

4D Global Infrastructure Fund

ARSN: 610 092 503

Monthly performance update

As at 30 April 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).

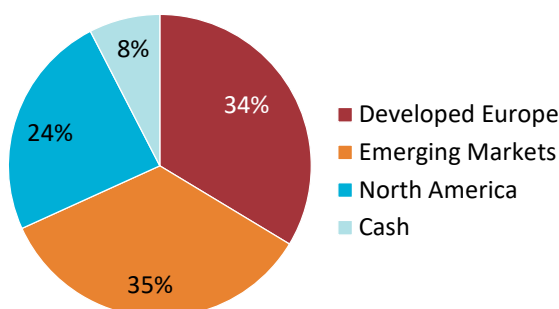
Performance

	1 month	3 month	6 month	1 year	2 years (pa)	3 years (pa)	Inception (pa)*
4D Global Infrastructure Fund	3.16%	8.23%	16.79%	16.34%	13.36%	12.28%	13.80%
Benchmark: OECD G7 Inflation Index + 5.5%	0.33%	0.80%	2.61%	6.79%	7.13%	7.28%	7.09%
Over/under performance	2.83%	7.42%	14.18%	9.56%	6.24%	5.00%	6.71%

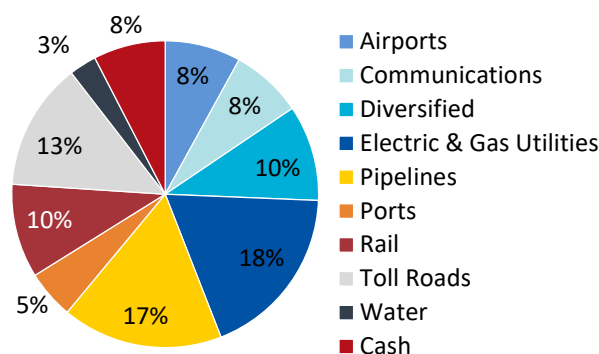
Performance figures are net of fees and expenses unless otherwise stated.

*Inception date is 7 March 2016

Regional Breakdown



Sector Breakdown



Top 10 Positions

IN ORDER OF PORTFOLIO WEIGHT	END WEIGHT %
Cellnex	5.23
DP World	5.11
Getlink	5.06
Kinder Morgan	4.12
Iberdrola	4.10
Jasa Marga	4.04
Cheniere Energy	3.91
Ferrovial	3.87
Shenzhen International	3.76
Aena	2.98
Top 10 Total	42.18

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) ¹	1.4571/1.4484
Distribution Frequency	Quarterly
Management Fee ²	0.95% p.a. (including GST)
Performance Fee ³	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 3.16% (AUD) in April, outperforming both the benchmark return of 0.33% (by 2.83%) and the FTSE 50/50 Infrastructure Index, which was up 1.68% (AUD) in March. The A\$ finished slightly lower at 0.7048.

The strongest portfolio performer for April was global port operator DP World, which was up 25%. This follows months of unwarranted under-performance and, we believe, it represents a much-deserved re-rating of a quality global operator.

The weakest performer in April was Brazilian toll road operator Ecorodovias, down 15.4% as corruption concerns remain an overhang. We believe the sell-off has been over-done relative to the potential liability. We also note that the alleged corruption is against historic Ecorodovias management and has nothing to do with the current management, or the Italian owners.

Despite a slowing global macro environment, it remains in positive territory and supportive of our overweight to user pay assets which have a direct correlation to macro. We also believe with Fed rate hikes stalled, emerging markets should see a recovery. However, we remain cautious of ongoing geo-political issues and have positioned accordingly.

Market review

Equity markets performed well again in April with all-time highs being achieved in the US market on several occasions. The S&P 500 was up 4.7% and the broader MSCI World up 4.3%. EMs were also positive, up 2.8%. The bond market sold off slightly with the 10-year US T-bond finishing at a yield of 2.50% p.a, up 9bp. The strength in the US market was generally driven by solid results, which suggest the US economy is stronger than many suspect.

US GDP grew 3.2% in Q1, significantly above expectations of 2.3%. The composition of growth wasn't particularly solid though, with more than half the increase accounted for by big adds from net trade and inventories that aren't likely to be repeated.

US/China trade war 'news' was again noticeably lower in April – hopefully suggesting progress is being made and a deal is nearing. The EU and the UK agreed on a Brexit extension until 31 October, just before the new EC President takes over, with a review of progress in June. The ongoing uncertainty is bad for equities.

Global growth fears continued to occupy investors' minds during April, with the IMF again lowering its 2019 forecast to 3.3% from the previous 3.5%.

Indonesia held the world's biggest single-day elections in a country of 260 million people. President Joko Widodo has claimed victory,

but final results are not due until mid-May. President Widodo has initiated an extensive infrastructure investment program which he has vowed to complete during his second term.

The Socialist Party (PSOE) won the Spanish elections with 123 seats, well short of a majority of 176. A coalition is required to govern.

In Australia a reasonable pre-election budget was delivered, promising surpluses and tax cuts. The Federal election campaign moved into full swing in April, with both major parties running quite fiscally expansionary campaigns. Equity markets will likely not like an inconclusive result on 18 May, but if either of the major parties is returned the impact on equity markets will likely be quite muted, at least in the near-term.

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), 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
Mail us at: Level 26, 20 Bond Street Sydney NSW 2000
Visit our website at: 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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