

4D Global Infrastructure Fund

ARSN: 610 092 503

Monthly performance update

As at 31 March 2017

Overview

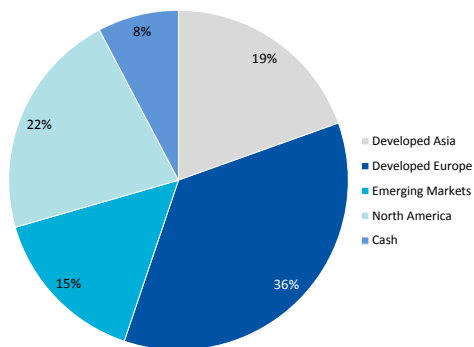
4D Infrastructure (4D) is a boutique asset manager investing in listed infrastructure companies across all four corners of the globe. Our investment objective is to identify quality infrastructure companies, trading at or below fair value with sustainable, growing earnings combined with sustainable, 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

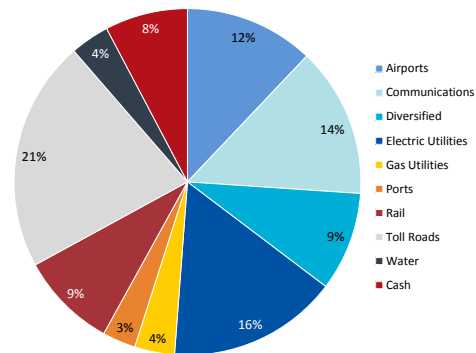
	1 month	3 month	6 month	1 year	Inception (pa)*
4D Global Infrastructure Fund	5.91%	7.28%	4.76%	10.03%	12.09%
Benchmark: OECD G7 Inflation Index + 5.5%	0.57%	1.53%	3.07%	7.13%	6.88%
Over/Under Performance	5.34%	5.75%	1.69%	2.90%	5.21%

Performance figures are net of fees and expenses unless otherwise stated.
*Inception date is 7 March 2016

Regional Breakdown



Sector Breakdown



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)	1.1266 / 1.1198
Distribution Frequency	Quarterly
Base Management Fee	0.93% p.a. + net effect of GST
Performance Fee	10% p.a. + net effect of GST
Buy/Sell Spread	+/- 0.30%
Minimum Investment (AUD)	25,000

Top 10 Positions

IN ORDER OF PORTFOLIO WEIGHT	END WEIGHT %
Groupe Eurotunnel	4.60
Cellnex Telecom	4.22
Shenzhen Intl	4.09
Jasa Marga	3.78
Cheniere Energy	3.73
Transurban Group	3.70
Iberdrola	3.41
Ferrovial	3.32
Inmarsat	3.18
Aena	3.14
Top 10 Total	37.17



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Portfolio performance review

March 2017 was a strong month for the 4D Global Infrastructure Fund, recording a net gain of 5.91% for the month, out-performing our benchmark of 0.57% by 5.34%. The Fund also outperformed the FTSE Infrastructure Index which was up 3.20% (A\$) for the month by 2.71%.

Our overweight to user pay assets, at the expense of utilities, worked well in March with strong performance from our airport, toll road and communications exposure. Further, the overweight to Europe and Emerging Markets at the expense of the USA also worked well with US utilities underperforming their global infrastructure peers.

The strongest performer for March was OHL Mexico, which was up 25.7% on the revival of take-out rumors with its parent, OHL, commenting that a deal with IFM was still in the works. We continue to like OHL Mexico on fundamental terms and can only hope that any deal with IFM reflects the fair value of these assets.

UK satellite operator, Inmarsat, was again strong up 19.5% for the month as the rerating continued after being oversold in January.

The weakest performer for the month was Brazilian contract generator AES Tiete, on news that hydrology for 2017 was not looking great. As a sub sector, the US utilities as *'bond proxies'* were relatively weaker on the Fed hike, even though expected.

We remain overweight user pays, Europe and Emerging Markets at the expense of the USA and utilities.

Market review

Global equity markets were mixed in March. The US DJ Industrials finished down 0.7%, the US S&P 500 was basically flat, the broader MSCI World finished +1.1% while the MSCI emerging markets index finished +2.3% in the black. The US bond market was unmoved with the 10 year US treasury yield finishing where it started at 2.39%.

The US Fed hiked rates to 1% in a move that was largely anticipated. The big US political news was President Trump's spectacular failure to repeal the *'Obamacare'* health legislation. This immediately put the equity market on-edge, nervous about Mr Trump's ability to get his other *'big ticket'* items of tax reform and infrastructure spend through Congress. One view was that they too will be frustrated by Congress, the other take was that the *'Obamacare fail'* increased the chances of these reforms passing. By month-end the market was none the wiser regarding the likely outcome.

US economic data suggested that momentum was maintained through the early stages of Q117. Survey data in particular rose to multi-year highs in many cases, though data on actual production and output numbers were not quite as strong. Expectations for US growth in 2017 remain at 2%+.

In European political news, polling for the French Presidential election continued to suggest that centre-left candidate Emmanuel Macron would defeat the far-right Marie Le Pen, in the second round of run-off voting. In the Netherlands election, the swing towards the far-right was much less than polls had been suggesting. Perhaps the tide of populist/far right candidates has peaked in Europe.

Economic data suggested a lift in EU output growth in Q117, with PMIs rising to fresh cyclical highs. Inflation rose to 2% for the first time since 2013. The Brexit circus rolled-on, with the UK government of Theresa May beginning the official process of leaving the EU by triggering Article 50 during the month.

In China, Premier Li revealed a growth target for 2017 of *'around 6.5%'* within his annual *'work report'* to the People's National Congress. This is a little lower than the 6.7% reported for 2016, but consistent with the previously stated aim to double GDP between 2010 and 2020. Activity data in China suggested that growth picked up a little in Q117, relative to Q416.

In a very encouraging development, industrial production growth picked-up in Japan to its fastest pace in three years while some second tier data also improved. CPI inflation, however, remained low near 0.3%. The Bank of Japan made no change to its policy stance, and reiterated its belief that it would not be changing policies for a considerable length of time.

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 that 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.

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Notes:

1. Gross performance is the absolute performance of the fund before any fees (incl. management & performance)
2. Net performance is net of all fees (incl. management & performance)
3. All values in AUD

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