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Trip Insights 11

United States

November 2022

infrastructure

A Bennelong boutique

A cornerstone of our investment process is company management meetings and site visits. This helps us to better gauge managements' strategic thinking, operational capability and financial expertise. It also help us gauge feelings towards the local infrastructure sub-sectors, politics and economy.

Online video conferencing facilitated meetings with company management teams around the world during the COVID pandemic. However, nothing beats being on the ground, meeting management teams, and seeing the opportunities and challenges impacting companies, sectors and countries first-hand. In November, we returned to the United States for the first time in three years to get a feel for the region post-COVID. It allowed us to review the overall economic and political environment, identify some of the risks and opportunities for our universe, and consider investment prospects for 2023 and beyond.

This is the 11th in our series of Trip Insights, where we share our travel experiences. It follows Peter Aquilina, Head of ESG and Senior Investment Analyst, as he travels through southern states in the US, meeting management teams of oil and gas pipeline, regulated utilities and renewables companies.

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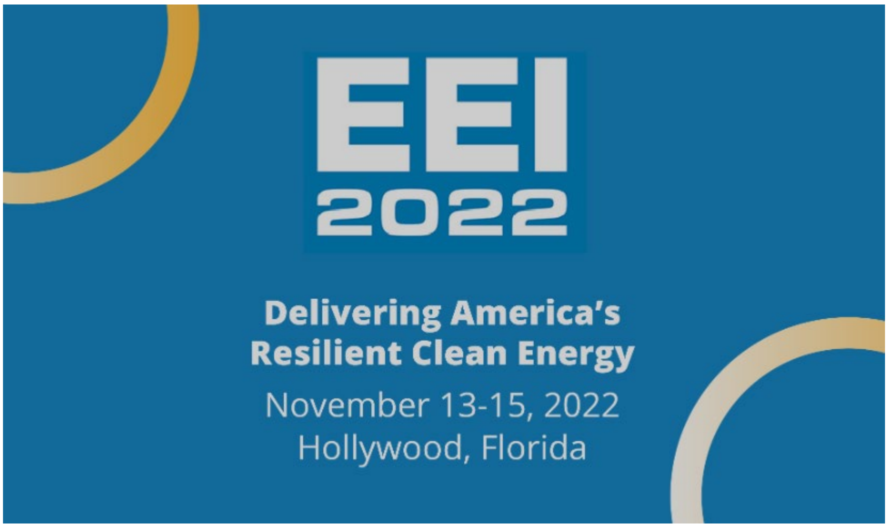


Emblem from the EEI Financial Conference 2022

Trip agenda

Investor meetings included the following companies / regulators:

Company	Infrastructure sub sector	Date	Location
EnLink Midstream	Oil and gas pipelines	7/11/2022	Enlink offices – Dallas, Texas
Crown Castle	Tower communications	8/11/2022	Crown Castle offices – Houston, Texas
Kinder Morgan	Oil and gas pipelines	8/11/2022	Kinder Morgan offices – Houston, Texas
Targa Resources	Oil and gas pipelines	9/11/2022	Targa Resources offices – Houston, Texas
Williams Company	Oil and gas pipelines	10/11/2022	Williams Co offices – Tulsa Oklahoma
Oneok Inc	Oil and gas pipelines	10/11/2022	Oneok offices – Tulsa Oklahoma
One Gas	Gas utility	10/11/2022	One Gas offices – Tulsa Oklahoma
Portland General Electric	Electric utility	13/11/2022	EEI Conference; day 1 – Hollywood, Florida
Sempra Energy	Electric/gas utility	13/11/2022	EEI Conference; day 1 – Hollywood, Florida
American Electric Power	Electric utility	14/11/2022	EEI Conference; day 2 – Hollywood, Florida
Consolidated Edison	Electric/gas utility	14/11/2022	EEI Conference; day 2 – Hollywood, Florida
Fortis Inc	Electric utility	14/11/2022	EEI Conference; day 2 – Hollywood, Florida
Pinnacle West Capital	Electric utility	14/11/2022	EEI Conference; day 2 – Hollywood, Florida
WEC Energy	Electric/gas utility	14/11/2022	EEI Conference; day 2 – Hollywood, Florida
IDACORP	Electric utility	14/11/2022	EEI Conference; day 2 – Hollywood, Florida
Exelon Corp	Electric utility	14/11/2022	EEI Conference; day 2 – Hollywood, Florida
Ameren Corp	Electric/gas utility	14/11/2022	EEI Conference; day 2 – Hollywood, Florida
American Water Works	Water utility	14/11/2022	EEI Conference; day 2 – Hollywood, Florida
Edison International	Electric utility	14/11/2022	EEI Conference; day 2 – Hollywood, Florida
CenterPoint Energy	Electric/gas utility	15/11/2022	EEI Conference; day 3 – Hollywood, Florida
Southern Company	Electric/gas utility	15/11/2022	EEI Conference; day 3 – Hollywood, Florida
Evergy Inc	Electric utility	15/11/2022	EEI Conference; day 3 – Hollywood, Florida
CMS Energy Corp	Electric/gas utility	15/11/2022	EEI Conference; day 3 – Hollywood, Florida
NextEra Energy	Electric utility / renewables	15/11/2022	EEI Conference; day 3 – Hollywood, Florida
SBA Communications	Tower communications	15/11/2022	SBA Comm offices – Boca Raton, Florida
American States Water	Water utility	16/11/2022	AWR offices – San Dimas, California

Introduction

Being the largest economy in the world, the likelihood of a global recession is heavily influenced by the US' economic prospects. With soaring inflation combined with the US Federal Reserve aggressively lifting interest rates in an effort to slow inflation, it seems the US economy is in a precarious position. The unemployment rate is still very low at 3.7% (in October 2022) – which would imply economic strength – but the outlook for 2023 remains uncertain.

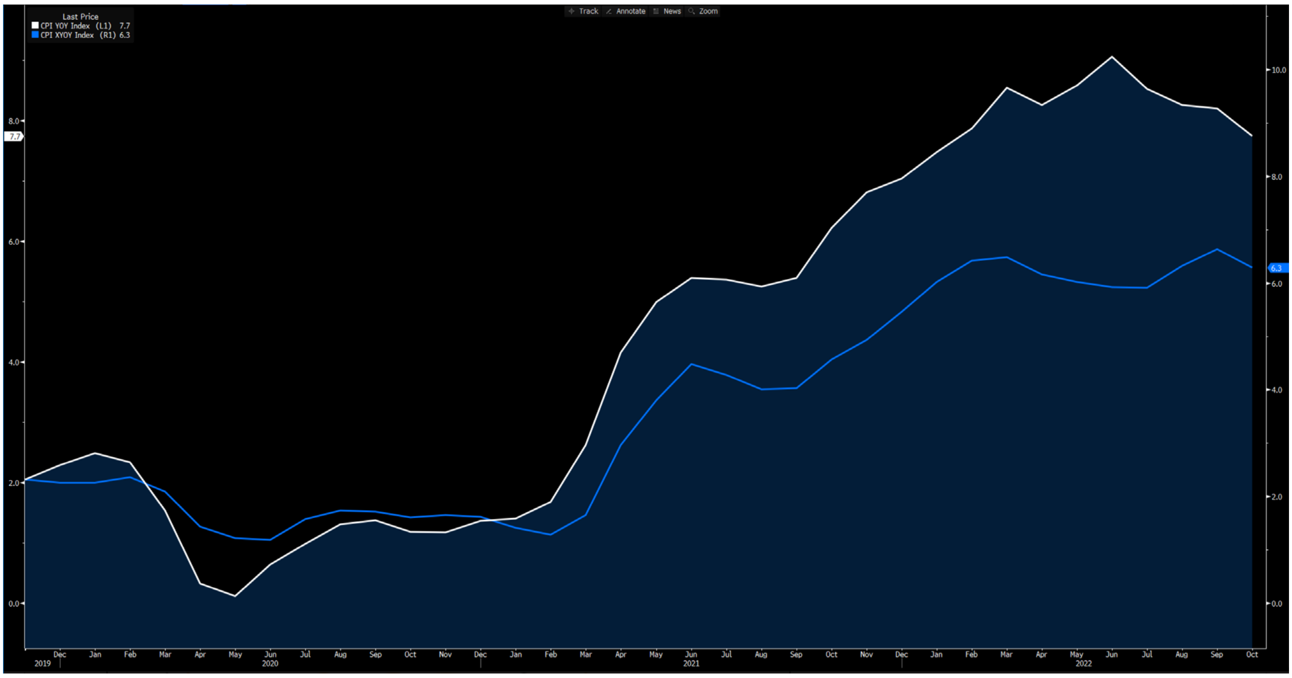
In this economic context, the US held its mid-term political elections, which included the election of sitting members of Congress – the House and the Senate – as well as many state-based governors. Going into the mid-terms, the Democrats held the balance of power in Congress which made it easier for them to pass legislation. But with the economy in an uncertain position, it was thought that the Republican Party would win back many seats in both houses of Congress. For 4D, the outcome could have significant ramifications for US infrastructure companies in our investment universe.

Economy – will inflation lead to recession?

The likely biggest immediate risk to the US economy is soaring inflation. For the month of October 2022, annualised inflation was 7.7%, compared to 8.2% in September 2022. Inflation excluding food and energy was 6.3% annualised in October 2022, compared to 6.7% in September 2022 (depicted below) – so although decreasing month on month, inflation was still stubbornly high.

Some data in the US and Euro zone in November pointed to a mild weakening of price pressures, with the US job market remaining resilient (while more jobs are good for workers, they're not so great for inflation). Federal Reserve Chair, Jerome Powell, said the size of interest rate increases would shrink, and that it's 'plausible' the economy could skirt a downturn – although the window of opportunity for this scenario has narrowed. Mr Powell did balance his comments about the forthcoming rate decision with a pledge that the Fed would not relinquish its fight against inflation until price pressures had slowed to a level more in-line with its longstanding 2% target. Economists surveyed by Bloomberg this month saw a 65% chance of recession in the next year based on the median estimate. A Bloomberg economics model puts the probability at 100%[1].

The major concern in an inflationary environment is central banks pushing up interest rates too far, leading to an economic slowdown and financial hardship for the populous.



Source: Bloomberg data - YoY US CPI (white line) and YoY US SCPI ex food and energy (blue line)

The potential detrimental impact of higher interest rates in the US economy is probably best observed in the technology sector. Being heavily exposed to economic cycles, a number of technology companies have announced plans to lay off significant proportions of their workforce. For example, **Meta** is to cut 13% of its workforce or 11,000 jobs, **Twitter** is to cut half of its 7,500 employees, and **Intel** is cutting thousands, including 20% in sales.

For infrastructure, the economic dynamics are quite different depending on the sub-sector, and allow us to manage exposure as the situation evolves. In summary:

- **Utilities** – largely immune to demand weakness but subject to short-term inflationary pressures and higher interest rates, squeezing allowed returns. Could be an earnings safe haven in a recession.
- **Tower companies** – largely resistant to demand weakness, with capped inflationary support in revenues.

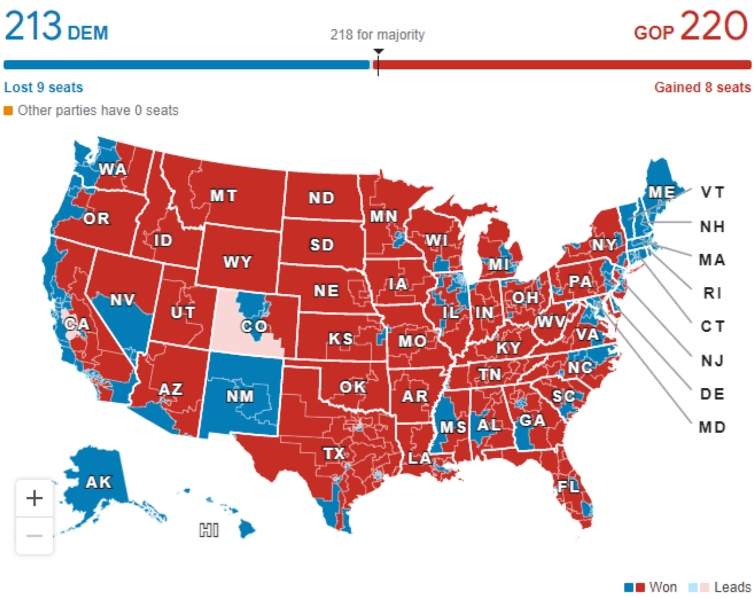
[1] Bloomberg: Fed Staff Warn Chance of Recession in Next Year Is Now Near 50%; Matthew Boesler – 24 November 2022

- **Midstream (pipelines)** – resilient earnings through economic cycles, with some revenue inflation escalation to resist increasing costs.

Politics

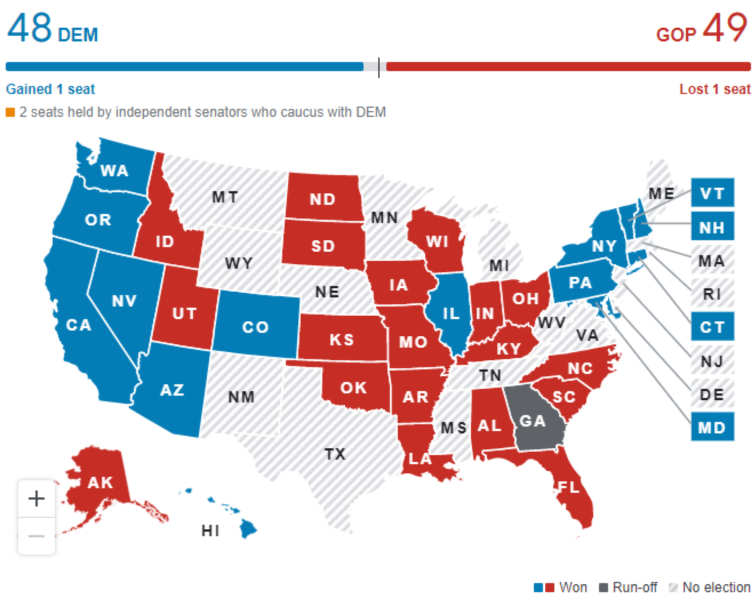
The US mid-term elections were held on 8 November 2022. Prior to voting, polls indicated the potential for a 'red wave' with the Republican Party to win a strong majority in both the House and Senate, taking control of Congress.

On the day of the election, early counting indicated that the red wave wasn't eventuating, and as at the time of writing this article, Republicans hold a slim majority in the House by 220 / 213.



Source: The Associated Press

In contrast to the Republican lead in the House to date, the Democrats have actually gained a seat in the Senate.



Source: The Associated Press

With the Democrats losing the balance of power in the House, it will be more difficult for them to implement federal legislation at least until the next election in 2024. This means any legislative changes will need bi-partisan support, which has been difficult in the recent past. Getting support from Congress to lift the debt ceiling will be of particular concern for a number of reasons:

- Without Congress raising the debt ceiling, the US Treasury cannot issue additional debt to pay its obligations and fund its operations, and must use cash on hand and incoming revenues. Once these measures are exhausted, the US maybe illiquid.
- When the US came close to not raising the debt ceiling in 2011, stock markets fell more than 10%, and the debt of the US government was downgraded by S&P from AAA to AA+.
- Currently, the debt ceiling is around US$31.4 trillion. US government debt, which is not precisely comparable since some debt is excluded from the debt ceiling calculation, stands at $31.3 trillion. Most estimates have the debt ceiling being reached in early 2023[2].

In this context of economic and legislative uncertainty, 4D were keen to understand the ramifications for infrastructure companies and their investment prospects looking forward.

Oil and gas midstream sector – fundamentals much improved

Most oil and gas midstream companies have experienced a change in market sentiment over the course of 2021 and 2022. Uncertainty caused by the COVID pandemic, and the collapse in oil and gas commodity prices in the first half of 2020, saw proactive management teams take action to improve free cashflow. This included cutting dividends, reviewing investment pipelines and strengthening their balance sheets in an accelerated fashion. The subsequent jump in commodity prices, combined with the improved financial stability of companies, resulted in significant share price appreciation since the start of 2021, driving total returns for Williams Co (+84.9%); Targa Resources Corp (+182.8%); Cheniere Energy Inc (+187.6%) and Kinder Morgan (+53.3%). The scenario played out largely in line with 4D Infrastructure's expectations outlined in our March 2020 Global Matters article, *The impact of the oil shock on North American midstream assets*. While we continue to like the sector, in some cases we think the market appreciation moved ahead of fundamentals, and we took the opportunity to lock in profits and reallocate capital.

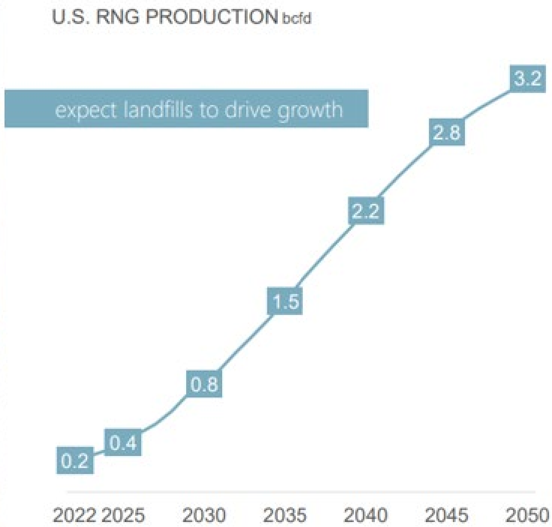
In the context of global efforts to move economies away from fossil fuels, the latest conversations with management teams were focused on longer-term prospects for the commodities they transport and strategic positioning to ensure longevity in their business models. Management stressed the importance of fossil fuels, in particular gas, in the transition to net-zero – which suggests decades of ongoing demand. They also outlined that natural gas had a role to play post-2050 when used in conjunction with carbon capture or to produce low carbon hydrogen ('blue hydrogen'). 4D favours the midstream players exposed to gas over other commodities for these reasons.

Midstream management teams highlighted projects they were exploring, which were not only complementary to their core competencies, but would help extend the longevity of business models in a low/no carbon world. These projects were economically supported by the recently legislated Inflation Reduction Act (IRA), and were focused on hydrogen development, storage and transportation, participation in the value chain of carbon capture and sequestration (CCS), participation in renewable natural gas (RNG) and projects with other biofuels and renewables. For example:

- ***Williams Co*** is working with Daroga Power to identify end-use customers for clean hydrogen in Wyoming with the intention of developing a clean hydrogen hub within the state. Williams Co will utilise its existing infrastructure to transport, blend and store developed clean hydrogen. In addition, Williams Co has invested in Aurora Hydrogen to develop technology to produce hydrogen from natural gas with zero CO_2 emissions.

[2] Forbes: Debt Ceiling Risk Looms for Markets in 2023; Simon Moore

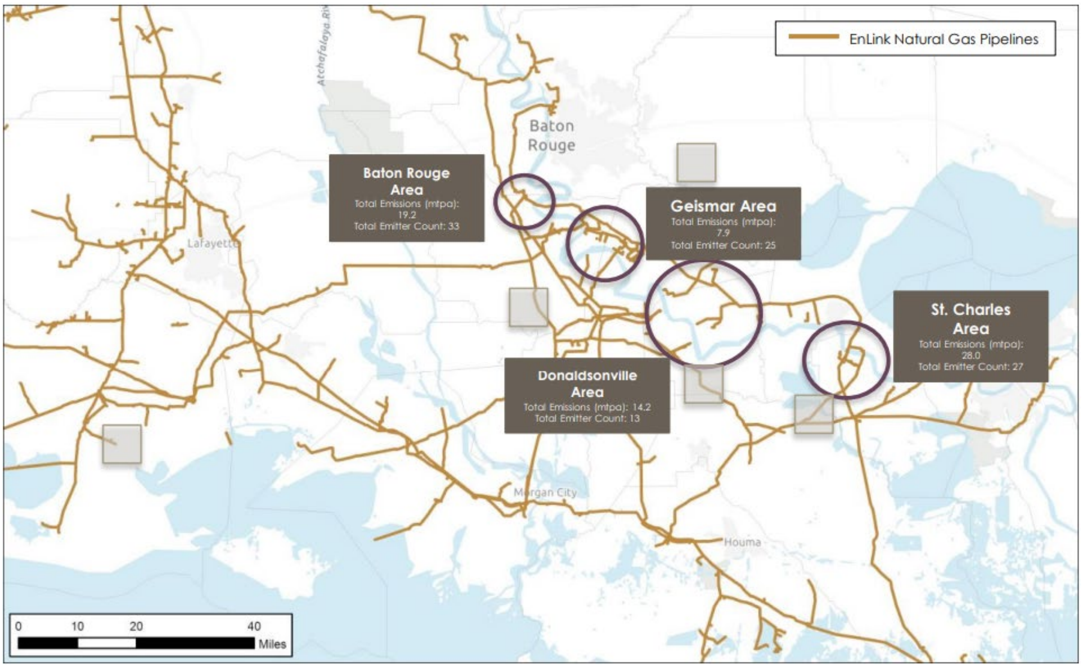
- ***Kinder Morgan*** acquired RNG developer, Kinitrex Energy, for $310 million. Kinitrex incorporates two small Liquified Natural Gas (LNG) production and fuelling facilities plus 1.8 billion cubic feet (Bcf) per year of operational RNG capacity and development rights to an additional 5.2 Bcf per year delivered through 2024. These projects are remunerated under long-term contracts, combined with renewable credits called renewable identification numbers (RINs).



Source: Kinder Morgan website: Indy High BTU picture;

Source: WoodMac North America Gas Market Outlook, March 2022

- ***Enlink Midstream*** has signed a deal with Exxon Mobil to transport carbon dioxide (CO_2) from capture facilities to sequestration sites. Enlink is utilising existing pipe as well as developing additional connection. The initial volume committed to is 3.2 million metric tonnes per annum (MTPA) beginning 2025, with the intention to increase over time to 10 MTPA.



Operating region of Enlink Midstream's carbon capture market in Louisiana; Enlink Midstream Investor Presentation – October 2022

Midstream management teams have become more capital disciplined compared to before the pandemic. They are more discerning, only allocating capital to opportunities that deliver attractive returns and, importantly, are low risk in nature. They have also cleaned up balance sheets so debt paydown isn't a priority. As such, until energy transition technologies mature, and greater investment opportunities present themselves, the debate as to optimal cashflow capital allocation to maximise shareholder returns is ongoing. However, most companies stressed maintaining balance sheet strength as the key priority. Thereafter the options are:

1) invest in growth where it presents itself,
2) grow the dividend at a steady rate, but not to reduce operational/strategic flexibility, and
3) buyback shares - although some companies overlayed valuation parameters and some didn't.

As investors, 4D are supportive of these priorities offering a good mix of shareholder return while still enabling the operators to capitalise on the growth opportunity set presenting itself. We remain positive on the sector but have had to become more selective to find quality value.

Utilities – short-term headwinds, but long term looks bright

4D attended the pre-eminent annual utilities conference, the EEI Financial Conference, from 13-15 November in Hollywood, Florida. We attended meetings with fifteen utility companies from all over the US, across electricity, gas and water.

Messaging from utility management teams centred on short-term headwinds related to inflationary pressures increasing costs, difficulties in managing customer bills, concerns around regulatory risk, increased interest rates exposure, and some concerns around financing pension liabilities. Some companies communicated confidence in managing/mitigating these headwinds, while others communicated the expectation that they would negatively impact short-term financial performance.

In contrast, the medium- to longer-term investment proposition for utilities remains very attractive as a result of investment opportunities presented through the energy transition away from fossil fuels to clean/renewable alternatives; as well as to support reliability and security of supply in light of an aging network and increased environmental challenges.

We came away more comfortable with the structural long-term growth thematics underpinning the sector, while remaining cognisant of the near-term macroeconomic overhangs, as discussed in more detail below. As a result, we remain very targeted in our approach to US utility exposure focussing on high quality management teams in regulatory attractive jurisdictions that are in a position to capitalise on the structural thematics while mitigating near-term negatives

Short-term risks

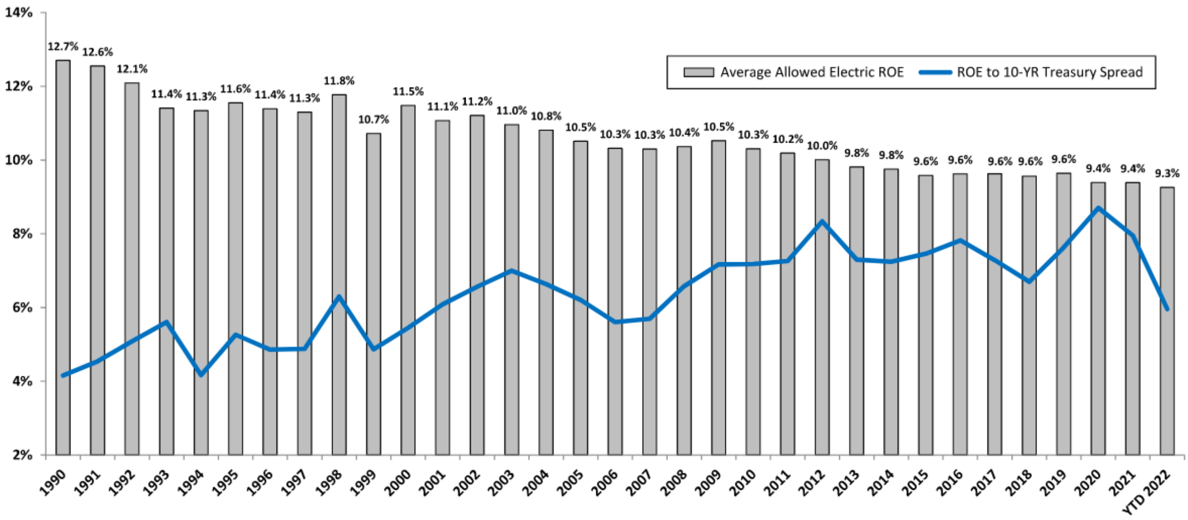
- ***High inflation and the impact on expenses and customer bills***

High inflation compounded with high energy prices are impacting the affordability of both gas and electricity bills for end customers, and is also having a detrimental impact on company earnings. Company management teams are adopting different cost saving initiatives, such as deferring non-critical maintenance, and limiting contractor hours and overtime pay to minimise the impact on bills and earnings.

Some companies have communicated that high-cost inflation, among other factors, will limit, or even deteriorate, earnings growth in 2023. However, stronger management teams have re-iterated long-term earnings guidance for the year ahead. There could be a significant sector split in managing inflation whereby we expect quality companies to prevail.

- ***Regulatory risk and returns***

Regulators across the US are very cognisant of the strain that large bill increases from inflation, energy costs and other factors are having on customer affordability. They are adopting a variety of measures to limit bill increases, and on occasion, regulatory relationships have been strained. Allowed equity return levels (ROEs) is one area that has come under significant scrutiny from regulators. Company management teams are of the view that considering that the Federal Reserve has increased the target federal funds rate by 3.75% YTD in 2022, then allowed equity returns should be on an upwards trajectory. A number of regulatory decisions over recent months have kept returns at current levels, squeezing equity return premiums. In fact, ROEs have been on a general downward trajectory for the past 20 odd years, and ROE premiums to base rates are now at the lowest level since at least 2007 – as seen in the graph below. This is the so called 'bond proxy' trade at work - while it's often associated with the infrastructure sector as a whole, it fundamentally impacts utility space only, and only in certain circumstances.



Source: Wells Fargo Securities; FactSet; SNL Financial LNC

Many management teams have a strong preference for avoiding significant regulatory processes for the next 12-18 months while bill affordability is the key concern. They will manage within their costs and use automated investment trackers to limit the potential for difficult regulatory decisions impacting earnings. We support this strategy if it's possible for the company.

- ***Increasing interest rates***

Interest expenses on debt held at utility operating companies is largely recovered in customer bills. Difficulty arises for companies where fixed rate debt at a holding company level is required to be refinanced at higher interest rates, or there is floating interest rate exposure. This can result in deteriorated returns without the capability for companies to immediately recover this increased cost. Forward thinking treasury teams have been mitigating the impact of increasing rates by executing near term maturity debt refinancings early and paying down excess holding company debt with free cashflow.

- ***Managing pension liabilities***

Companies vary widely on the size of their defined benefit pension liabilities, the funded status of their pension liabilities, the investments in which pension assets are held, and the level of costs which can be recovered in customer bills. What is clear is that companies that have historically had less fully-funded pension programs are struggling in the current environment due to higher interest rates (and lower fixed interest asset values in their portfolios) leading to the impairments experienced on pension assets through 2022.

Structural opportunities

- ***Energy transition***

The EEI conference was held just after the Biden administration signed the IRA into law - one of the most critical pieces of legislation in supporting the US' transition to achieve net-zero under the Paris Agreement. This legislation is intended to improve the economics of a range of clean/renewable technologies and increase their adoption. Further detail on the IRA is outlined in our *News & Views article,* The Inflation Reduction Act will drive US' efforts towards net-zero.

Management teams indicated that the improved economics of renewable/clean technologies from the IRA is likely to support their adoption in company investment plans by improving the affordability proposition for customers. Forecast investment pipelines were rolled forward by most companies an additional year, as is common practice around the timing of the EEI conference. The updated 3-5 year capital plans were larger across the spectrum and incorporated greater proportions of renewable/clean energy investment.

Management teams outlined that energy transition supported through the IRA is specifically likely to:

- increase the overall size of capital plans – driving improved earnings growth,
- increase the longevity of investment plans – maintaining strong earnings growth for decades,
- broadens the scope of investments to include newer clean technologies – these were uneconomic without the increased tax credit support from the IRA, and
- supports maintaining bills – by passing on improved cost basis to customers.

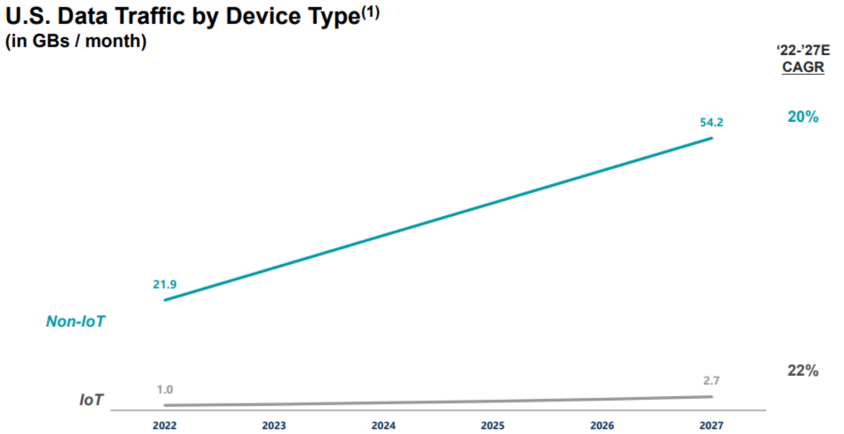
- ***Grid hardening and modernisation***

Extreme weather is becoming the new norm, with increased regularity and intensity of wildfires in California, regular tropical storms in Florida (Alex, Ian and Nicole all in 2022), and the experience of extreme cold weather in southern states with Winter Storm Uri in early 2021. These weather patterns are increasingly causing disruption and reliability issues for the delivery of gas and power to customers. This not only has social impacts, but also carries negative ramifications for local economies. Regulators are very sensitive to breakdowns in reliability even in light of natural disasters, so are supportive of company plans to invest in grid hardening to reduce/eliminate reliability disruptions. Companies have recognised the need and are investing accordingly

- ***PG&E Corp*** discussed their plans to underground 10,000 miles of high voltage cable to protect against cable igniting wildfires. The program is expected to cost upwards of US$25 billion over the coming decade.
- ***CenterPoint Energy*** updated how they intended spending upwards of US$8 billion over the period 2021-2030 in hardening its distribution and transmission network, which is expected to produce a reciprocated reduction in operating expenses.
- ***WEC Energy*** outlined that much of its transmission capital spend is focused on hardening the transmission network through its JV company, American Transmission Company (ATCO).

Communications towers – demand for data

The US communications tower industry is currently experiencing a renaissance period of growth, primarily driven by the massively growing end customer demand for data. This demand is driven by customer utilisation of audio streaming, video conversations and video streaming. Below is a forecast of US data demand out to 2027.



Notes: IoT is based on M2M module connections, traffic and data usage; Non-IoT includes everything other than M2M modules (e.g. smartphones, tablets, laptops, and feature phones)

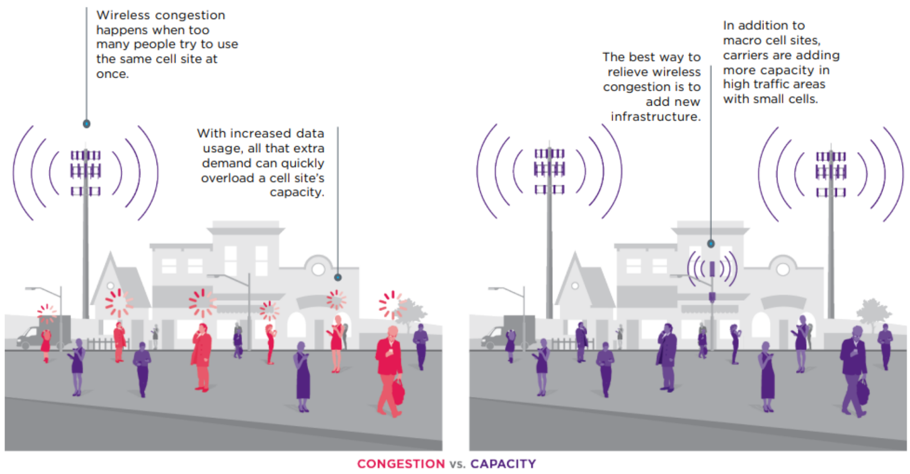
Source: Ericsson Mobility Report June 2022, Altman Solon Research and Analysis

The Mobile Network Operators (MNOs) are the retailers who provide the end customer with mobile access to data and make payments to tower companies for utilisation of space on their towers. The MNOs have been rolling out the latest 5G technology on communications towers to satisfy the increasing data demand. The rollout of 5G facilitates increased mobile data speeds for the end customer, and also allows tower companies to negotiate increased payments from MNOs. Growth in payments from MNOs associated with 5G is compounded by contractual annual price escalation of between 3-4%, and increasing utilisation (or 'tenancy') of tower space due to the introduction of the fourth major MNO player in the US, Dish Communications. The combination of these three dynamics is growing individual tower earnings at high single digit rates with little associated capital investment. This dynamic could continue for five to ten years, depending on individual company characteristics.

The build out of the US towers sector is largely complete, having hit national capacity requirements. Therefore, discussions with US towers companies centred on strategic positioning to deliver growth outside of the domestic towers market. This is where strategies diverge widely.

Small cells

Crown Castle is heavily invested in the proliferation of small cells associated with fibre-optic cable in the US. The company believes that small cells will be extensively used across urbanised markets in the US to continue facilitating increasing data speeds and demand. It's believed that small cells, in conjunction with 5G, will facilitate the Internet of Things (IoT), virtual reality and next generation technologies.

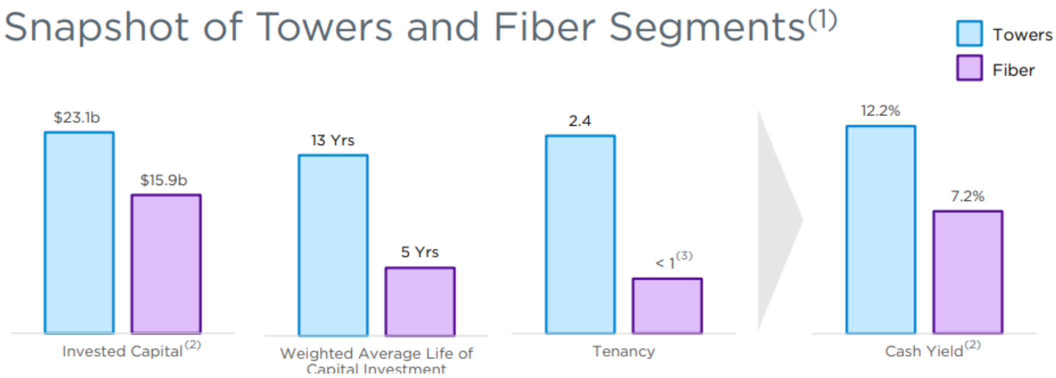


Source: Crown Castle: Company Overview – November 2022

Small cells mounted on street light pole – Baltimore City Council

The business case for widespread utilisation of small cells is being proven by Crown Castle. They believe that as data volume and speed demands increase, and 5G continues its rollout, the result will be an increased small cell tenancy from MNOs. This should gradually improve the return on invested capital (ROIC) of small cells to be more in line with that achieved with towers (macros). The company also believes that its current footprint of c.115,000 small cells and 85,000 miles of fibre-optic cable provides a first mover advantage in the sector, and potentially a capital barrier to new entrants in the market.

Crown Castle has communicated the below cash yields on towers versus small cells in their experience. The diagram also indicates the small cell sector is still in its relative infancy. Their arguments are starting to become compelling, and we continue to monitor the space and uptick in the US and across Europe.



Crown Castle: Company overview – November 2022

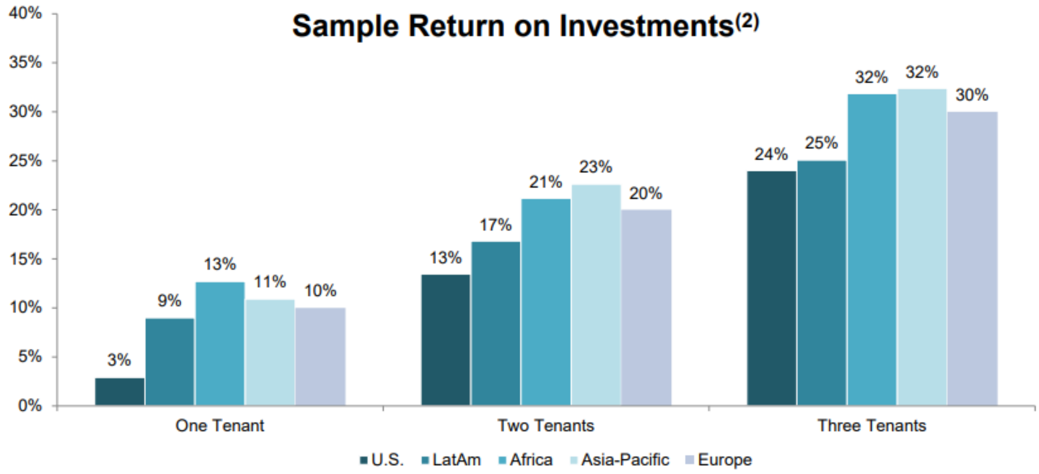
International markets

We met with ***SBA Communications*** based in Boca Raton, Florida. SBA is primarily focused on its domestic towers business, but has developed a 20% gross margin contribution from its international towers business which includes operations in South and Central America, and Africa. This strategy is focused on providing financing and operational expertise to build out the network in these developing / emerging markets. Even though these markets are higher risk in nature, they can provide increased returns based on lower build costs and improving economic dynamics around end customer access to data. It's also a strategy that allows it to capitalise on the emergence of the middle class in developing economies, adding an additional leg and longevity to growth profiles while maintaining a core US base to cash flows.

Interestingly, in conversations with SBA management, they flagged that the competition for international M&A transactions has become more competitive as financial investors take an interest in the market. They outlined that observed target returns aren't increasing with increasing financing costs – squeezing return premiums and making the justification of deals more difficult.

We believe SBA has the management quality to deliver on their strategy in a disciplined manner, and it remains our favoured play.

American Tower are engaged in towers development globally – in developing, emerging and developed markets – with around half earnings from markets outside the US. They have provided the below indication of returns across geographies – this is for Greenfield Tower developments.



American Tower Corp: Introduction to the Tower Industry and American Tower – 30 June 2022

Albeit expected returns in international markets are higher, experienced returns have been hampered in some markets due to MNOs experiencing financial distress and/or consolidating with other MNOs. Reduced numbers of players in communications markets negatively impacts MNO tenancy on towers, reducing individual tower returns. This has been experienced recently in Brazil with the acquisition of Oi by the three other major MNOs in the country. In India, financial distress has plagued a number of the MNOs, restricting capital investment in network rollout to the point that regulators have made changes to the sector to make it more advantageous to these MNOs[3].

Conclusion

Travelling through the US in early November 2022 was invaluable in getting a better understanding of the short- and longer-term considerations affecting infrastructure companies in our investment universe. Central to this were near-term concerns regarding inflation, increasing interest rates, the health of the economy and potential regulatory risk. However, longer term, the investment strategies of companies remain robust and exciting.

Oil and gas midstream companies are experiencing somewhat of an Indian summer in their business cycle, driven by improved financial health, strong free cashflow generation and strong global demand for commodities they utilise. The key consideration is what their longer-term business model looks like, and how management teams re-align strategies to best prepare them for a net-zero world. Most companies are making progress to re-align businesses, the success of which is company-specific and will play out over the next decade. With the sector re-rating, we are more targeted in our exposure, and are prioritising quality and value with exposure to commodities with longevity such as Williams Co.

Regulated utilities communicated their exposure to short-term inflationary pressures and the ramifications this could have on 2023/24 earnings expectations. They outlined how they intended to at least partially mitigate the negative impact on earnings - through cost cutting and regulatory recovery. Longer term, they were enthusiastic about the potential for strong growth for decades to come, driven by investment in the energy transition and to support grid hardening. While we are positive about the long-term investment

[3] Conventus Law: India - Telecom reforms and the way forward; Match 2022

thematic, in the current environment we have limited our exposure to those companies that can continue to execute and deliver on guidance such as NextEra and CMS.

The ***communication towers*** companies outlined the expectation for strong domestic growth supported by the rollout of 5G technology and the introduction of a fourth major MNO player in the market. Like other infrastructure sectors, they were focused on mitigating the negative impacts of higher interest rates and costs in the short term, and longer term were strategizing how to best position for growth, be it in international markets or by supporting the rollout of small cells. We continue to favour the fundamentals and strategy of SBA Communications.

Overall, the strong defensive characteristics of US infrastructure companies in 4D's universe placed them well to withstand the economic challenges which could eventuate over the coming 12-24 months. We believe companies with strong management teams and investment fundamentals are better placed to navigate these challenges and deliver consistent attractive earnings growth for up to decades in the future.

For more insights from 4D Infrastructure, visit 4dinfra.com