

4D Emerging Markets Infrastructure Fund

ARSN: 621 199 399

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 Emerging Markets Infrastructure Fund ('the Fund') aims to outperform the OECD G20 Inflation Index + 8% p.a. over the medium to long term (before fees).

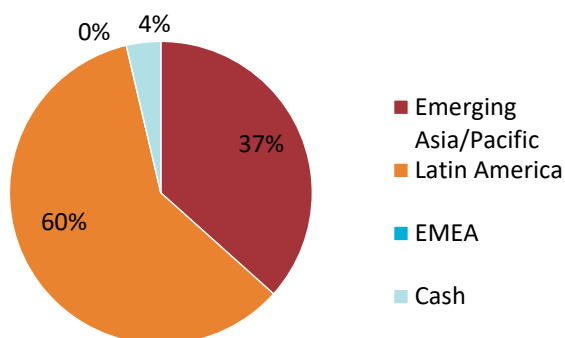
Performance

	1 month	3 month	6 month	1 year	2 years (pa)	3 years (pa)	Inception (pa)*
4D Emerging Markets Infrastructure Fund	-0.85%	2.15%	13.78%	6.50%	-4.22%	0.85%	0.58%
Benchmark: OECD G20 Inflation Index + 8%	1.09 %	2.82%	5.78%	10.48%	11.37%	11.30%	11.13%
Over/under performance	-1.94%	-0.67%	8.00%	-3.97%	-15.59%	-10.49%	-10.61%

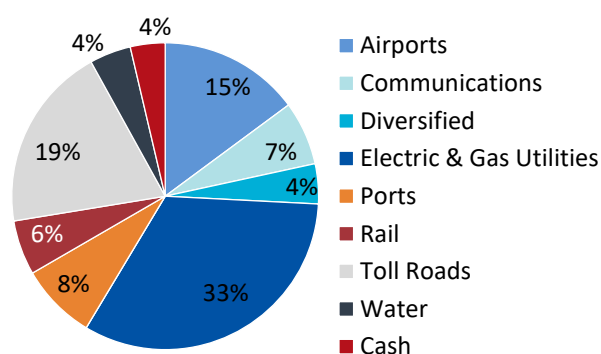
Performance figures are net of fees and expenses unless otherwise stated.

*Inception date is 16 August 2017

Regional Breakdown



Sector Breakdown



FUND DETAILS

APIR Code	BFL7394AU ASUR
Investment Manager	4D Infrastructure
Portfolio Manager	Sarah Shaw
Benchmark	OECD G20 Inflation Index + 8%
Inception Date	16 August 2017
Reporting Currency	A\$ Unhedged
Recommended Investment Period	Five years
Stock / Cash Limit	+7% / 10%
No. of Securities	31
Application/Redemption Price (AUD) ¹	0.9735/0.9677
Distribution Frequency	Annually
Management Fee ²	1.15% 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 %
TAESA	6.16
CEMIG	5.54
China Merchants Port Holdings	5.18
Ecorodovias	4.92
Jasa Marga	4.81
GAP	4.77
CCR	4.58
OMA	4.46
Telesites	4.36
Shenzhen International	4.22
Top 10 Total	48.99



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Portfolio performance review

The 4D Emerging Market Infrastructure Fund was down a net 0.85% (AUD) in April, under-performing the benchmark return of 1.09% (by 1.94%).

The strongest performer for April was Chinese Environmental play, Canvest up 12% for the month as they are expected to strategically benefit from China's "Net Zero" aspirations.

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.

As we move through 2021 and vaccines rollout accelerates around the world we expect to see signs of a recovery as stimulus flows through economies and pent up consumer demand post a very difficult 2020 further buoys the recovery. The structural infrastructure story within emerging markets is intact and we are capitalising on the raft of opportunities currently on offer. We also believe currency now offers a tailwind to future performance.

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) or via the following platforms:

- Hub24 (IDPS)
- Mason Stevens
- Macquarie Wrap (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 1.15% 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 G20 inflation index + 8% 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 Emerging Markets 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.