

4D Global Infrastructure Fund

ARSN: 610 092 503

Monthly performance update

As at 31 July 2018

Overview

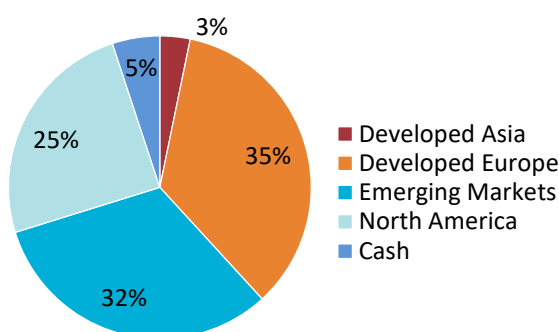
4D Infrastructure (4D) is a boutique asset manager investing in listed infrastructure companies across all four corners of the globe. Our investment objective is to identify quality infrastructure companies, trading at or below fair value with sustainable, growing earnings combined with sustainable,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

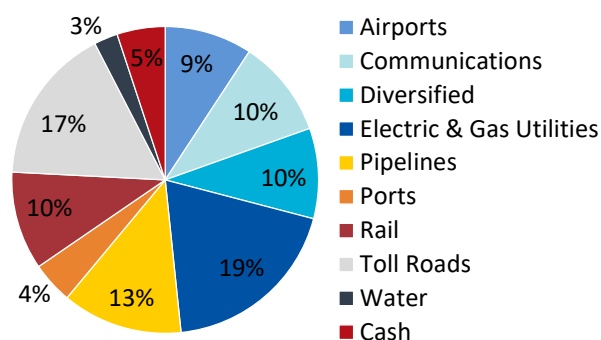
	1 month	3 month	6 month	1 year	Inception (pa)*
4D Global Infrastructure Fund	1.38%	1.14%	2.51%	9.04%	11.76%
Benchmark: OECD G7 Inflation Index + 5.5%	0.71%	2.14%	4.00%	7.54%	7.39%
Over/under performance	0.67%	-1.00%	-1.49%	1.50%	4.37%

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	4.92
Cellnex Telecom	4.91
DP World	4.39
Jasa Marga	4.11
Cheniere Energy	4.06
Kinder Morgan	3.91
Norfolk Southern Corp	3.86
Shenzhen International	3.82
Iberdrola	3.81
Atlantia	3.57
Top 10 Total	41.37

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	1.2753/1.2677
Distribution Frequency	Quarterly
Management Fee ²	0.95% p.a. (including GST)
Performance Fee ³	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 1.38% (AUD) in July, out-performing the benchmark return of 0.71% by 0.67%, but slightly underperforming the FTSE 50/50 Infrastructure Index which was up 1.65% (AUD).

July saw some rebound for our emerging market exposure after a very difficult few months. In particular, Brazil rebounded post the end of the truckers' strike and some increased insight into the October election campaigns. Solid H1 results also highlighted the strong fundamentals in other EM names.

The strongest portfolio performer for July was Indonesian toll road operator Jasa Marga, up 12.2% for the month. This was largely a recovery of recent over-selling, supported by a strong first half result which highlighted the stock's fundamental growth outlook.

The weakest performer in July was Chinese infrastructure conglomerate Shenzhen International, down 11%. Shenzhen has had a strong run, so expect some profit taking in light of the increasing US/China trade tensions with Shenzhen International exposed to trade via its toll roads and logistics operations.

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

Equity markets were volatile throughout July, but both the Developed Markets and the Emerging Markets (EMs) ended the month up. The broader MSCI World index was up 2.55% (in AUD), while the MSCI EM index was up 1.69% (in AUD).

The economic activity was on balance positive throughout July. This was particularly true for the US, where all the banks passed the latest stress test, retail sales were up again, industrial production and manufacturing production numbers continued to beat, jobless claims remained low (some the lowest since 1969), reporting season started well (of those reporting in July, 80% reported a positive earnings surprise), and the month ended with US Q2 GDP growth a very strong 4.1%.

Elsewhere, things were a little more mixed: activity indicators in Europe remained solid, although there are some signs of slowing. In China there were concerns that confidence was waning on the back of the threats of a trade war, but the central government was quick to step in with fiscal measures to support the economy. In Australia the RBA kept rates on hold as the housing market continued to weaken and in Brazil, the recovery stalled as a result of the June truckers' strike which caused national disruption.

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, 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.

The generally solid economic momentum must be tempered against increasing volatility on the political front. In the US, President Trump's agenda continues to cause market mayhem – his confrontational trade agenda has moved global (China, the UK, Europe and Nafta all felt his wrath in July), and his Helsinki meeting with Russian President Putin caused a raft of Twitter action which ended in further uncertainty.

Elsewhere, left leaning Andrés Manuel López Obrador won a very convincing victory in the Mexican Presidential elections and the markets await his policies; Malaysia's former Prime Minister was arrested in relation to the 1MDB scandal; UK Prime Minister Theresa May continues to push for a soft Brexit with little traction and in fact increasing internal pushback as Foreign Secretary and Brexit advocate Boris Johnson resigned; and Angela Merkel in Germany signed an immigration deal in an effort to keep the coalition on side.

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)	Powerwrap (IDPS)

Contact details

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