

4D Global Infrastructure Fund

ARSN: 610 092 503

Monthly performance update

As at 30 November 2018

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).

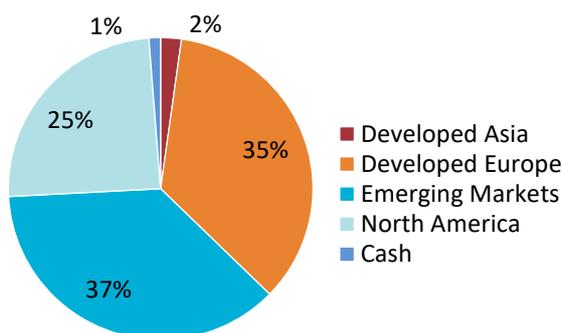
Performance

	1 month	3 month	6 month	1 year	2 years (pa)	Inception (pa)*
4D Global Infrastructure Fund	-1.16%	-1.92%	1.39%	-2.58%	12.69%	9.18%
Benchmark: OECD G7 Inflation Index + 5.5%	0.65%	1.72%	3.92%	7.94%	7.60%	7.44%
Over/under performance	-1.80%	-3.64%	-2.53%	-10.52%	5.09%	1.74%

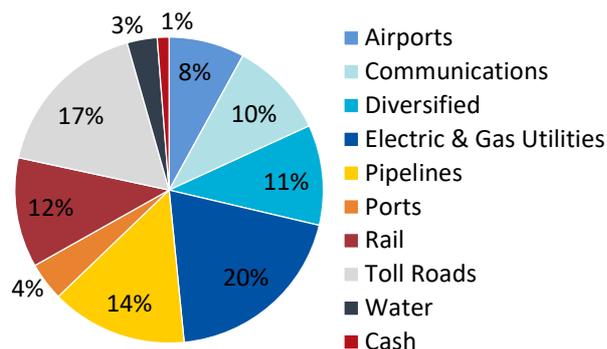
Performance figures are net of fees and expenses unless otherwise stated.

*Inception date is 7 March 2016

Regional Breakdown



Sector Breakdown



Top 10 Positions

IN ORDER OF PORTFOLIO WEIGHT	END WEIGHT %
Getlink	5.10
Cellnex	4.92
Jasa Marga	4.61
Cheniere Energy	4.30
Shenzhen International	4.12
DP World	4.04
Iberdrola	3.97
Kinder Morgan	3.95
Ferrovial	3.79
Aena	3.33
Top 10 Total	42.14

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	43
Application/Redemption Price (AUD) ¹	1.239/1.232
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 down a net 1.16% (AUD) in November, under-performing the benchmark return of 0.65% (by 1.80%) and the FTSE 50/50 Infrastructure Index, which was up 0.02% (AUD) in November. The A\$ was a significant headwind to performance in November, rising over 3% versus the US\$.

The strongest portfolio performer for November was Brazilian toll road operator CCR, up 25.1% for the month. This continues the rebound post the solid Brazilian election outcome in October, and was further supported by some late month clarity on the corruption charges against CCR with the company signing a Leniency Agreement and agreeing a fine.

The weakest performers in November were again the Mexican airport operators, with GAP down 16.7% and ASUR down 16% as the market remained concerned about AMLO's political agenda.

Given the generally positive global macro environment, we remain overweight user pay assets which have a direct correlation to macro strength. However, ongoing geo-political concerns see us maintain core exposure to quality defensive utilities.

Market review

November saw some of October's market losses recovered. In Developed Markets the S&P 500 was up 1.8%, and the broader MSCI World index +1.2%. Emerging Markets were also much chirpier in November with the MSCI EM index +4%. The US Fed left rates on hold with more dovish commentary, while the US 10-year bond rallied to close at a yield of 2.99% p.a., down 15bp over the month, driven by a fall in inflation expectations.

A number of geo-political events unfolded in November which kept equity markets interested. The US mid-term elections were held on 6 November, with the final result being the Democrats gaining control of the House and the Republicans retaining power in the Senate. This was largely as predicted by the pollsters, and the test now is whether President Trump is able to get legislation through a potentially hostile House. The first test of this could be when the recently signed new US-Mexico-Canada trade agreement (the USMCA – the new NAFTA) is presented for ratification.

The month-end G20 meeting in Buenos Aires produced hope for a thawing in the US/China trade spat, with an agreement to halt any further escalation for 90 days. Equity markets liked the sound of that as it represented a much needed positive development.

Delivering an acceptable Brexit outcome continues to be a challenge for UK PM Theresa May. The 29 March 2019 Brexit deadline looms large, when Britain exits the EU with or without a deal. To PM May's credit she came up with a deal that got her

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.

Cabinet and the EU's ok. However, it was clearly not going to pass a vote in the UK Parliament which has now been cancelled, and Ms May is back trying to get some further concessions from the EU, particularly around the Irish border. The implications of a 'No Deal' exit remain unclear but, given the uncertainty it would create, the Bank of England sees big drops in UK GDP and house prices, jumps in inflation and unemployment, not to mention significant political carnage.

In Emerging Markets, S&P downgraded Argentina's credit rating to B from B+ due to a deterioration in their debt profile and setbacks in implementing their economic adjustment program.

US economic activity indicators softened but remain at solid levels. Non-farm payrolls were strong, rising 250k, while unemployment held at 3.7%. In Europe activity indicators were softer, while Chinese October IP unexpectedly picked-up to 5.9%.

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)	Netwealth (Super Service, Wrap Service, IDPS)
Macquarie Wrap (IDPS, Super)	Powerwrap (IDPS)

Contact details

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