

4D Emerging Markets Infrastructure Fund

ARSN: 621 199 399

Monthly performance update

As at 30 November 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 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).

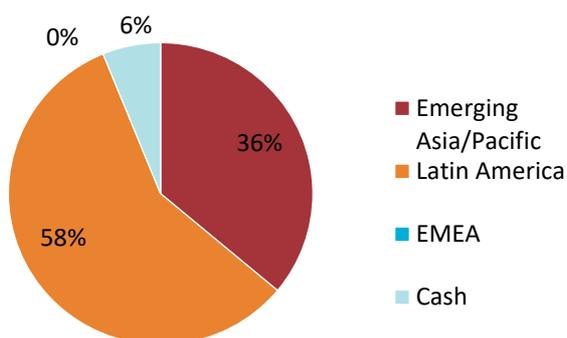
Performance

	1 month	3 month	6 month	1 year	2 years (pa)	3 years (pa)	Inception (pa)*
4D Emerging Markets Infrastructure Fund	13.32%	11.31%	3.16%	-16.09%	2.50%	0.02%	0.53%
Benchmark: OECD G20 Inflation Index + 8%	1.03%	3.03%	4.57%	10.79%	11.09%	11.26%	11.13%
Over/under performance	12.29%	8.28%	-1.41%	-26.89%	-8.59%	-11.24%	-10.60%

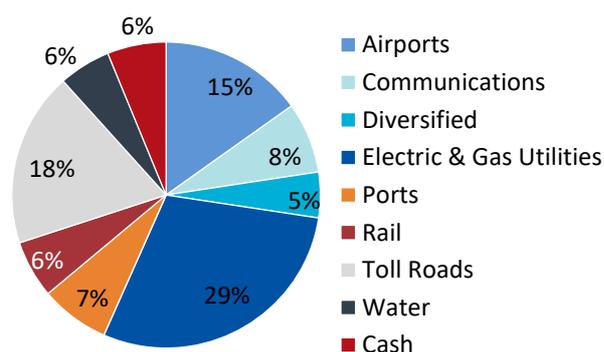
Performance figures are net of fees and expenses unless otherwise stated.

*Inception date is 16 August 2017

Regional Breakdown



Sector Breakdown



Top 10 Positions

FUND DETAILS	
APIR Code	BFL7394AU
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	0.9696/0.9638
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

IN ORDER OF PORTFOLIO WEIGHT	END WEIGHT %
GAP	5.16
TAESA	5.04
Shenzhen International	4.82
CEMIG	4.70
CCR	4.55
Jasa Marga	4.52
Telesites	4.48
Rumo	4.46
Ecorodovias	4.44
China Merchants Holdings	4.43
Top 10 Total	46.59

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Portfolio performance review

The 4D Emerging Market Infrastructure Fund was up a net 13.32% (AUD) in November, out-performing the benchmark return of 1.03% (by 12.29%). Currencies were mixed in November ultimately detracting 88bps from overall performance.

The strongest performer for November was Malaysia Airport Holdings up 24.6% in the month on the back of the vaccine news and hopes that planes will be back in the sky soon. Airports had been oversold during the worst of the COVID pandemic and 4D maintained core positions which contributed strongly to the November out-performance.

The weakest performer in November was Chinese based utility Canvest Environmental Protection Group down 0.3%. This was not news specific but rather utilities were relatively weaker as investors look for recovery stories.

As we move into 2021 and vaccines become available 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.

Market review

The US S&P 500 was up 10.89%, the broader MSCI World Index was up 12.79% while EMs were up 9.25% (all USD) in November 2020.

US economic activity indicators were generally better than expected while Chinese and European activity indicators were mixed.

New US President elect Joe Biden moved forward in transitioning his administration into power despite ongoing objections from Mr Trump. Increasing clarity around the election result and the emergence of viable COVID vaccine options buoyed equity markets during the month with the Dow Jones Industrial Average topping 30,000 for the first time.

As Covid-19 has spread around the world, it has challenged preconceptions about which places would best tackle the worst public health crisis in a generation. Advanced economies like the US and UK, ranked by various pre-2020 measures as being the most prepared for a pandemic, have been repeatedly overwhelmed by infections and face a return to costly lockdowns. Meanwhile, other countries—even emerging nations—have defied expectations, some all but eliminating the pathogen within their borders. Bloomberg analysis to determine the best places to be in the coronavirus era rank the top 10 countries as follows: New Zealand, Japan, Taiwan, South Korea, Finland, Norway, Australia, China, and Denmark.

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.

Asia-Pacific nations including China, Japan and South Korea signed the world's largest regional free-trade agreement, encompassing nearly a third of the world's population and gross domestic product. Top officials from 15 nations that also include Australia, New Zealand and the 10 members of the Association of Southeast Asian Nations — but not India — inked the RCEP (Regional Comprehensive Economic Partnership) on the final day of the 37th Asean Summit. Supporters of the trade pact, which covers 2.2 billion people with a combined GDP of US\$26.2 trillion, said it will reduce tariffs, strengthen supply chains with common rules of origin, and codify new e-commerce rules.

An IMF report published ahead of the November 2020 G20 leaders meeting argues that a synchronized infrastructure investment push could invigorate growth, limit scarring, and address climate goals. In fact, when many countries act at the same time, public infrastructure investment could help lift growth domestically and abroad through trade linkages. This positive 'spillover' effect could provide an additional boost to global output. The spillovers created by higher demand are particularly impactful when economic conditions are weak and interest rates low. When economic conditions are strong, higher government spending may push inflation above the central bank's target and trigger a monetary policy tightening, offsetting some of the initial boost to demand. But when conditions are weak and inflation is well below target, monetary policy is less likely to tighten in response to higher government spending, resulting in a greater output response. The context of ample spare economic capacity thus amplifies the impact of both domestic public infrastructure spending and the demand that spills over from higher public investment abroad.

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