

# 4D Global Infrastructure Fund

ARSN: 610 092 503

## Monthly performance update

As at 30 June 2019

### Overview

4D Infrastructure (4D) 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 ('the Fund') aims to outperform the OECD G7 Inflation Index + 5.5% p.a. over the medium to long term (before fees).

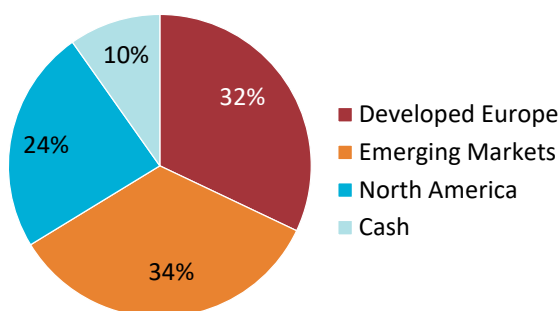
### Performance

	1 month	3 month	6 month	1 year	2 years (pa)	3 years (pa)	Inception (pa)*
4D Global Infrastructure Fund	3.13%	7.41%	21.16%	21.42%	13.80%	13.09%	14.44%
Benchmark: OECD G7 Inflation Index + 5.5%	0.91%	2.03%	3.15%	7.07%	7.32%	7.36%	7.26%
<b>Over/under performance</b>	<b>2.22%</b>	<b>5.38%</b>	<b>18.01%</b>	<b>14.35%</b>	<b>6.48%</b>	<b>5.74%</b>	<b>7.19%</b>

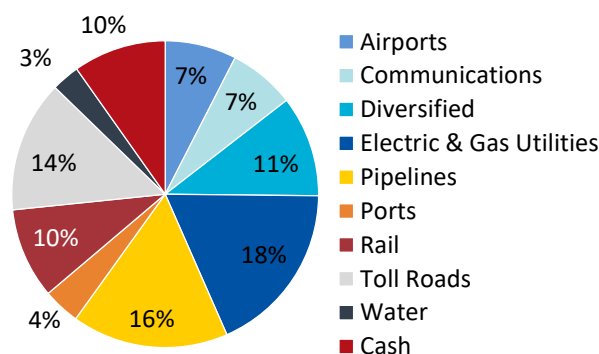
Performance figures are net of fees and expenses unless otherwise stated.

\*Inception date is 7 March 2016

### Regional Breakdown



### Sector Breakdown



### Top 10 Positions

IN ORDER OF PORTFOLIO WEIGHT	END WEIGHT %
Getlink	4.89
Cellnex	4.82
Shenzhen International	4.37
Cheniere Energy	3.93
Iberdrola	3.90
DP World	3.90
Jasa Marga	3.87
Ferrovial	3.84
Kinder Morgan	3.79
AENA	2.97
<b>Top 10 Total</b>	<b>40.28</b>

### FUND DETAILS

APIR Code	BFL0019AU
Investment Manager	4D Infrastructure
Portfolio Manager	Sarah Shaw
Benchmark	OECD G7 Inflation Index + 5.5%
Inception Date	7 March 2016
Reporting Currency	A\$ Unhedged
Recommended Investment Period	Five years
Stock / Cash Limit	+7% / 10%
No. of Securities	41
Application/Redemption Price (AUD) <sup>1</sup>	1.4701/1.4613
Distribution Frequency	Quarterly
Management Fee <sup>2</sup>	0.95% p.a. (including GST)
Performance Fee <sup>3</sup>	10.25% p.a. (including GST)
Buy/Sell Spread	+/- 0.30%
Minimum Investment (AUD)	25,000



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#### Portfolio performance review

The 4D Global Infrastructure Fund was up a net 3.13% (AUD) in June, outperforming the benchmark return of 0.91% (by 2.22%) and the FTSE 50/50 Infrastructure Index, which was up 2.95% (AUD) in June. The A\$ finished slightly higher at 0.70.

The strongest portfolio performer for June was Brazilian toll road operator Ecorodovias, up 18.9% for the month as part of a buoyant Brazilian market. Ecorodovias under performed in Q1 and was due a fundamental recovery.

The weakest performer in June was Mexican tower operator Telesites down 10.9% as a result of ongoing political concerns surrounding AMLO's policy execution.

Despite a slowing global macro environment, it remains supportive of our overweight to user pay assets. We also believe with the Fed likely easing rates will see emerging markets remain solid. However, ongoing geo-political issues see us avoiding certain markets until issues are resolved (e.g. Brexit). We are also seeing certain markets move ahead of fundamentals and have taken a more defensive stance in these regions.

#### Market review

Global equity markets recovered from a poor May to deliver some record results in June. The S&P 500 was up 6.9%: the strongest June since 1955 and the biggest 1H increase since 1938. The broader MSCI World index was up 5.8% while EMs were also positive, up 4.1% in June. US bonds rallied with 10-year US Treasury bond yields falling 14bp, finishing at 2%.

Geo-political issues again dominated. The G20 summit in Osaka saw President's Trump and Xi agree a trade truce. Needless to say, a resolution of the trade wars would be a big positive for equities.

Tensions escalated in the middle east with Iran accused of, firstly attacking oil tankers, then shooting down an unmanned US military drone. Wisely, Mr Trump erred on the side of caution and did not retaliate. As the 1964 Gulf of Tonkin incident demonstrated unprovoked attacks on US military assets can have grave consequences – in 1964 it led to the US ground invasion of Vietnam and subsequent apocalypse. Wars are bad for equities.

The global economy is continuing to slow and Central Banks are positioning for the fight to maintain growth momentum - the US Fed left interest rates on hold but maintained a dovish rhetoric, as did the ECB. At home the RBA cut rates by 25bp to 1.25%.

In potentially a major development in EM's, and after almost two-decades of negotiations, the EU and the Mercosur countries (Brazil, Argentina, Uruguay and Paraguay) signed a comprehensive Trade

Agreement. Brazilian President Jair Bolsonaro described the deal as 'historic' while EU Commission President Jean-Claude Juncker declared it the most substantial Trade Agreement the EU had ever concluded. Encompassing a combined population of 780 million, and more than a trillion euros of combined trade and services, the EU-Mercosur FTA is a huge deal. The four Mercosur governments and the 28 national governments of the EU and the European Parliament now have to ratify the deal before it enters force.

In EM's Brazil appeared to be making slow progress on its essential pension reforms. The central bank has come out and endorsed them as needed. This all helped the IBOVESPA (the Brazilian equity market index) breach 100,000 for the first time on June 19.

#### Outlook

We have a very positive outlook for global listed infrastructure (GLI) over the medium term. There are a number of powerful macro forces at play which we believe will continue to support the sector. There has been a huge underinvestment in infrastructure around the world over the past 30 years. As governments seek to redress this problem, public sector fiscal and debt constraints will limit their ability to respond, meaning there will be an ever-increasing need for private sector capital as part of the funding solution. In addition, the world's population is expected to grow by 53% by the end of this century, which will be accompanied by an emerging middle class, especially in Asia. These forces will compel new, improved and expanded infrastructure around the world. GLI's very attractive investment attributes will make it an important part of the financing solution to the world's infrastructure needs and, we believe, see it continue to grow and prosper over the longer term.

#### How to invest

The Fund is open to investors directly via the PDS (available at [4dinfra.com](http://4dinfra.com)), or the following platforms.

##### Platforms

Hub24 (IDPS, Super)	Powerwrap (IDPS)
Macquarie Wrap (IDPS, Super)	Praemium
Mason Stevens	Wealth O2
Netwealth (Super Service, Wrap Service, IDPS)	

#### Contact details

Call us on: 1800 895 388 (AU) or 0800 442 304 (NZ)  
Email us at: [client.services@bennelongfunds.com](mailto:client.services@bennelongfunds.com)  
Mail us at: Level 26, 20 Bond Street Sydney NSW 2000  
Visit our website at: [4dinfra.com](http://4dinfra.com)

1. All unit prices carry a distribution entitlement.
  2. Management fee is 0.95% p.a. (including GST net of reduced input tax credits) of the Net Asset Value of the Fund.
  3. 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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