

4D Global Infrastructure Fund

Performance report | 31 March 2022

Overview

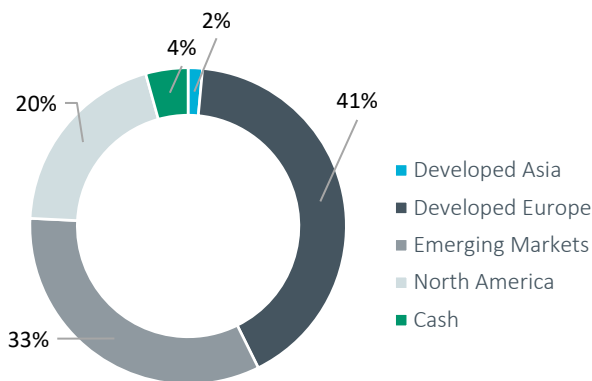
4D Infrastructure is a boutique asset manager investing in listed infrastructure companies across all four corners of the globe. Our investment objective is to identify quality infrastructure companies, trading at or below fair value with sustainable, growing earnings combined with sustainable, growing 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)

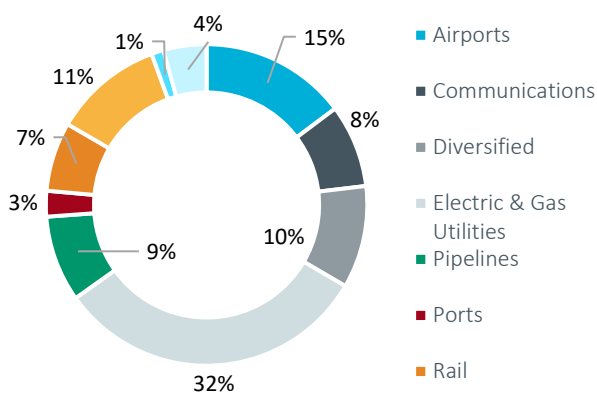
	1 mth	3 mths	6 mths	1 year	2 years p.a.	3 years p.a.	5 years p.a.	Since inception ² p.a.
Fund	1.93%	1.17%	3.04%	10.41%	10.63%	6.11%	9.03%	9.56%
Benchmark ¹	0.75%	2.70%	5.05%	11.36%	8.77%	8.28%	7.90%	7.72%
Value added	+1.18%	-1.53%	-2.01%	-0.95%	+1.87%	-2.17%	+1.13%	+1.84%

¹'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	6.27
Iberdrola	5.00
Getlink	4.11
Shenzhen International	4.06
Jasa Marga	3.84
Enel Spa	3.74
Aena	3.57
Williams Co	3.52
Sempra Energy	3.46
Ferrovial	3.46
Total	41.03

Portfolio performance review

The 4D Global Infrastructure Fund was up a net 1.93% (AUD) in March 2022, out-performing the benchmark's return of 0.75% (by 1.18%) but under-performing the FTSE 50/50 Infrastructure Index which was up 3.89% (AUD). Currency detracted 292bps from performance in March.

The strongest performer for March was Brazilian rail operator Rumo up 19.7% as the outlook for crops continues to improve supporting 2022 volumes.

The weakest performer in March was Chinese gas distribution company China Gas Holdings down 18.8% as fears around dollar margins continues to be an overhang with commodity prices elevated as a result of the Ukraine conflict. Factoring in a worst case scenario the stock remains oversold.

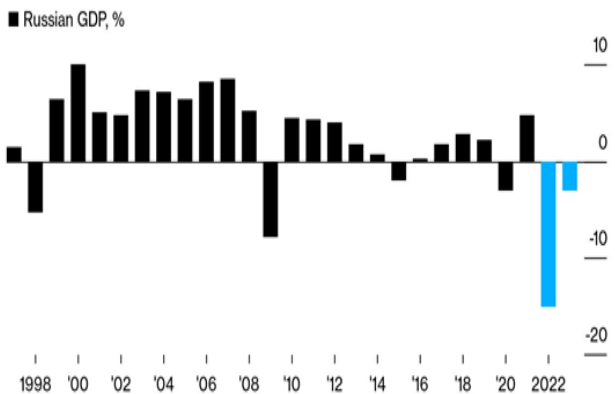
We continue to believe Central Banks will act prudently and cautiously in adjusting monetary policy in response to inflation pressures. But regardless we believe infrastructure is an asset class that can do well in an inflationary environment, and we believe it is a sensible portfolio allocation at the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

Month in review

The Russia/Ukraine war continued to dominate equity markets in March with inflation and global growth also prominent in discussions. Russia's economy is set to erase 15 years of economic gains thanks to sanctions and a mass corporate exodus according to the IIF.

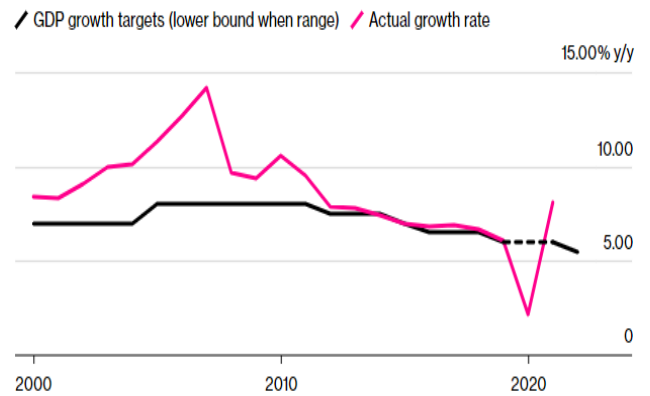
Hard Hit

Russian economy seen shrinking 15% this year over the war



Source: Statistics Service, Institute of International Finance for 2022-2023 forecasts Bloomberg

Meanwhile China has set an ambitious economic growth target for 2022. That's the takeaway from the annual session of the National People's Congress. It's the biggest political event before the Party's Congress later this year, when President Xi Jinping is widely expected to extend his term as leader. The government's goal for GDP to expand 'about 5.5%' is well above economists' forecasts. The relatively high target is a reflection of political objectives ahead of the Party Congress, with officials making clear that bold measures are needed to stabilize the economy.

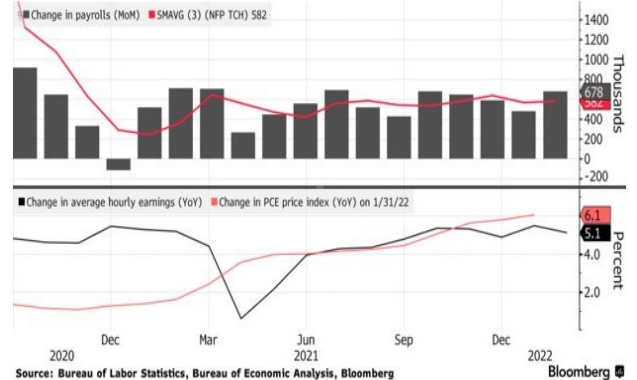


Sources: Government Work Reports; National Economic and Social Development Reports; National Bureau of Statistics
 GDP Growth Targets: 2000, 2002-2004 - around 7%; 2001 - 7%; 2005-2011 - around 8%; 2012 - 7.5% 2013-2014 - around 7.5%; 2015 - around 7%; 2016 - 6.5%-7%; 2017-2018 - Around 6.5% 2019 - 6%-6.5%; 2020 no target; 2021 Above 6%

In the US the economic picture looks solid. New jobless claims fell to their lowest point since 1969 as demand for labor far exceeds supply. Applications decreased by 28,000 to 187,000 in the week ended March 19 as continuing claims for state benefits dropped to 1.35 million in the week ended March 12. This is adding to inflationary pressures. The Federal Reserve lifted rates by 25 bps as expected and signalled 6 additional moves this year, launching a campaign to tackle surging inflation even as risks to growth mount from the war in Ukraine. Officials pledged to start shrinking their US\$8.9 trillion balance sheet at a 'coming meeting.'

Jobs, Pay & Inflation

Hiring in U.S. has been steady, while wage growth has picked up with inflation



Source: Bureau of Labor Statistics, Bureau of Economic Analysis, Bloomberg Bloomberg

Finally, we have long argued the importance of the growing global middle class. Reflecting both a COVID recovery and expanding middle class Indians are holidaying lavishly now, spending more on 5-star hotels and booking business-class seats as the country emerges from the pandemic according to India's second-biggest online travel agency. 'People are living their lives and splurging on travel' Prashant Pitti, a co-founder of EaseMyTrip said in an interview with Bloomberg. 'It's a shift which is happening for good, for long-term.' India, the world's fastest-growing major aviation market before the pandemic, expects local traffic to exceed pre-pandemic levels of 415,000 daily fliers within a year. Indian airlines are also adding capacity to capture the revival in demand as international flights resumed. To prepare for the travel rebound, India may have to add as many as 120 planes every year, Indian Civil Aviation Minister Jyotiraditya Scindia said. This is all good for infra investment!

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	39
Application/redemption price (AUD) ³	1.5714/1.5652
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	Powerwrap (IDPS)
BT Asgard (Panorama)	Wealthtrac
Colonial First Wrap	Praemium (Non Super, Super)
Hub24 (IDPS, Super)	Wealth O2
Macquarie Wrap (IDPS, Super)	
Mason Stevens	
Netwealth (Super Service, Wrap Service, IDPS)	

Get in touch



[4Dinfra.com](https://www.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.

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