

4D Global Infrastructure Fund

ARSN: 610 092 503

Monthly performance update

As at 30 April 2017

Overview

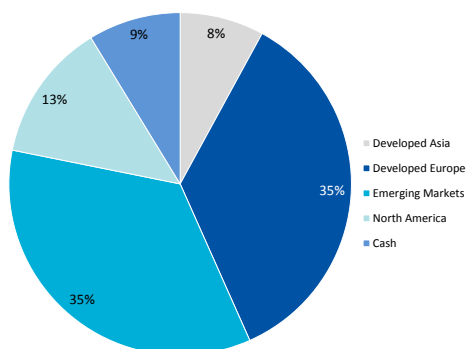
4D Infrastructure (4D) is a boutique asset manager investing in listed infrastructure companies across all four corners of the globe. Our investment objective is to identify quality infrastructure companies, trading at or below fair value with sustainable, growing earnings combined with sustainable,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

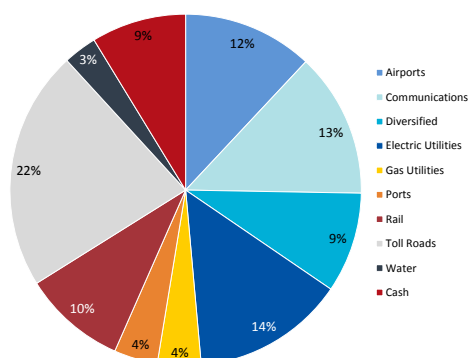
	1 month	3 month	6 month	1 year	Inception (pa)*
4D Global Infrastructure Fund	3.50%	13.97%	11.03%	10.13%	14.56%
Benchmark: OECD G7 Inflation Index + 5.5%	0.69%	1.61%	3.41%	7.57%	7.01%
Over/Under Performance	2.81%	12.36%	7.62%	2.55%	7.55%

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	40
Application/Redemption Price (AUD)	1.166 / 1.159
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	4.87
Jasa Marga	4.04
DP World	4.01
Cheniere Energy	4.01
Transurban Group	3.93
Cellnex Telecom	3.91
Ferrovial	3.88
Iberdrola	3.79
Shenzhen International	3.42
OHL Mexico	3.03
Top 10 Total	38.90



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Portfolio performance review

April 2017 was another strong month for the 4D Global Infrastructure Fund recording a net gain of 3.50% for the month, out-performing our benchmark of 0.69% by 2.81%. This was broadly in-line with the FTSE 50/50 Infrastructure Index which was up 3.62% (A\$) for the month.

Our overweight to European user pay assets and Emerging Markets was a major contributor to April performance.

The Chinese diversified infrastructure player, Shenzhen International, was our strongest performer for April - up 13% for the month as it is directly linked to the Chinese domestic demand story which remains buoyant.

As mentioned, European user pay assets continued their strong move-up with our top portfolio position, rail operator Groupe Eurotunnel, up 11.1% for the month as French geo-political concerns dissipated. Spanish airport operator Aena (up 11.3%), and Vienna airport (up 12.9%) were also strong contributors to the month's out-performance.

The weakest performer in April was March's winner, OHL Mexico, down 12.4% as it gave up some of its gains when take-out talks stalled again.

We remain committed to our overweight user pay assets, Europe and emerging markets at the expense of the US and utilities as we enter a period of synchronized global growth.

Market review

Global equity markets had a nice time of it in April. The US DJ Industrials finished up 1.3%, the US S&P 500 was up 0.9%, the broader MSCI World finished +1.5%, while the MSCI emerging markets index finished +2% in the black. The US bond market rallied a touch with 10-year US treasuries finishing down 11bp at a yield of 2.28%.

April was a month of escalating geo-political tensions with the US missile strikes in Syria and increased sabre rattling by the North Koreans causing some jitters in the market. However, by month-end some of the heat had come out of the situation with Presidents Trump and Putin reportedly back on speaking terms, while China appeared to be trying to calm tensions on the Korean Peninsula.

Equity markets were also comforted by Emmanuel Macron's victory in the first round of presidential voting in France. His subsequent triumph against Marine Le Pen in the run-off poll in early May further appeased market gods looking an EU sympathetic French leader. The next major election in France is the parliamentary vote in early June. It is particularly important this time as Mr Macron is not from either of France's two major political parties who are currently tipped to win in June. If Mr Macron cannot form a working relationship with the winner, he risks becoming just a 'ceremonial' president unable to enact any of his policies.

UK Prime Minister Theresa May announced a surprise election for June 8. The main purpose would seem to be to gain a clear electoral mandate on the key terms she will adopt in the Brexit negotiations. Polls and analysts suggest that the Conservatives are likely to increase their majority which would empower her apparently 'hard Brexit' position.

US economic data tended to disappoint relative to consensus. Growth in nonfarm payrolls slowed to less than 100k in March whilst Q1 GDP growth annualised at 0.7%. Having hiked the Fed Funds target band by 25bps at its March meeting, the FOMC made no changes to policy in April, with focus shifting towards how quickly the bloated Fed balance sheet can be shrunk.

Data for the euro area remained firm, including elevated readings for PMIs, further increases in business confidence and an increase in inflation. The ECB made no changes to its policy settings at its April meeting

Chinese output growth for Q1 and the month of March were both ahead of consensus while Japan data erred to the weaker end of expectations. Industrial production fell more than 2% in March, whilst the Tankan survey showed a smaller improvement in sentiment within the manufacturing sector than expected.

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

* Source: UN population division, RBC Capital Markets

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