

4D Global Infrastructure Fund

ARSN: 610 092 503

Monthly performance update

As at 31 May 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).

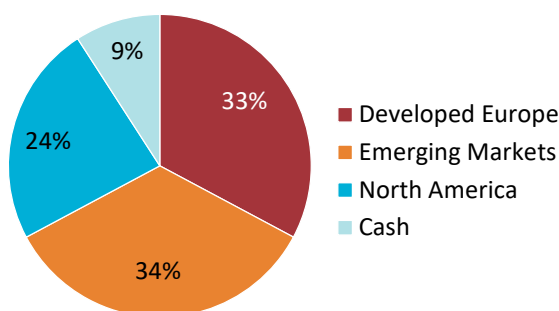
Performance

	1 month	3 month	6 month	1 year	2 years (pa)	3 years (pa)	Inception (pa)*
4D Global Infrastructure Fund	0.96%	6.31%	19.29%	20.95%	11.49%	11.51%	13.75%
Benchmark: OECD G7 Inflation Index + 5.5%	0.78%	1.37%	2.74%	6.77%	7.15%	7.35%	7.15%
Over/under performance	0.18%	4.94%	16.54%	14.18%	4.34%	4.16%	6.60%

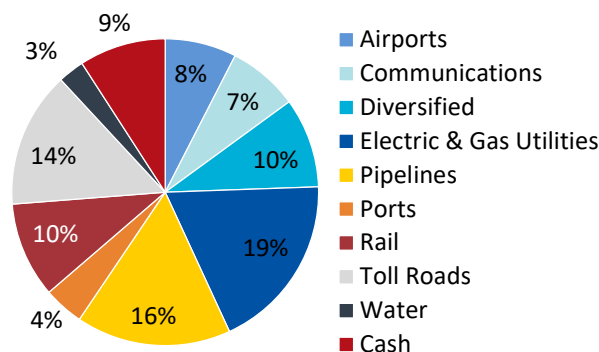
Performance figures are net of fees and expenses unless otherwise stated.

*Inception date is 7 March 2016

Regional Breakdown



Sector Breakdown



Top 10 Positions

IN ORDER OF PORTFOLIO WEIGHT	END WEIGHT %
Cellnex	5.27
Getlink	5.02
Jasa Marga	4.41
DP World	4.24
Iberdrola	4.07
Kinder Morgan	4.02
Cheniere Energy	3.72
Ferrovial	3.63
Shenzhen International	3.44
Atlantia	2.95
Top 10 Total	40.77

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	1.4711/1.4623
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 0.96% (AUD) in May, outperforming the benchmark return of 0.78% (by 0.18%) but underperforming the FTSE 50/50 Infrastructure Index, which was up 1.12% (AUD) in May. The A\$ finished slightly lower at 0.693.

The strongest portfolio performer for May was Brazilian toll road operator CCR, up 17.2%. This stock was oversold in April on an ongoing flow of corruption rumours and we believe the rebound in May was well justified.

The weakest performer in May was global port operator DP World, down 14.5% (after a 25% gain in April) as the US/China trade wars remain an overhang on the port story creating volatility. This stock is offering significant value at these levels and we believe the trade war overhang offers a long-term buying opportunity.

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, and potentially on the way back down, emerging markets should see a recovery. However, we remain cautious of ongoing geo-political issues and have positioned accordingly, avoiding certain markets until issues are resolved (e.g. Brexit). We are also seeing certain markets move ahead of fundamentals and are looking to take a more defensive stance in these regions.

Market review

Global equity markets had a poor month in May. The S&P 500 was down 4.8% (total return), and the broader MSCI World index down 4.1%. EMs were also negative, down 5.6%. Global bonds rallied strongly, with 10-year US Treasury bond yields falling 38bps, finishing at 2.12%.

Trade war talk (and some action) dominated equity market discussions and is likely to continue to do so, at least until the China spat is resolved. On 5 May, US President Donald Trump announced that the previous tariffs of 10% levied on US\$200bn of Chinese goods would be raised to 25%. In retaliation, China announced an increase in tariff rates on US goods. On 30 May President Trump announced a 5% tariff on all imported goods from Mexico beginning 10 June until illegal migration through Mexico into the United States stops. This has subsequently been dropped following a trade/migration deal with Mexico in early June.

On 24 May, UK Prime Minister Theresa May announced she would resign as Conservative Party leader on 7 June. The UK's Brexit pains show no signs of easing.

Australia held its national election on 18 May. Despite the incumbent conservative Liberal National (Coalition) Government

trailing in every single poll since the last election, they were returned with a clear majority in the lower house and, while no majority, a reasonably friendly-looking upper house.

US April activity indicators were mixed. The manufacturing ISM missed, retracing to 52.8. Non-farm payrolls beat, rising +263k in April as the unemployment rate ticked down to 3.6%. April core CPI also held at 0.1%. April retail sales fell 0.2% m/m.

China's economic data continues to slow. The April trade surplus of \$13.8bn missed expectations. April CPI rose 2.5% y/y as expected, while the May manufacturing PMI slumped to 49.4. European data continued to moderate.

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.

The Fund is managed by 4D Infrastructure, a Bennelong Funds Management boutique. This information is issued by Bennelong Funds Management Ltd (ABN 39 111 214 085, AFSL 296806) (BFML) in relation to the 4D Global Infrastructure Fund. The information provided is general information only. It does not constitute financial, tax or legal advice or an offer or solicitation to subscribe for units in any fund of which BFML is the Trustee or Responsible Entity (Bennelong Fund). This information has been prepared without taking account of your objectives, financial situation or needs. Before acting on the information or deciding whether to acquire or hold a product, you should consider the appropriateness of the information based on your own objectives, financial situation or needs or consult a professional adviser. You should also consider the relevant Information Memorandum (IM) and or Product Disclosure Statement (PDS) which is available on the BFML website, bennelongfunds.com, or by phoning 1800 895 388 (AU) or 0800 442 304 (NZ). BFML may receive management and or performance fees from the Bennelong Funds, details of which are also set out in the current IM and or PDS. BFML and the Bennelong Funds, their affiliates and associates accept no liability for any inaccurate, incomplete or omitted information of any kind or any losses caused by using this information. All investments carry risks. There can be no assurance that any Bennelong Fund will achieve its targeted rate of return and no guarantee against loss resulting from an investment in any Bennelong Fund. Past fund performance is not indicative of future performance. Information is current as at the date of this report. 4D Infrastructure Pty Ltd (ABN 26 604 979 259) is a Corporate Authorised Representative of BFML.