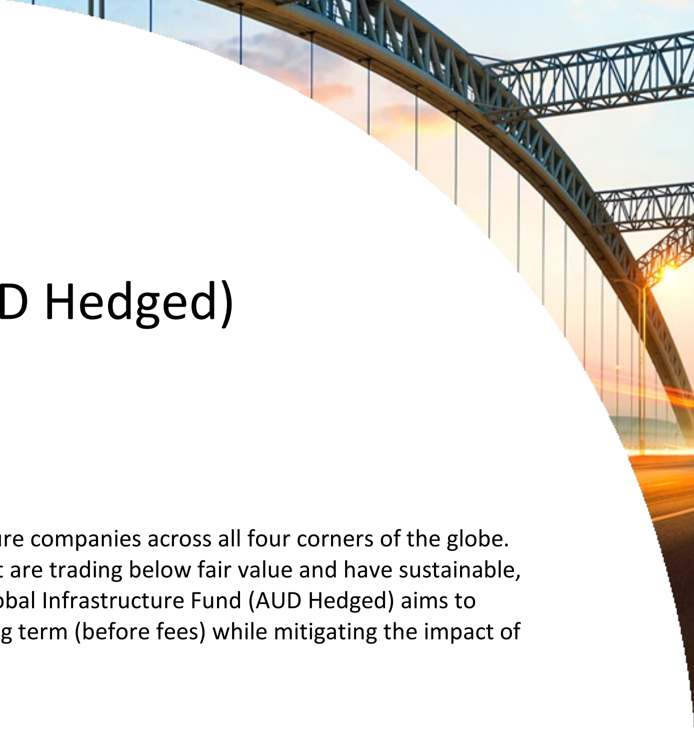


4D Global Infrastructure Fund (AUD Hedged)

Performance report | 31 December 2022

Overview

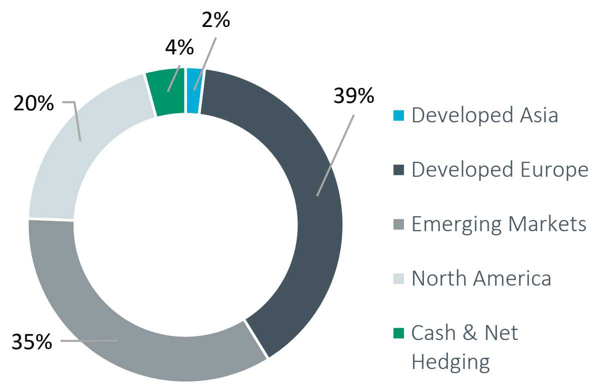
4D Infrastructure is a boutique asset manager investing in listed infrastructure companies across all four corners of the globe. Our investment objective is to identify quality infrastructure companies that are trading below fair value and have sustainable, growing earnings combined with sustainable,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

Net client returns (after fees and expenses)

	1 mth	3 mths	6 mths	1 year	2 years p.a.	3 years p.a.	Since inception[2] p.a.
Fund	-2.43%	7.02%	-	-	-	-	-6.42%
Benchmark[1]	0.83%	2.09%	-	-	-	-	4.96%
Value added	-3.26%	4.93%	-	-	-	-	-11.38%

'Value added' calculation does not use rounded performance figures. Past performance is not indicative of future performance.

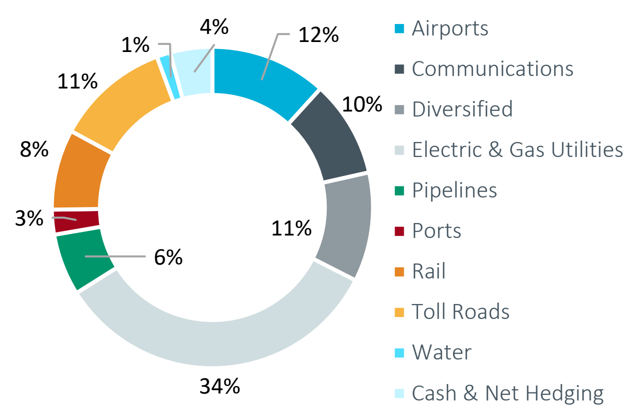
Regional breakdown



Top 10 positions

Stock	End weight %
Cellnex	6.06
Iberdrola	5.11
Enel	4.36
Shenzhen International	4.20
Sempra Energy	3.97
Getlink	3.88
Jasa Marga	3.85
Vinci	3.43
Fraport	3.42
AENA	3.40
Total	41.67

Sector breakdown



Portfolio performance review

The 4D Global Infrastructure Fund (Hedged) was down a net 2.43% (AUD) in December 2022, under-performing the benchmark's return of 0.83% (by 3.26%) but out-performing the FTSE 50/50 Infrastructure hedged to AUD Index which was down 2.80% (AUD).

The strongest performer for December was Chinese toll road operator Yuexiu Transport +16.4% recovering off a very low valuation as China rapidly re-opens and talks of stimulus gain traction.

The weakest performer in December was Mexican Airport operator GAP down 10.3%. There was no negative news on the story in December and expect this was profit taking – we see it as a buying opportunity.

The market remains incredibly volatile on inflation/interest rate/growth concerns as central banks around the world raise rates in an effort to bring inflation back to target levels. The current volatility ignores the fact that listed infrastructure as an asset class can fundamentally do well in an inflationary environment, with explicit or implicit hedges and long-term predictable earnings profiles underpinned by contract or regulation. We believe it is a sensible portfolio allocation at the current stage of the economic cycle and we believe the current weakness is a buying opportunity for the asset class.

Month in review

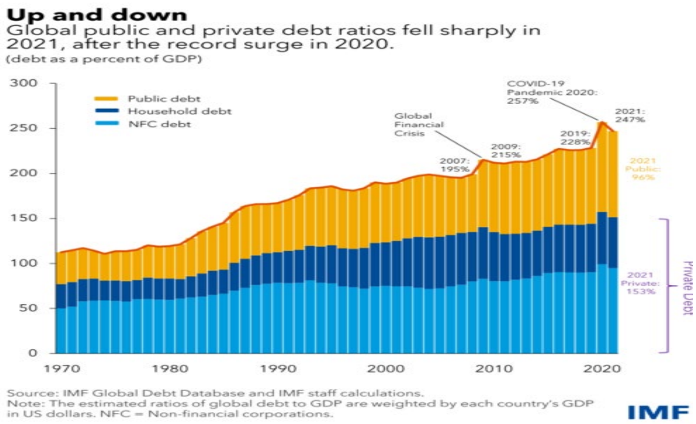
The US got the strongest sign yet that inflation may have finally peaked. Excluding food and energy, the CPI rose only 0.2% in November, the smallest monthly increase since August 2021. This inflation gauge is a favourite of Federal Reserve Chair Jerome Powell. It's a promising sign that the central bank's strategy is working. Nevertheless, the fight isn't over yet and high prices are here to stay for some time. In announcing a further 0.5% rate hike in December Mr Powell said the Federal Reserve is not close to ending its anti-inflation campaign. '*We still have some ways to go*', he told a press conference in Washington after the Federal Open Market Committee raised its benchmark rate by 50 basis points to a 4.25% to 4.5% target range. Policymakers projected rates would end 2023 at 5.1%, according to their median forecast, before being cut to 4.1% in 2024 — a higher level than previously indicated.

Other central banks are similarly concerned about inflation with no less than 7 handing down policy decisions just after the Fed in December. 5 of them raised rates by 0.5%, one by 0.25% (Norges Bank) and one (Taiwan) by just 0.235%. The one exception to general global monetary tightening was the Bank of Japan (BoJ). At its meeting in December the BoJ kept its policy rate unchanged and left its 10-year government bond yield target at 0%. Somewhat less expectedly the BoJ widened the band around the bond yield target. This decision sent shockwaves throughout markets.

Following the easing of its Covid-19 restrictions, China is grappling with what's shaping-up to be the biggest Covid-19 outbreak ever seen. So, we will be monitoring this closely to see whether China is likely to save global growth in 2023 or rather could the health cost add to the global slowdown.

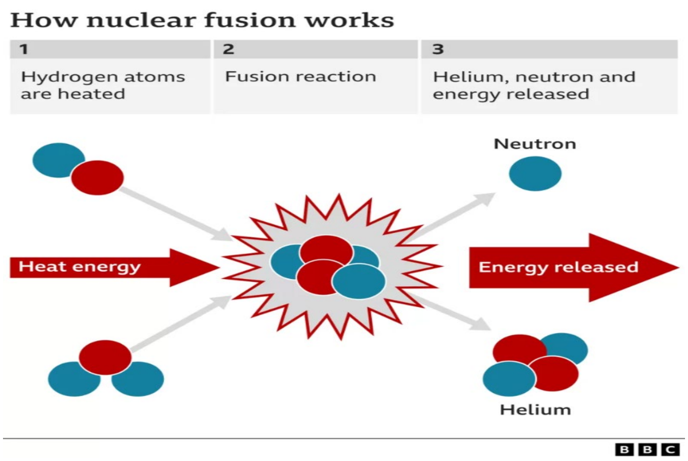
Luiz Inacio Lula da Silva has been sworn in as the new president of Brazil defeating Jair Bolsonaro in October's poll – this is the third time he has held the country's highest office. The veteran left-wing politician, known widely as Lula, also led the country between 2003 and 2010. In his first speech, Lula vowed to rebuild the country.

We monitor trends in global debt as many a financial crisis has had its origins in excessive debt levels. They remained above pre-pandemic levels in 2021 even after posting the steepest decline in 70 years. Total public and private debt decreased in 2021 to the equivalent of 247% of global GDP, falling by 10% points from its peak level in 2020, according to the latest update of the IMF. Expressed in dollar terms, however, global debt continued to rise, although at a much slower rate, reaching a record US$235 trillion end of 2021.



Three main drivers explain these unusually large movements in both private and public debt: (1) *large fluctuations in economic growth*; (2) *high and more volatile inflation;* and (3) the e*ffects of economic shocks on the budgets of governments, firms, and households.*

Finally, a major breakthrough by US scientists in the race to recreate nuclear fusion has been announced. Physicists have pursued the technology since the 1950's as it promises a potential source of near-limitless clean energy. Researchers at the National Ignition Facility at the Lawrence Livermore National Laboratory (LLNL) in California said in December 2022 that they have overcome a major barrier - producing more energy from a fusion experiment than was put in. While there is clearly still a long way to go in the development of this technology, and its commercialisation, its successful deployment would have huge implications for the Infrastructure and Utilities sector.



Fund details

Feature	Information
APIR code	BFL3306AU
Investment manager	4D Infrastructure
Portfolio manager	Sarah Shaw
Reporting currency	A$ Hedged
Recommended investment period	Five years
Stock / cash limit	+7% / 10%
No. of securities	37
Application/redemption price (AUD)[3]	0.9375/0.9337
Distribution frequency	Quarterly
Management fee[4]	0.95% p.a. (including GST)
Performance fee[5]	10.25% p.a. (including GST)
Buy/sell spread	+/- 0.20%
Minimum investment (AUD)	25,000

How to invest

The Fund is open to investors directly via the PDS (available on our website). Visit How to invest to find out more.

AMP North

BT Asgard (Panorama)

CFS (FirstWrap)

Hub24 (Super,IDPS)

Macquarie Wrap (IDPS,Super)

Netwealth (Super Service, Wrap Service)

Praemium (Super, Wealth)

Get in touch

4Dinfra.com

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1 OECD G7 Inflation Index + 5.5%.

2 Inception date is 1 August 2022.

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.