

4D Global Infrastructure Fund

ARSN: 610 092 503

Monthly performance update

As at 31 March 2018

Overview

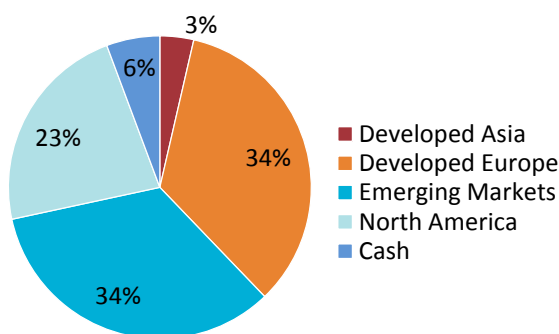
4D Infrastructure (4D) is a boutique asset manager investing in listed infrastructure companies across all four corners of the globe. Our investment objective is to identify quality infrastructure companies, trading at or below fair value with sustainable, growing earnings combined with sustainable,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

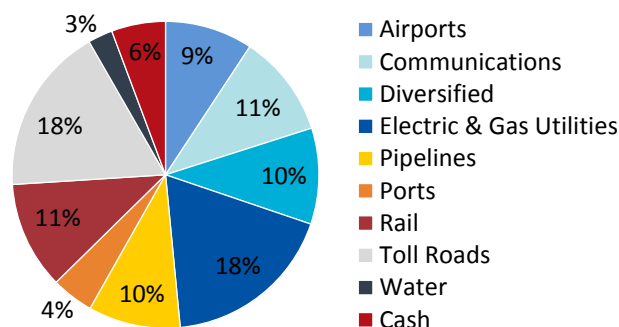
	1 month	3 month	6 month	1 year	Inception (pa)*
4D Global Infrastructure Fund	0.86%	-2.45%	1.57%	10.97%	11.55%
Benchmark: OECD G7 Inflation Index + 5.5%	0.56%	1.54%	3.51%	7.46%	7.16%
Over/under performance	0.30%	-3.99%	-1.94%	3.51%	4.39%

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	5.34
Cellnex	4.76
DP World	4.46
Cheniere Energy	4.36
Shenzhen International	4.06
Atlantia	3.89
Ferrovial	3.71
Transurban	3.61
Kinder Morgan	3.56
Jasa Marga	3.52
Top 10 Total	41.26

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	39
Application/Redemption Price (AUD)*	1.2389/1.2314
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

*All unit prices carry a distribution entitlement.



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Portfolio performance review

The 4D Global Infrastructure Fund was up a net 0.86% (AUD) in March, out-performing the benchmark return of 0.56% by 0.30% but under-performing the FTSE 50/50 Infrastructure Index, which was up 2.48% for the month.

The strongest portfolio performer for March was EDP Renovaveis, a Portuguese based global renewable operator, which was up 11.3% on increased project wins as well as ongoing speculation that its parent, EDP, will try and buy out the minorities again (after a failed attempt in 2017).

The weakest performer in March was Brazilian toll road operator Ecorodovias, down 13% as local newswires continue to speculate that toll concession operators could be caught up in the Carwash scandal. As yet it is all noise without any direct allegations, and we believe Ecorodovias' Italian parent (which acquired its stake post Carwash) offers corporate governance support given the due diligence they undertook before taking a position. We believe this stock has been over-sold and we remain holders.

Given the ongoing global growth environment, we remain overweight user pay assets which have a direct correlation to macro strength. While we are underweight utilities ('bond proxies'), increasing geo-political concerns sees us maintain core exposure to quality defensive utility assets.

Market review

Global equities were dominated by Trump and tariffs in March 2018. The US S&P 500 finished down 2.7%, the broader MSCI World index -2.3% and the MSCI Emerging Markets index -2%. The A\$ was down 1%, largely due to a stronger US\$. US bonds were firmer, with 10-year yields down 12bp at 2.74% p.a. by month-end.

Global economic data was solid in March, albeit a little mixed. US activity indicators for February generally remained solid while the unemployment rate held at 4.1%, but retail sales missed expectations. Consumer confidence retraced from a 17-year high of 130 in February to a still strong 127.7 in March. China's Caixin manufacturing PMI rose to 51.6 in February (from 51.5), while February IP beat expectations. European activity indicators also remained strong, while in Japan unemployment was up very slightly (to 2.5%) and Q4 GDP was revised up to 1.6% annual.

As noted above global equity markets reacted poorly to the new US trade protection policies, especially those targeting China. The market quickly concluded that there are no winners in a trade war, with equity markets weaker pretty much across the board. The Chinese response has been quite measured so far, and hopefully some form of negotiated compromise can be reached. Failing that, equities will continue to be buffeted by trade war paranoia.

In a surprising turn on the Korean Peninsula, US President Trump agreed to meet with NK leader Kim Jong Un later in 2018. Should

the meeting occur it would be a very positive step in easing tensions on the peninsula and a positive for global equities.

General elections in Italy early in the month left yet another hung parliament and an uncertain equity market. Coalition talks were due to commence after Easter, but this could take some time to play out. Populist parties won a significant share of the vote, and a workable coalition may prove difficult to reach. Neighbouring Germany was finally able to form a coalition government, with Angela Merkel teaming-up with old partners SPD. However, coalition talks were difficult and governing may prove more challenging than in previous Merkel administrations.

In what may prove to be a very significant medium-term win for Australia, ministers from 11 countries – including Australia, Japan and Canada – signed a landmark Asia-Pacific trade agreement in what one minister called a 'powerful signal against protectionism and trade wars'. The Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) will reduce tariffs in countries that together amount to more than 13% of the global economy – a total \$US10 trillion in GDP. In one of US President Trump's first acts, he conspicuously withdrew the US from the TPP.

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 (IDPS)
Macquarie Wrap (IDPS, Super, Accumulator)	Powerwrap (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

Net performance is net of all fees (including management and performance), and 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.