

4D Global Infrastructure Fund

ARSN: 610 092 503

Monthly performance update

As at 30 April 2018

Overview

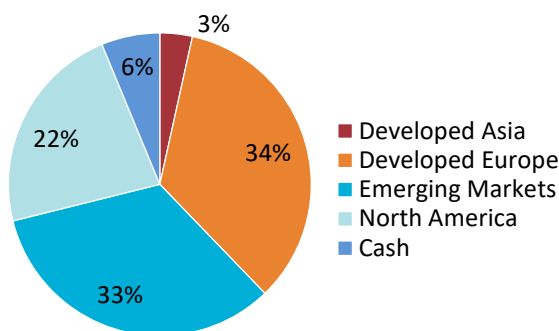
4D Infrastructure (4D) is a boutique asset manager investing in listed infrastructure companies across all four corners of the globe. Our investment objective is to identify quality infrastructure companies, trading at or below fair value with sustainable, growing earnings combined with sustainable,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

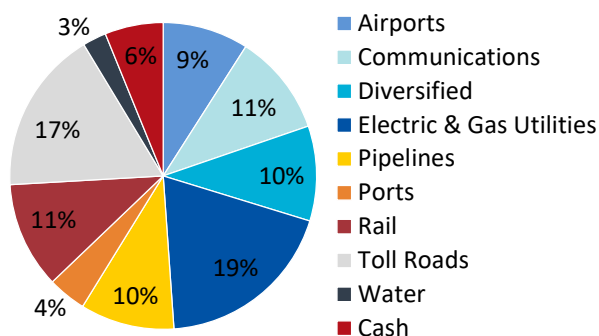
	1 month	3 month	6 month	1 year	Inception (pa)*
4D Global Infrastructure Fund	3.03%	1.36%	1.10%	10.46%	12.63%
Benchmark: OECD G7 Inflation Index + 5.5%	0.70%	1.82%	3.82%	7.47%	7.23%
Over/under performance	2.32%	-0.46%	-2.72%	2.99%	5.41%

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	4.97
Getlink	4.86
Cheniere Energy	4.37
DP World	4.06
Kinder Morgan	3.86
Atlantia	3.85
Jasa Marga	3.77
Shenzhen International	3.75
Ferrovial	3.74
Norfolk Southern	3.64
Top 10 Total	40.88

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)*	1.2764/1.2687
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 3.03% (AUD) in April, out-performing the benchmark return of 0.70% by 2.32%, but under-performing the FTSE 50/50 Infrastructure Index, which was up 3.63%. The AUD was -1.9% in April, aiding fund performance.

The strongest portfolio performer for April was Brazilian toll road operator Ecorodovias, up 13.7%. This represented a recovery from an over-sold position in March (it was the weakest March performer), as Ecorodovias was vaguely caught up in the ongoing Carwash scandal which moved its focus to concession operators earlier this year. As mentioned in our March commentary, we thought the stock sell-off was unwarranted and due a rebound.

The weakest performer in April was American tower operator Crown Castle, down 8% for the month. All the tower operators were off as a result of the much-awaited announcement of a Sprint/T-Mobile merger. Within the US tower space, Crown was the hardest hit as they are 100% domestic and have the highest site overlap between Sprint and T-Mobile, and there is some concern that this merger will impact small cell demand. Having run the numbers, we remain comfortable with our towers exposure.

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'), ongoing geo-political concerns as well as a number of near-term elections sees us maintain core exposure to quality defensive utility assets.

Market review

Global equities were generally strong in April, led by energy and telcos. Threats of global tariff wars unsettled markets early, but by month-end calming words and more level heads seemed to prevail.

The US S&P 500 finished up 0.3% and the broader MSCI World index was +1.2%, while the MSCI Emerging Markets index was in the red to the tune of -1.3%. The A\$ was down 1.9%, largely due to the US\$ and US interest rates heading north – the 10-year US bond yield briefly broke 3% during the month before closing at 2.95%, up from 2.74% in March.

Globally the huge news in April was the very welcome, but unexpected, easing of tensions on the Korean peninsula. Leaders of North and South Korea met in a very symbolic, poignant way on the 38th parallel in the DMZ. A meeting between President Trump and Kim Jong Un is looking more likely. By putting aside 70 years of tension, North Korea has a huge opportunity to significantly improve the lot of its people based on the following UN stats - *Population*: NK 25.5m/SK 51m; *GDP*: NK US\$16.3 billion/SK US\$1.4 trillion; *GDP/capita*: NK US\$648/SK US\$27,397; and *Gross enrolment ratio for tertiary education*: NK 27.9%/SK 93.4%. Hopefully it's only up from here for the long-suffering North Koreans. From an equity market perspective, the potential removal

of a seemingly intractable, 70-year-old global problem is a resounding positive.

The US economy remained solid in April. Q1 GDP growth was +2.3% yoy (previous: 2.9%). However, activity indicators for March were more mixed, while unemployment held at 4.1%. Retail sales were strong, rising a respectable 0.6% mom. March housing starts bounced less than expected, while Conference Board consumer confidence unexpectedly rose in April to a strong 128.7.

In China modestly weaker than expected Q1 GDP rose an in-line 6.8% yoy. Earlier in the month China's Caixin manufacturing PMI retraced to 51 in March (previous: 51.6), while March CPI also missed expectations, rising 2.1% yoy.

European data suggests momentum may be peaking, although activity indicators remain at strong levels. Japanese data remains okay: the unemployment rate held at 2.5% in March; IP rose a more than expected 1.2%; and core inflation held 0.9% yoy.

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, 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.