Performance report | 31 May 2025

4D Global Infrastructure Fund (Unhedged)

Overview

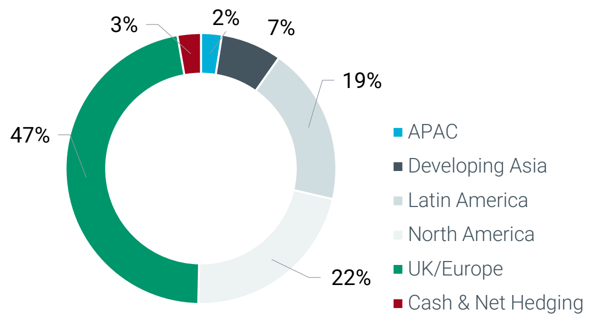
4D Infrastructure is a boutique asset manager investing in listed infrastructure companies across all four corners of the globe. Our investment objective is to identify quality infrastructure companies that are trading below fair value and have sustainable, growing earnings combined with sustainable, growing dividends. The 4D Global Infrastructure Fund (Unhedged) aims to outperform the OECD G7 Inflation Index + 5.5% p.a. over the medium to long term (before fees). It is currency unhedged.

Net returns

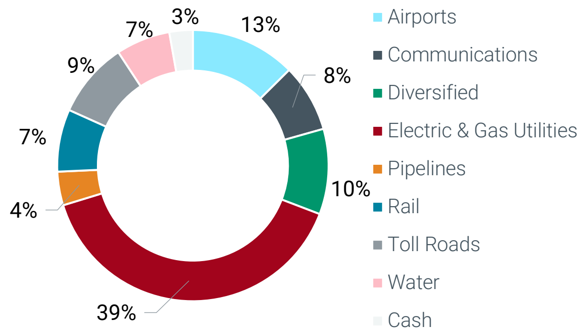
	1 mth	3 mths	1 year	3 years p.a.	5 years p.a.	Since inception[2] p.a.
Fund	1.87%	11.11%	16.64%	9.86%	9.48%	9.94%
Benchmark[1]	0.80%	2.32%	8.35%	9.67%	9.57%	8.49%
Value added	1.07%	8.79%	8.30%	0.18%	-0.09%	1.46%
FTSE Global Core Infra 50/50 Net Total Return Index (AUD)[3]	1.08%	1.94%	16.66%	7.95%	8.18%	9.12%
S&P Global Infra. Net Total Return Index (AUD)[4]	3.68%	6.54%	24.61%	11.83%	12.14%	9.70%

Performance figures are net of fees and expenses.
'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	5.45
Iberdrola	5.01
National Grid	4.55
NextEra Energy	4.47
SSE	4.47
Motiva	3.44
Dominion	3.03
American Water Works	3.03
Fraport	3.00
Aena	2.99
Total	39.44

A Bennelong boutique

Portfolio performance review

The 4D Global Infrastructure Fund (Unhedged) was up net 1.87% (AUD) in May, outperforming the benchmark return of 0.80% (by 1.07%) and the FTSE 50/50 Infrastructure Index which was up 1.08% (AUD). Currency detracted 56bps from performance.

The strongest performer for May was Mexican airport operator GAP +14.18%. This follows a solid Q1 result and strong ongoing passenger recovery in April as seat availability becomes available as the impact of the P&W aircraft recall continues to dissipate.

The weakest performer in May was Indonesian toll road operator, Jasa Marga -7.50%. This was despite a strong Q1 result and improved outlook with the valuation remaining very supportive.

Markets remain volatile on the outlook for inflation, economic growth and the state of the labour market as well as geopolitical concerns. Interest rates are generally stabilising. However, there remains a fine balancing act between rates, resilient demand, inflation and geopolitical threats to trend. Listed infrastructure, as an asset class, fundamentally can do well in all scenarios - with explicit or implicit inflation hedges and long-term predictable earnings profiles underpinned by contract or regulation.

Month in review

May was a strong month for risk assets, continuing April's bounce off the post "Liberation Day" yearly lows. Global equities rallied 5.9% in May (local return).

There were several incrementally positive developments on Trump's tariff agenda. Firstly, US & UK announced a historic trade deal. Secondly, US and China announced mutual tariff revisions for 90 days that were substantially larger than expected – with the tariff being cut from 145% to 30% (with the market expecting 50-60%) and China cut the tariffs on US imports to 10% from 125%. Lastly, Trump threatened a 50% European tariff on a Friday and backed down by Monday (delayed till July 9) after a weekend call with European Commission President Ursula von der Leyen.

Whilst there remain outstanding issues (port fees, target sector tariffs), we appear well past peak tariffs and market fear – and with that, higher market risk appetite with economists assuming less drastic downgrades to US growth & inflation upswing. Fed rate cut expectations have also been cut back to 2 more in 2025, from 4 cuts in April. The ongoing easing of tariffs from the "Liberation Day" abyss earned Trump the acronym "TACO" by reporters – "Trump Always Chicken's Out" – much to Trump's disdain. These developments take the initial 90 day pause to expire in July, and the lower China tariffs to expire in August.

At the end of the month, Trump was handed an additional set back with the US Court of International Trade ruling Trump had no legal authority to use Emergency Powers and bypass Congress to implement the reciprocal tariffs on "Liberation Day". This however does not mean a full reversal or back down on tariffs, with the Administration now looking to use other routes to implement their new tariff regimes. All in all, there is still a heightened level of uncertainty, even if Trump is backing down from the very high Tariff threats of early April.

Chart 1 – US Trade Policy Uncertainty jumps at end of May

(Source – Bloomberg, 4D)

On the data front, US retail sales were weaker than expected with the control group -0.2% vs +0.3% expected in April. Moody's downgraded US government debt to Aa1 from Aaa, taking it in line with Fitch (downgraded in 2023) and S&P (downgraded in 2011). This was based on a more negative US fiscal outlook, with large level of debt and ongoing deficit, as well as Trumps plans to extend 2017 tax cuts. The House passed a new tax bill (the One, Big, Beautiful Reconciliation Bill) that extends existing tax cuts and included new ones, and now moves to the Senate for debate & revisions. Broadly, this is seen as modestly stimulative but also fiscally expanding – the tax cuts are front loaded till 2028 and spending cuts back ended. The budget deficit is expected to increase by 28% in 2026. To fund some of these tax cuts, there were reductions to renewable energy incentives, Medicaid and food aid programs. Concerns in the bond market remain elevated due to this extra fiscal burden, and US ten year yields increased 24bps in May to 4.4%.

Global Central Banks were active in May – The Bank of England cut 25bps to 4.25% as they try to support growth with rising global policy uncertainty, whilst Mexico cut rates 50bps to 8.5% with inflation remaining in the target range and growth weakening. Australia cut rates 25bps for the second time this year, with inflation back to RBA's medium term 2-3% target bank in Q125. Brazil raised 50bps as expected – and cut any additional guidance on more rate hikes looking forward. The market is pricing this in as their last cut of this hiking cycle, with cuts to start in early 2026.

Fund details

Feature	Information
APIR code	BFL0019AU
Investment manager	4D Infrastructure
Portfolio manager	Sarah Shaw
Reporting currency	A$ Unhedged
Recommended investment period	Five years
Cash limit	10%
No. of securities	39
Application/redemption price (AUD)[5]	1.9334/1.9256
Distribution frequency	Quarterly
Management fees and costs[6]	1.00% p.a. (including GST)
Performance fee[7]	10.25% p.a. (including GST)
Buy/sell spread	+/- 0.20%
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
- BT (Panorama)
- CFS (Edge)
- Dash (uXchange)
- Hub24 (Super, IDPS)
- Insignia (Expand, Expand Extra)
- Macquarie Wrap (IDPS, Super)
- Mason Stevens
- Netwealth (Wealth, Super Accelerator Plus)
- Powerwrap (IDPS)
- Praemium (IDPS, Super)

Get in touch

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1 OECD G7 Inflation Index + 5.5%.

2 Inception date is 7 March 2016.

3 The reference index is the FTSE Global Core Infrastructure 50/50 Net Total Return in AUD. This is provided as an indictive comparison only and is not the Fund Benchmark.

4 The reference index is the S&P Global Infra AUD Net Total Return Index. This is provided as an indictive comparison only and is not the Fund Benchmark.

5 All unit prices carry a distribution entitlement.

6 Management fees and costs consist of annual management fee rate and capped recoverable expenses. For a detailed split of the fees and costs, please refer to the fund(s) PDS.

7 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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