569
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



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Portfolio performance review

The 4D Global Infrastructure Fund was down a net 1.27% (AUD) in February 2021, under-performing the benchmark's return of 0.26% (by 1.53%) but out-performing the FTSE 50/50 Infrastructure Index, which was down 1.74% (AUD). Currency was again a significant detractor in February costing the fund 1.31%.

The strongest performer for February was Mexican airport operator Grupo ASUR +21.4% as vaccines continue to roll out across the globe and the expectation of the resumption of air travel gets closer.

The weakest performer in February was Portuguese based renewable operator EDPR down 19.7%. We believe this to be profit taking after a very strong run in pure play renewables where we ourselves reduced our position on valuation.

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

A key focus for the month was the rise in interest rates. The question is whether all the global fiscal and monetary support will trigger upward moves in rates and inflation. US Federal Reserve Chair Jerome Powell emphasized that the US economy has a long way to go and signs of prices rising won't necessarily lead to persistently high inflation. *'Our policy is accommodative because unemployment is high and the labor market is far from maximum employment'* he told the US House Financial Services Committee. Powell pointed to examples like car prices rising because of a chip shortage and supply-chain constraints in the tech industry. We expect inflation to remain moderate.

New US President Joe Biden has made it clear that tackling inequality in the US will be one of his domestic policy priorities, with wider provision of healthcare and higher minimum wages being two important levers to affect change. The US is not the only country looking to raise minimum wages; others, such as Mexico, are doing the same. Although this is not a universal trend (Indonesia, for instance, is trying to stem the increase in minimum wages, albeit with limited success).

Italy again entered an uncertain political environment. Mario Draghi, the new head of Italy's emergency government, made an emotional appeal for unity in his maiden speech to parliament as he spelt out his plans for tackling its parallel health and economic crises. The former head of the European Central Bank told members of the Senate: *'Unity is not an option, unity is a duty. But it is a duty guided by what I am sure unites us all: love for Italy'*. He said it was the most emotional moment of his long career.

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.

The Fund is managed by 4D Infrastructure, a Bennelong Funds Management boutique. This information is issued by Bennelong Funds Management Ltd (ABN 39 111 214 085, AFSL 296806) (BFML) in relation to the 4D Global Infrastructure Fund. The information provided is general information only. It does not constitute financial, tax or legal advice or an offer or solicitation to subscribe for units in any fund of which BFML is the Trustee or Responsible Entity (Bennelong Fund). This information has been prepared without taking account of your objectives, financial situation or needs. Before acting on the information or deciding whether to acquire or hold a product, you should consider the appropriateness of the information based on your own objectives, financial situation or needs or consult a professional adviser. You should also consider the relevant Information Memorandum (IM) and or Product Disclosure Statement (PDS) which is available on the BFML website, bennelongfunds.com, or by phoning 1800 895 388 (AU) or 0800 442 304 (NZ). BFML may receive management and or performance fees from the Bennelong Funds, details of which are also set out in the current IM and or PDS. BFML and the Bennelong Funds, their affiliates and associates accept no liability for any inaccurate, incomplete or omitted information of any kind or any losses caused by using this information. All investments carry risks. There can be no assurance that any Bennelong Fund will achieve its targeted rate of return and no guarantee against loss resulting from an investment in any Bennelong Fund. Past fund performance is not indicative of future performance. Information is current as at the date of this report. 4D Infrastructure Pty Ltd (ABN 26 604 979 259) is a Corporate Authorised Representative of BFML.

In hopefully a sign that the global economy is turning around India's real GDP grew by +0.4% yoy in the December 2020 quarter. This compares with contractions of 7.3% yoy and 24.4% in the previous two quarters.

Commodities rose to their highest in almost 8 years amid booming investor appetite for everything from oil to corn. Hedge funds have piled into what's become the biggest bullish wager on the asset class in at least a decade.

A key component of the global wealth re-distribution process is the role of *'remittances'*. This is a transfer of money, often by a foreign worker to an individual in their home country. Money sent home by migrants is one of the largest financial inflows to developing countries. According to the World Bank in 2018 overall global remittance grew 10% to US\$689 billion, including US\$528 billion to developing countries. Due to its large diaspora and overseas expats population, India remains the top receiver of remittances with US\$80 billion in 2018 (~2.7% of India's GDP).

The Economist Intelligence Unit reports that the COVID pandemic has had an enormous impact on migrant remittances. Recessions in host countries have made it difficult for migrants to send money home, as they face increasing precarity and unemployment. Meanwhile, lockdowns and travel restrictions have created new obstacles to mobility, preventing would-be migrants from working overseas. A further 7% drop in remittances is expected in 2021. Many developing countries rely on remittances as a source of external financing that now eclipses overseas development assistance and even foreign direct investment. For poor countries, a significant drop in remittances represents further pressure on top of an already challenging economic and social situation.

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