2024 Responsible Investment and Stewardship Report

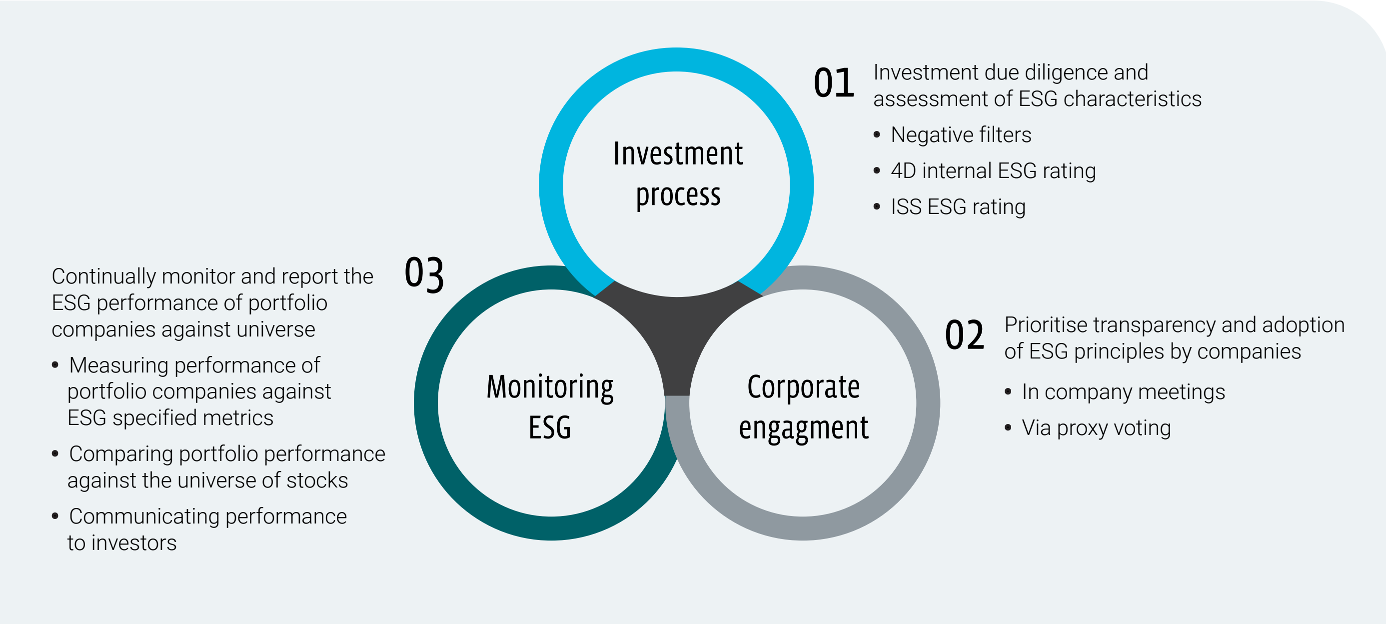
February 2025

4D infrastructure

A Bennelong boutique

Introduction

4D Infrastructure (4D) believes incorporating responsible investment into our investment and stewardship processes not only results in better ethical outcomes, but also enhances investment outcomes for our investors. The consideration of the influence of sustainability factors on the risk, return and longevity of investments provides a more thorough due diligence process and better risk-adjusted returns. The interaction between our investment, stewardship and reporting activities is depicted below.



Source: 4D Infrastructure

We believe sustainability factors are often interlinked for companies in our investment universe. Therefore, while assessed on an individual basis, their inter-relationship also needs to be understood and assessed. For example, when assessing the pace of energy transition in decommissioning fossil fuel generation facilities, utility companies should consider social factors, such as the impact on energy affordability for customers, the impact on reliability of service and security of supply, and the employment opportunities of displaced workers.

As a signatory to UNPRI, and for the benefit of our investors, we undertake stewardship activities with companies both in our portfolios and greater investment universe. We actively incorporate responsible investment in our investment and stewardship activities, incorporate information learned through our engagement activities into our decision making, promote enhanced transparency through engagement and proxy voting, and promote implementation of responsible investment in the infrastructure sector.

Responsible investment is integrated into our investment process and is an important component of our investment stewardship. This document outlines our stewardship activities over the past year for investors and stakeholders.

Preface to 2024

Some of the macro-economic threats identified in 2023, as relevant to our infrastructure universe, moderated in 2024. For example, with global inflation falling over the course of the year, regulatory concerns around customer affordability eased and focus was able to turn to much-needed investment requirements. Ensuring effective execution of, and appropriate returns from, investment plans became the key responsible investment themes for 2024 across a large section of the infrastructure universe, namely all the utilities and energy sub-sectors.

The drivers of investment varied based on jurisdiction. European utilities and diversified companies significantly increased their investment plans to build networks and develop clean generation to facilitate the energy transition, and to improve wastewater environmental outcomes. US and some Asian utilities significantly increased their investment plans, in order to facilitate increasing power load demand. This was driven by increased manufacturing activity in some markets, electrification of industries, and the phenomenal growth in data centre development, predominantly to support the utilisation of Artificial Intelligence (AI). In contrast, gas operators resurrected investment plans as their position in the energy transition was cemented. Our engagement with companies, and our proxy voting, focused on understanding the social and environmental ramifications of this investment, ensuring robust decision making processes were followed by boards and management teams in approving it and that shareholders would realise a viable investment return.

Regulated energy-focused utilities rapidly increased their investment plans, and we focused on ensuring this was done in a sustainable manner. The consideration of sustainability in this context meant understanding the implications on energy transition targets, the effect on customer affordability, the operational capability of companies to deliver on their plans, considering appropriate shareholder returns on investment, understanding the regulatory or contractual construct to support these returns and ensuring the sustainable financing of plans (debt gearing levels).

We engaged with water utility companies on their investment plans which focused on improving the water and wastewater quality service to customers. This included making up for underinvestment in wastewater capacity in order to improve effluent environmental compliance, and in reducing the levels of ‘forever chemicals’, or per- and polyfluoroalkyl substances (PFAS), in drinking water to adhere to environmental agency standards. Execution again was key when considering the scope of needed investment and time frames to deliver promised improvements.

Our engagement with user-pay infrastructure companies like airports, toll roads, rail and shipping ports focused on domestic/international trade, propensity for customers to travel, relationships with employee representative groups such as trade unions, as well as capacity enhancements and capital allocation decision making.

With developed global economies in industrial decline, but being supported by the resiliency of consumer spending, we engaged airport management teams on their expectations for passenger utilisation. We spoke to some management teams about their views on capital investment to support capacity utilisation, and consideration of other uses of capital. We wanted to ensure they kept long term sustainability in mind in adopting appropriate levels of debt gearing, while returning capital to shareholders when it was available. Unique to Europe (at this stage) was understanding the impact on airports, roads and passenger rail of political advocacy for a ban/restriction on short haul air travel. This shift represents an opportunity and threat for various participants in the transport sector and management strategies to navigate this medium term dynamic were tested.

Rail and shipping port company discussions were based on expectations for domestic/international trade volumes, as well as their management of, and negotiations with, customers, trade unions and employee representative groups. There were also discussions with some management teams on their environmental track records and target setting processes.

Consistent with previous years, we continued to encourage all companies in our investment universe, through our engagement and proxy voting, to improve their minority shareholder protections, to adopt best practice incentivisation of management teams, and to consider the independence and capability of their boards. Specifically, we discussed associated party M&A transactions, and minority shareholder protections where major shareholders exist with some Chinese companies. We also spoke broadly with companies on improving their investor transparency. Finally, we wanted to understand the influence and prerogatives of activist investors, where they existed, with some companies.

Engagement

4D believes company engagement is crucial to our investment and stewardship duties, as fiduciary managers of clients' funds. We look to engage with companies in our portfolios as well as the broader investment universe to:

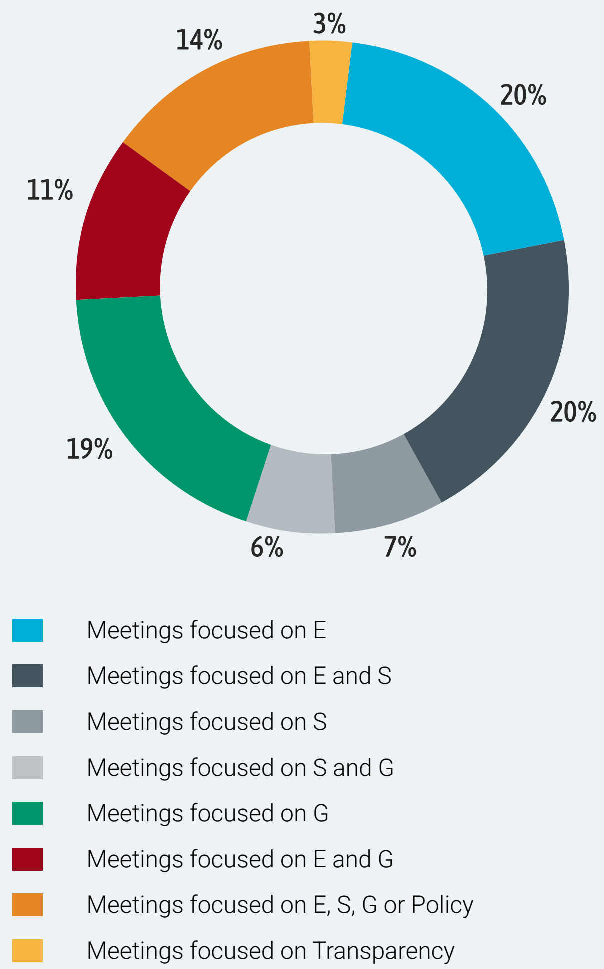
1. undertake due diligence as part of the company assessment and investment decision process
2. support our efforts in valuing a company, including short- and long term scenario analysis
3. engage with companies to understand and challenge their strategy and operations
4. support our determination of a quality grade for the company, with over 50% of the quality assessment assigned to responsible investment factors
5. gauge other investors concerns and focuses
6. gauge companies' willingness to listen to and address investor concerns
7. support improving transparency and
8. promote the consideration of sustainability (ESG) factors.

4D establishes distinct engagement priorities and objectives to enhance the effectiveness of our engagement activities and we monitor companies' progress over time. Specific objectives may vary based on company, industry, geography, and theme.

Insights gathered from engagement activities are systematically integrated into our investment analysis and decision-making processes. Each analyst maintains a detailed record of their engagement activities, accessible to all team members, including relevant portfolio managers. A summary of these detailed discussions is also incorporated into an Engagement Log.

A representation of our engagement activities for 2024 is summarised in the chart below.

108 company meetings through 2024 focused on responsible investment



Source: 4D Infrastructure

2024 engagement summary

- A large proportion of meetings (51% labelled E, E/S or E/G) involved some discussion of environmental factors. These included discussions around how investment plans improved environmental outcomes such as decarbonisation, strategies for improved water/wastewater service quality, preparedness for the increasing frequency of disruptive weather events and the threat/opportunity of evolving environmental policy. These environmental plans led to discussions on the ramifications on customer affordability and service reliability. Finally, engagement considered how management teams and boards obtained comfort with the shareholder benefit of these plans and suitability of returns on investment.

- We questioned management teams on their operational preparedness to deliver capital plans. We wanted to ensure that companies had sufficient capability, employee resources, and financing capital to sufficiently deliver on the commitments made to regulatory bodies, stakeholders and shareholders.

- We engaged with management teams on specific social issues including:

  - How some gas distribution companies ensured the safety of the network for its customer base. This is in light of recent gas leaks which have caused public harm through toxic exposure or explosions. This was more recently an issue for Chinese companies, but historically has also occurred in developed markets.

  - Utility regulatory bodies across states in the US are focused on ensuring companies deliver reliable service to customers to ensure customer satisfaction and economic activity in the jurisdictions in which they operate. We wanted to understand how companies planned to improve their reliability, especially in light of natural disasters such as the tropical storms which hit southern US states in the second half of 2024.

  - Despite reduced concern regarding affordability for utility customers in 2024 compared to 2023, there were particular jurisdictions in which affordability was still a major focus for regulators and other customer representative bodies. We engaged with management teams in these jurisdictions to understand their plans to improve cost efficiency, and deliver lower bills for customers, while still meeting the investment needs of the system. We were not always convinced that plans as tabled would be achieved.

  - US rail companies experienced the threat (and at times actual) industrial action on their networks, as well as at interconnecting shipping ports. Significant disruptions to operations were avoided on this occasion, but we engaged with companies to understand how they planned to improve/manage relationships with trade unions, and employees more generally, to avoid disruptions going forward.

- A growing political shift towards populism saw increased concern around populist rhetoric and the impact thereof on sentiment as well as the fundamentals of our investible universe and how management teams were dealing with threats/opportunities. This included discussions around the potential retraction of the Inflation Reduction Act (IRA) in the US under a Trump presidency, potential impacts on the renewal sector in the US under a Trump presidency, implementation and legal basis of sector-specific French taxes, likelihood of a continuation of energy taxes in Spain, fiscal discipline in Brazil and threats of a super majority in Mexico. Conversations were had on how companies were protecting themselves against negative populist actions and what recourse they had legally to defend political mandates. This was reflected in both country level analysis and stock specific valuations and quality assessments.

- The majority of meetings focused purely on governance issues were with companies based in emerging markets. We raised concerns regarding controlling shareholders, board independence, minority shareholder rights, minority shareholder and management alignment and levels of transparency. The responses from management teams varied, giving us confidence to invest in companies with more robust responses, while avoiding those that did not meet requisite standards. Some very poor responses saw us remove names from the investible universe on governance concerns alone.

- We engaged with companies which had significant activist investor activity to understand their level of influence, and their strategic prerogatives within the company.

Case studies

Sempra (SRE-US)

Sector:	Regulated electric and gas utilities and Liquified Natural Gas (LNG) provider
Issue:	The longevity of natural gas in distribution networks and the company's regulatory relationships
Feedback:	Management was of the view that the message communicated by regulators and other stakeholders is that they want to see a decarbonisation of gas utility operations, rather than a discontinuation. The regulatory construct in California is improving.
Status:	Increased portfolio position in Sempra

Sempra operates the electric utility in and around San Diego, as well as the gas distribution utility in large parts of Los Angeles. The company is also the distribution/transmission operator in large parts of northeast Texas, in and around Dallas. The company also has significant energy assets in Mexico as well as LNG facilities on the Texas Gulf Coast. The combination of these asset exposures provides the opportunity for significant fixed asset and earnings growth for Sempra.

Sempra has been viewed as a well managed, attractive investment proposition by 4D for an extended period of time, albeit with identified potential overhangs:

- The longevity of the company's gas distribution operations in California - the state's legislators have communicated an intention to reduce the utilisation of natural gas for space heating, as well as legislated targets for utilisation of no/low carbon fuels in the network.
- The Californian regulator, the Californian Public Utilities Commission (CPUC), was perceived as a less investor friendly regulator than US peers as a result of historical decisions.

These perceived headwinds had limited the portfolio position we were willing to take in Sempra.

We met with Sempra management while on a research trip in July 2024 to visit the company headquarters in San Diego. Our concerns were key topics of discussion.

On the sustainability of the gas networks, management explained that numerous discussions with legislators and regulators in California indicated their understanding of the need for the gas network in and around Los Angeles. They indicated that these stakeholders communicated the desire to 'green the gas molecule' through greater utilisation of low/no carbon fuels such as Renewable Natural Gas (RNG) and green hydrogen in the distribution network, rather than end the utilisation of gas in the short/medium term. Management stated this was actually supportive of investment, and that they had already achieved their 2025 targets for utilisation of RNG in the network, and had a number of pilot green hydrogen projects.

Regarding the regulatory relationship, management outlined that commissioner changes at the CPUC, combined with a legislative push to improve the regulatory construct in California, was seeing regulation more supportive for investors and investments. Legislators understood the need to attract private capital to utilities to support the energy transition prerogatives of the state and achieve carbon neutrality by 2045. Management highlighted that recent regulatory decisions have been more constructive for utility companies and their investors.

As a result of the trip our analyst gained sufficient confidence in the longevity of the gas utility business in California owned by Sempra. The stock thesis was revisited at an Investment Committee meeting (IC), discussing in detail the feedback from Sempra management. The IC agreed with management that natural gas still has a key role to play in supporting renewable generation in the state, and we felt the network had a larger role in the long term transportation of no/low carbon fuels, rather than natural gas.

Having run valuation sensitivities on the earnings run-off from the gas distribution business our base case saw an improved Sempra valuation. Based on more recent precedent regulatory decisions we also upgraded the rating of Sempra's regulation, which improved the quality rating of the stock.

Based on these Quality/Value rating improvements a decision was made to increase the portfolio position in Sempra.

Orsetd (ORSTED-CPH)

Sector:	Contracted generation
Issue:	Capital allocation and governance concerns
Feedback:	The company has revised strategy and changed management in response to operational issues in US offshore wind and made several impairments
Status:	Changes insufficient to alleviate risks and warrant investment despite appealing valuation

Orsted was listed in June 2016 at DKK 235. As the world's largest offshore wind developer the stock performed strongly post IPO as renewable proliferation grew alongside the importance of offshore wind in meeting global climate targets. Its share price peaked on 1 August 2021 at DKK 1,350.50.

4D initiated research on Orsted at the time of listing but had not owned the stock. Our process only values operational projects or those at FID which are underpinned by regulation or contract. As much of the stock run-up was based on the broader offshore wind growth opportunity and pipeline value, we could never see the value attributed by the market.

By November 2023, the stock was down ~80% from its high and almost 60% YTD. Aside from cost of capital concerns impacting the wider renewable development sector, the company weakened investor confidence with earnings downgrades, negative surprises and large impairments in US offshore wind projects – which led to both the CFO and COO leaving the company.

Orsted announced their exit from two key US projects (Ocean Wind 1 and 2) with massive cancellation costs of 8-11bn DKK. The wider US portfolio was also at risk, while several other key projects and funding concerns were being assessed as part of a strategic review.

As a result of the sell off, in late 2023 we decided to revisit Orsted as an investment proposition.

4D's initial research indicated that the stock was now undervalued based solely on communicated cancellations, and the market having reverted to our process of no longer pricing in incremental growth beyond projects currently approved or under construction. At an IC, we discussed the scale of the share price fall against the news released to the market so far. While seeing value the IC still had concerns about additional risks including the potential for an equity raise, risks around further impairments, and more missteps on strategy. The decision was taken to continue to monitor the situation.

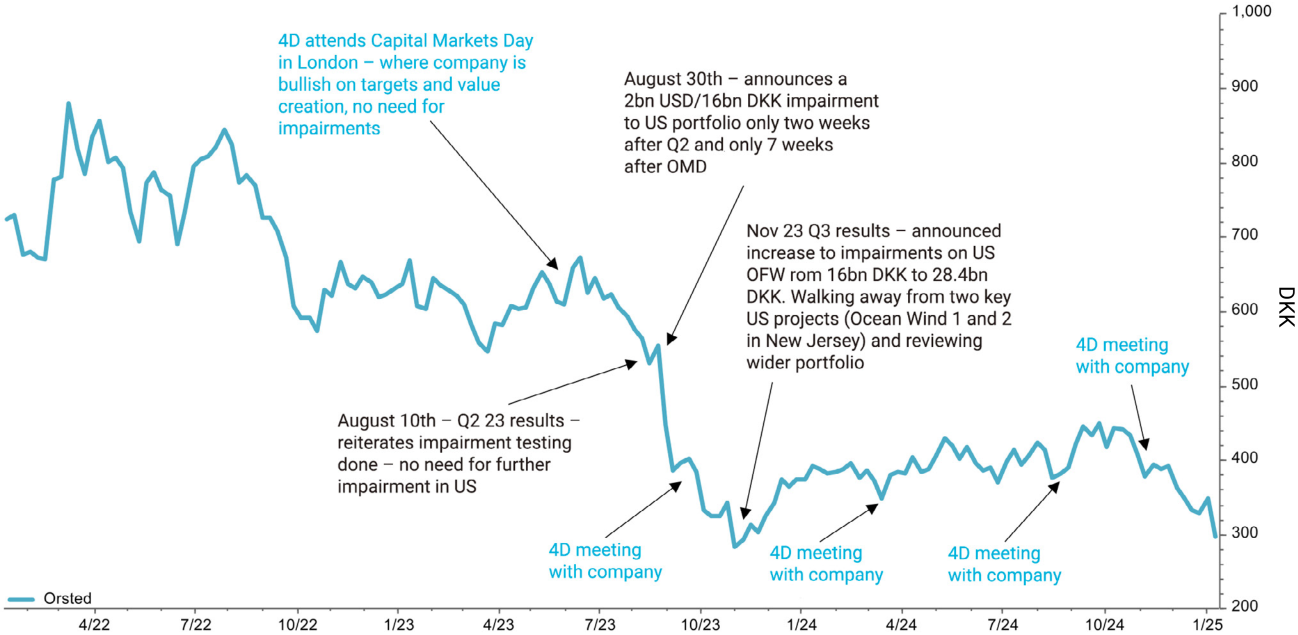
We closely analysed their capital markets update which we viewed as positive. The company had rationalised/exited less profitable projects and cut growth targets to support the balance sheet and improve value creation. They also installed a new, experienced CFO. Despite these improvements, and the stock presenting value, we still saw significant risk to Orsted's US portfolio and execution, particularly with the potential for a change in US policy / Trump presidency.

As 2024 progressed, we met with the company several times in an effort to get comfort on these issues. We also did channel checks with other utilities/developers with US east coast exposure to cross check our research. Each time we were not adequately comforted on US offshore wind concerns and potential for further value destruction. We felt further impairments were likely and in August 2024, as part of the Q2 results, the company announced another 4bn DKK of new impairments.

With the probability of a Trump presidency increasing, we were not convinced the company was insulated with its exposure to US offshore wind. Our IC deliberated the various implications and policy changes under a Trump presidency.

As a result of the ongoing dialogue with the company, the overhang of a Trump presidency and a lack of confidence in the management and strategy, the IC felt it was prudent to remain on the sidelines with other universe names offering a better quality/value combination.

4D engagement timeline



Source: FactSet and 4D Infrastructure

China Everbright Environment (257-HK)

Sector:	Electric utility
Issue:	Corporate governance concern over the influence of a State-owned Enterprise (SOE) on the share register in strategic decision making
Feedback:	The SOE exerts significant influence over strategic decisions, including capital allocation. This may not align with minority shareholder interests, raising concerns over governance and the company's capital allocation priorities.
Status:	Removed from investible universe

China Everbright Environment (CEE) operates in the environmental services and waste management sector, focusing on integrated waste treatment, renewable energy generation and environmental protection. The company is majority-owned by China Everbright Group (43%), a state-owned enterprise (SOE). At 4D, we closely scrutinise the relationships between SOEs and their listed companies to ensure the integrity of strategy and the protection of minority shareholders.

As part of our annual research trip to the region, we met with CEE management in Hong Kong. Following questioning around the relationship between the listed entity and its core shareholder, it was disclosed that the parent SOE plays a central role in dictating elements of the company's strategy, including investment decisions and capital allocation. The company shared that the government had instructed the company to withhold new investments in favour of ensuring sufficient cash for dividend payouts. This decision, while ensuring short term shareholder returns, raised significant governance concerns.

At the heart of the issue was the prioritisation of short term interests, primarily those of the State, over the long term growth and sustainability of the company, which is critical for minority shareholders. We viewed the withholding of investment in new projects as a signal of a lack of reinvestment into the company's future growth, especially given CEE's deep development pipeline in a sector that depends on continuous innovation and infrastructure expansion.

The influence of the government in dictating strategy, particularly capital allocation, led us to question the alignment of management's actions with the interests of minority shareholders. In our view, the government's focus on ensuring dividend payments, at the potential expense of investing in the company's core business, undermined the principles of independent corporate governance and transparent capital allocation.

This was not the first time 4D had concerns around CEE's governance. In August 2018, we expressed concerns regarding the quantum and timing of a surprise HK$10 billion rights issue. Although the raise was ultimately taken up by ~94% of existing shareholders and was 1.2x oversubscribed, we questioned the need for HKD$10b (equivalent to 21% of the market cap) for what the company described as "the next five years' worth of growth," priced at HK$6/share, a 31.4% discount to the previous close (HK$8.75), particularly when the shares were already down 21% YTD. Post this event, CEE received a very poor quality rating but remained within the investible universe, albeit never owned.

Given the ongoing significant governance concerns, particularly regarding the prioritisation of parent interests over minorities, 4D's IC decided to remove CEE from our investment universe altogether.

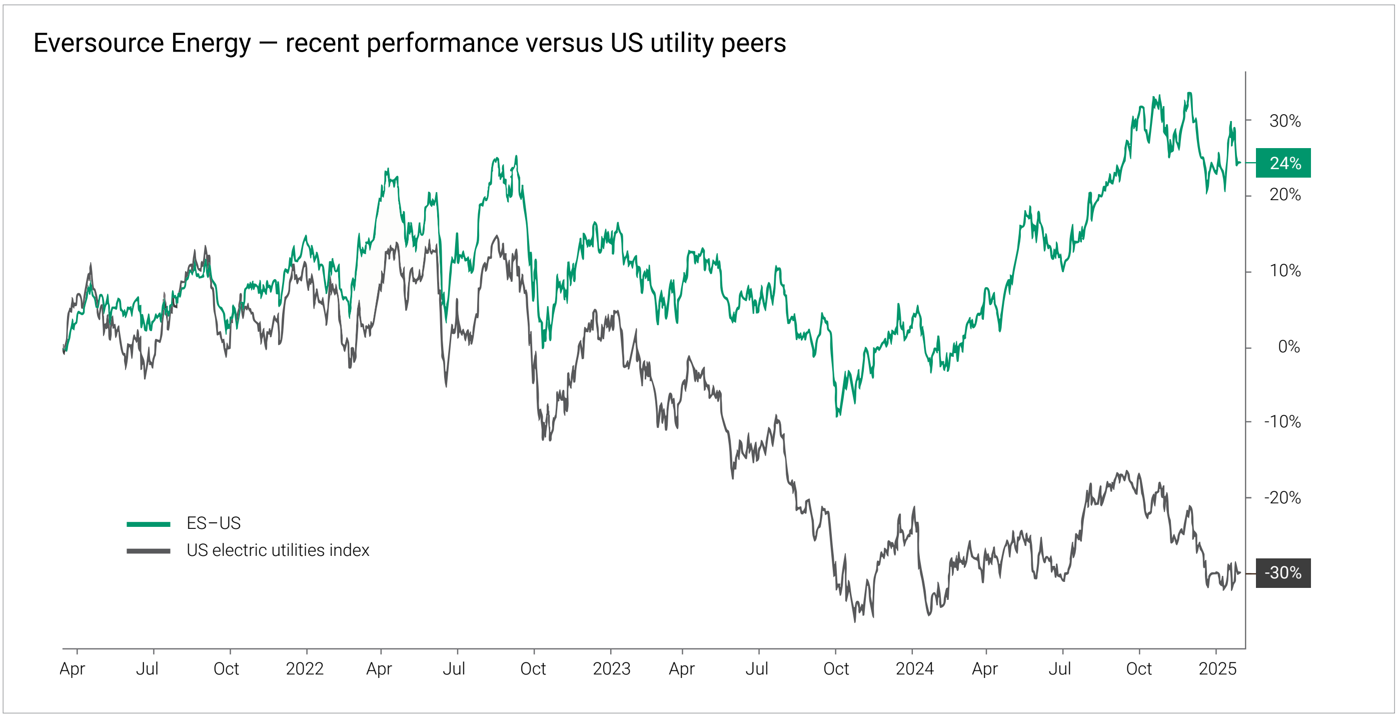
This case underscores the importance of robust corporate governance in maintaining investor confidence, particularly in companies with close ties to the government or state entities. A balance must be struck between short term financial returns and long term business health, and where this balance is compromised, governance concerns are likely to outweigh any immediate financial gains.

Eversource Energy (ES-US)

Sector:	Regulated electric utility
Issue:	Regulatory risk in the context of affordability concerns for customers
Feedback:	Eversource are lobbying the Connecticut (CT) Governor for leadership change at the CT regulator, and are limiting financial exposure to the region
Status:	No investment - based on the unclear path to an improved regulatory environment

In March 2023, Eversource Energy's (ES) Connecticut-based water utility, Aquarion, faced an unfavourable rate case outcome. This resulted in a rate reduction to an authorized return on equity (RoE) of 8.7%, falling well short of the requested 10.35% and also well below the previous 9.6%. Since rates had not been adjusted in a decade, this outcome was unexpectedly negative and positioned Aquarion among the utilities with the lowest RoEs in the US. It also came in an environment of escalating inflation and rising interest rates.

While Aquarion contributes just 2% to ES' EPS, the company has other electricity and gas assets in Connecticut (CT) which increased ES' overall exposure to the jurisdiction to a more material 25% of EPS. This represented an ongoing and unquantifiable regulatory overhang and impacted our quality assessment for companies exposed to the region, of which ES was one. ES CT assets face further rate case filings in 2025, amplifying concerns about regulatory risk following Aquarion's unfavourable outcome. ES significantly underperformed its US utility peers through 2024 on this overhang and we questioned whether the risk had been more than priced in and it could be a value play.



Source: FactSet and 4D Infrastructure

As a result, in November 2024 we requested a call with the company. We wanted to better understand ES' relationship with the CT regulator (CT PURA), the drivers behind recent regulatory challenges and potential strategies to improve relations.

Our discussion with the company and independent research revealed two key issues: (i) The Chair of CT PURA is highly focused on reducing customer bills, primarily electric rates, which are among the highest in the US; and (ii) ES faced penalties and increased regulatory scrutiny after a poor response to Tropical Storm Isaias in 2020, which exacerbated tensions with CT PURA. To address these challenges, ES has been lobbying the Governor for a leadership change at CT PURA, noting the Chair is up for reappointment in July 2025, and limiting its financial exposure to the region, including publicly announcing intentions to reduce investment in the jurisdiction.

The 4D IC evaluated the situation, noting the potential for improved regulatory conditions with the Chair's replacement as a possible catalyst. However, our confidence in a positive leadership change is low, given the Governor already endorsed the current Chair earlier in 2024 and notably on the same day that ES announced it was pulling back investment. Additionally, the root causes of heightened regulatory scrutiny – high customer bills which has resulted in poor customer satisfaction ratings – are tied to broader systemic challenges. The New England region, including CT, has unique geographical and infrastructure constraints, such as limited natural gas supply and harsh winters, which contribute to structurally high energy supply prices. While decarbonisation efforts may reduce supply prices in the longer term, significant near term improvements are unlikely. Load growth is also only modest in the region, as trends like data centre expansion and onshoring are less pronounced. Even with a new Chair, we expect affordability concerns to remain a key issue, leading to sustained regulatory scrutiny in CT.

Given the unclear path to improving the regulatory environment, combined with other challenges (balance sheet concerns), the IC decided not to invest. We will continue to monitor ES and plan to reassess our evaluation in 2025 following the Chair appointment to evaluate the potential for a shift in CT's stance.

Proxy voting

Proxy voting on specific portfolio company ballots is undertaken by the covering investment analyst and is based on the principles determined by 4D. The covering analyst is most knowledgeable on, and familiar with, companies within their coverage universe. In the situation where a vote is considered contentious or unclear with regards to 4D principles, it may be discussed by the wider team at an IC meeting.

4D has engaged a proxy voting advisor (currently ISS) to support voting decisions. 4D understands that ISS recommends voting decisions based on supporting minority shareholder interests, therefore its voting motivations are largely aligned with that of 4D. ISS has indicated that it has sufficient resourcing to adequately research and analyse proxy proposals.

ISS recommendations are adopted as the default vote for 4D, albeit all ballots are reviewed by a 4D analyst, and they have discretion to change the vote from ISS' recommendation, with commentary. ISS generally provides a rationale for its vote recommendation, which assists the 4D analyst in making their own independent voting decision.

4D makes proxy voting decisions that are in the best interests of clients. That is, we vote proxies in support of initiatives that are likely to improve the risk/return of investments in the portfolio over the long term. We believe there is a strong connection between good corporate governance and the creation of long term shareholder value. We also generally support initiatives which enhance transparency and corporate governance practices, and the consideration of the environmental and social impacts of company strategies.

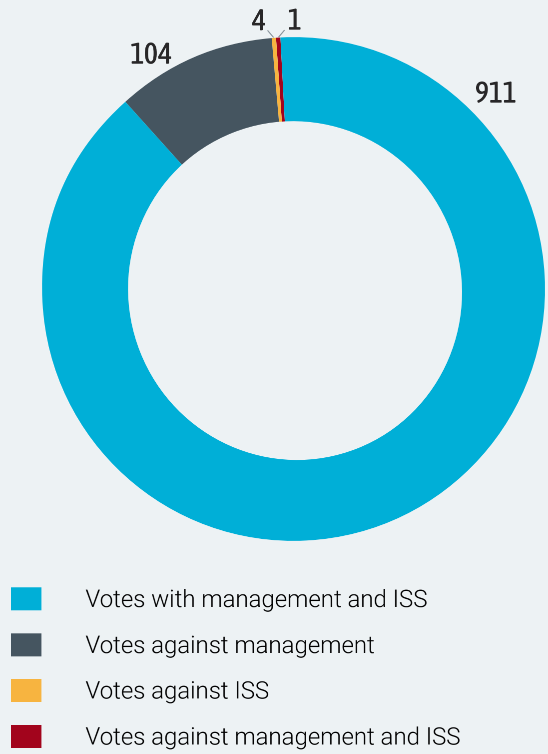
A summary of our proxy voting decisions is included in the diagram to the right.

4D proxy votes were largely aligned with the recommendations of ISS. We selected the proxy advisor based on its values in supporting minority shareholders and ensuring alignment between the board and management. We believe its recommendations generally reflect this.

We have deviated from ISS recommendations in certain cases, as discussed below and overleaf.

4D supported the Indonesian toll road operator, Jasa Marga, in seeking shareholder approval for a minority stake sale. ISS recommended voting against the proposal based on a "lack of information to make an informed decision". We engaged directly with the management of Jasa Marga and felt their explanation of the transaction was robust and sufficient to justify voting for the sale. We have been supportive of Jasa Marga's management team in their important toll roads developments across Indonesia, and are confident in the economic value delivered, as well as the value created for shareholders.

Proxy voting decisions



2024 voting statistics

Number of meetings voted	80
Number of ballots voted on	1,010
• Number of votes For a proposal	790
• Number of votes Against a proposal	95
• Number of votes to Abstain	115
• Other	10

Source: 4D Infrastructure and ISS

4D voted against the shareholder proposal at the NextEra Energy's annual shareholder meeting requiring the company to publish an annual 'Climate Lobbying Report'. ISS recommended voting in favour of the report. We are generally supportive of enhancements to a company's lobbying transparency, but we did not feel there was enough detail on the proposal, and we didn't feel that a report exclusively on climate lobbying, rather than lobbying in general, was the best approach. We continue to endorse improvements to political lobbying transparency across our portfolio companies.

4D voted to abstain (ISS' recommended a vote against) from a shareholder proposal at the Edison International annual shareholder meeting to report on 'Lobbying Payments and Policy'. We acknowledge that Edison International is considered one of the better performing companies in political lobbying transparency (based on CPA-Zicklin index assessment) but felt the proposal could enhance the best practice adopted by the company. We wanted more detail on what further should be included in reporting, that the company doesn't already publish.

4D voted against ISS' recommendation to support a shareholder proposal to adopt a simple majority vote at WEC Energy. We felt that greater voting consensus should be adopted for certain types of company transactions. Adopting a simple majority for all voting decisions could leave minority shareholders vulnerable to the interests of institutional investors who build up positions on the company shareholder registry.

Sustainability reporting

4D reports strategy performance across key identified ESG metrics on a bi-annual basis. We present this information on our website for investors and stakeholders. The most recent reporting metrics are summarised below.

Criteria	4D global portfolio	Investible universe
Environment		
Carnon emissions score (MSCI rating out of 10)	8.69	7.68
Carbon intensity (TC02 / US $M Rev)	409	1,152
Companies with good or moderate carbon reduction targets[6]%	86.1%	66.2%
Governance		
Aggregrated ratio of women on Boards	31.5%	30.1%
Proportion companies that adopted diversity workplace policy	75.0%	65.0%
Proportion companies that are signatory to UN Global Compact	56.7%	39.8%
Social		
Average % Board independent[7]	80.9%	74.3%
Proportion with independent Chair or Lead Director	70.9%	61.7%
Proportion companies with bribery and anti-corruption policies and/or adhere to recognised external standards	93.3%	88.3%

Source: MSCI and 4D Infrastructure

1 This data relates to the 4D Global Portfolio (Unhedged)
2 Applies to data as at 30 September 2024
3 Equal stock weightings applied to Investible Universe
4 The larger the measure represents a more optimal outcome, except for Carbon Intensity
5 92% of investment universe; and 100% of 4D Global Infrastructure Fund (Unhedged) is covered in the above
6 Company targets assessment by MSCI
7 Independence assessed by MSCI
8 Safety data is available for infrastructure sub sectors but not fulsome enough to represent for the complete portfolio/universe

Conclusion

We finished calendar 2024 comfortable with our engagement and proxy voting outcomes over the year. As we commence a new year, we have articulated, discussed and documented our engagement and proxy voting priorities for 2025 for companies within our portfolios as well as across the broader investment universe. This will drive the focus of our conversations with companies and how we vote on proxy filings. As a team we will continue to monitor the progress made on mitigating identified risks and executing on company opportunities. The sustainability of company strategies and earnings will, again, be key considerations in determining focus areas for stewardship.

In our Global Matters: 2025 outlook article, we believe 2025 will bring moderating growth, inflation and interest rates. We are moving from a year of election instability, with 40% of the global population going to the polls in 2024, to one of policy implementation in 2025. In this context, implementation of the preferred policies of the new Trump administration will be front of mind. We will monitor the implementation of Trump's policy objectives in deregulation, and a repeal of decarbonisation legislation and look to understand the reaction of companies in our universe, and the potential long term value implications. Further afield, we are assessing the implementation of the Trump tariff agenda and what it means for countries and companies in our universe. The rise of populism globally continues to be a concern and something we watch closely at a country, sector and stock level.

As we enter 2025, the recent Los Angeles fires are a reminder of the increasing incidence of extreme weather events and how government responses remain a global consideration at a macro and micro level.

We look forward to working with companies in our investment universe to enhance the integration of long term sustainability practices in the sector, as well as transparency of communications with investors and stakeholders.

For more information, visit 4dinfra.com or call 1800 895 388 (AU) or 0800 442 304 (NZ).

4D infrastructure

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