

# 4D Global Infrastructure Fund

ARSN: 610 092 503

## Monthly performance update

As at 30 June 2018

### Overview

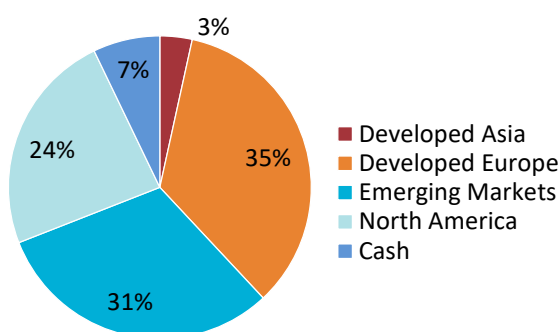
4D Infrastructure (4D) is a boutique asset manager investing in listed infrastructure companies across all four corners of the globe. Our investment objective is to identify quality infrastructure companies, trading at or below fair value with sustainable, growing earnings combined with sustainable,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

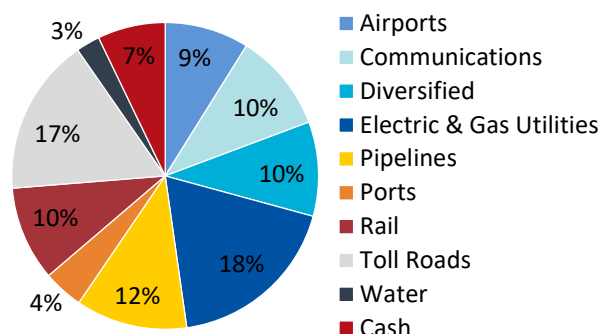
	1 month	3 month	6 month	1 year	Inception (pa)*
4D Global Infrastructure Fund	2.73%	2.78%	0.27%	6.66%	11.56%
Benchmark: OECD G7 Inflation Index + 5.5%	0.62%	2.14%	3.71%	7.56%	7.34%
<b>Over/under performance</b>	<b>2.11%</b>	<b>0.65%</b>	<b>-3.44%</b>	<b>-0.90%</b>	<b>4.22%</b>

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 Telecom	4.88
Getlink	4.82
DP World	4.23
Shenzhen International	4.10
Cheniere Energy	3.95
Kinder Morgan	3.87
Jasa Marga	3.86
Atlantia Spa	3.73
Ferrovial Sa	3.69
Norfolk Southern Corp	3.62
<b>Top 10 Total</b>	<b>40.75</b>

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) <sup>1</sup>	1.2395/1.2321
Distribution Frequency	Quarterly
Management Fee <sup>2</sup>	0.95% p.a. (including GST)
Performance Fee <sup>3</sup>	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 up a net 2.73% (AUD) in June, out-performing the benchmark return of 0.62% by 2.11%, but underperforming the FTSE 50/50 Infrastructure Index which was up 4.1% (AUD). The AUD was -2.1% in June, aiding fund performance.

June was again a difficult month for our emerging market exposure, hit by currency concerns on the back of rising US rates as well as geo-political issues around trade wars and elections (Mexico's was held on 1 July). However, the fundamentals for these names remain solid and we have conviction.

The strongest portfolio performer for June was China Resources Gas up 19.3% in the month as the gas conversion theme continues to develop in China, supporting the long-term volume story.

The weakest performer in June was Chinese toll road operator Anhui Expressway down 13.7%. Anhui is a provincial transport corridor linking the West to the Coast. We expect the downside was driven by concerns around the trade wars with the USA, which could see an impact on truck traffic along the export/import corridor.

Given the global macro environment, we remain overweight user pay assets which have a direct correlation to macro strength. However, ongoing geo-political concerns plus near-term elections sees us maintain core exposure to quality defensive utility assets.

#### Market review

Developed Market equities were mixed in June, while Emerging Markets (EMs) came under renewed pressure. The US S&P 500 finished up 0.48% and the broader MSCI World index was flat, while the MSCI EM index was in the red to the tune of -4.6%.

It seems US President Trump's confrontational trade agenda is now having a wider global impact, contributing to weakness in both the Chinese equity market (-8%) and currency with the Yuan down 3% against the US\$ – the worst single-month decline since China established its FX market in 1994. Other EM currencies were also weak, with the worst being the Argentinian Peso at -13.6%. However, it is worth noting that a trade war is not in China's interest as it has more to lose. In 2017 the US imported goods worth ~US\$505bn from China, while China only imported ~US\$130bn from the US. The US economy is also ~1.6x China's.

June was also a month of summits, with the G7 being held in Canada while Mr Trump met with NK's Kim Jong Un in Singapore. From the outside neither seemed to accomplish much, but there was more confrontation with traditional allies at the G7 than there was with a long-time foe in Singapore. Such is Mr Trump's style!

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](http://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.

In central bank land the US Fed, as expected, hiked rates by 0.25% while the ECB left rates on hold and confirmed a year-end end date for its long-running QE program, although it also signalled ongoing accommodative policy settings. With the US Federal Funds rate now 2%, and 10-year US T-Bond yields 2.83%, there has been a distinct flattening of the US yield curve. The shape of the US yield curve is closely watched by the market as inversely sloped curves have been a traditional marker for economic downturn. A risk is the US Fed hiking rates too quickly, contributing to further yield curve flattening.

US economic activity indicators for May were generally positive, with the ISM indicators unexpectedly bouncing. Non-farm payrolls rose 223k against 190k expected, while the unemployment rate dropped to 3.8%. China's manufacturing PMI held at 51.1, while activity indicators in Europe remained strong.

#### 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](http://4dinfra.com)), or the following platforms.

##### Platforms

Hub24 (IDPS, Super)	Netwealth (Super Service, Wrap Service, IDPS)
Macquarie Wrap (IDPS, Super)	Powerwrap (IDPS)

#### Contact details

Call us on: 1800 895 388 (AU) or 0800 442 304 (NZ)  
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