

4D Global Infrastructure Fund

ARSN: 610 092 503

Monthly performance update

As at 31 March 2019

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).

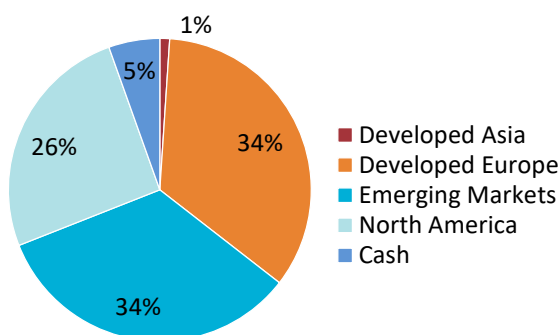
Performance

	1 month	3 month	6 month	1 year	2 years (pa)	3 years (pa)	Inception (pa)*
4D Global Infrastructure Fund	2.07%	12.80%	12.11%	16.19%	13.55%	12.36%	13.04%
Benchmark: OECD G7 Inflation Index + 5.5%	0.25%	1.09%	2.79%	7.18%	7.32%	7.26%	7.17%
Over/under performance	1.83%	11.71%	9.32%	9.01%	6.23%	5.11%	5.88%

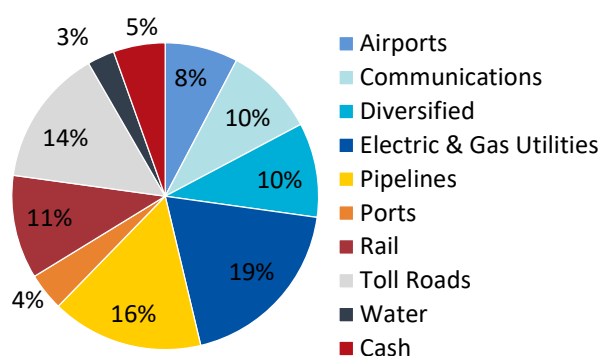
Performance figures are net of fees and expenses unless otherwise stated.

*Inception date is 7 March 2016

Regional Breakdown



Sector Breakdown



Top 10 Positions

IN ORDER OF PORTFOLIO WEIGHT	END WEIGHT %
Cellnex	5.69
Getlink	4.87
Cheniere	4.07
Iberdrola	4.05
Jasa Marga	4.03
DP World	3.98
Kinder Morgan	3.92
Shenzhen International	3.77
Ferrovial	3.76
Aena	2.95
Top 10 Total	41.10

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	43
Application/Redemption Price (AUD) ¹	1.4125/1.4082
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 2.07% (AUD) in March, outperforming the benchmark return of 0.25% (by 1.83%) but underperforming the FTSE 50/50 Infrastructure Index, which was up 2.79% (AUD) in March. The A\$ was becalmed in March, finishing virtually unchanged at 0.7096.

The strongest portfolio performer for March was European tower operator Cellnex up 22.2% for the month, rallying strongly post a successful capital raise which paves the way for Cellnex's participation in any tower sector M&A across Europe.

The weakest performer in February was Brazilian toll road operator CCR, down 17.5%. We believe the March fall can be attributed to further press reports of penalties to be paid in the state of Parana, as well as some profit-taking after a very strong price appreciation in Jan and Feb for CCR. Its toll road peer Ecorodovias, which is also exposed to the Parana allegations, was also down in March.

Despite a slowing global macro environment, it remains in positive territory and supportive of our overweight to user pay assets which have a direct correlation to macro. We also believe with Fed rate hikes stalled, emerging markets should see a recovery. However, we remain cautious of ongoing geo-political issues and have positioned accordingly.

Market review

Q1 in 2019 saw the best performance by the US equity market since 2009. Just in March the S&P 500 was up 1.9% and the broader MSCI World up 1.4%. EMs were also generally chirpy, up 0.8%. The bond market rallied strongly on global growth fears, with the 10-year US T-bond finishing at a yield of 2.41% p.a, down 0.31%, and leading to an inversion of the US yield curve for the first time in more than a decade.

Q1 was a good demonstration of the old axiom that, when it comes to equity markets, it is *'time in'* the market that is important, not *'timing'* the market. As noted above, the March quarter was the best for the US equity market in a decade. However, this quarter followed December 2018 which saw absolute carnage in equities with the S&P 500 down over 8%, and the MSCI World down over 7%. Anyone who exited the market in late December may now be contemplating that decision.

Global growth fears occupied investors' minds during March. However, more dovish rhetoric from both the US Fed and ECB managed to allay those concerns for now. The Fed looked to remove the prospect for any rate hikes this year, as did the ECB.

In the US, Special Counsel Robert Mueller's report on Russian interference in the 2016 Presidential elections left President Trump

in the clear. Had any other result occurred, the markets may have taken a bit of a tumble.

US/China trade war 'news' was noticeably lower in March – hopefully suggesting progress is being made and a deal is nearing.

In contrast a Brexit solution remained as far out of reach as ever. The UK Parliament rejected Theresa May's Brexit deal for the third time, meaning the UK missed an EU deadline to delay Brexit to 22 May and leave with a deal. PM May now has until 12 April to seek a longer extension of negotiations to avoid a no-deal Brexit. It's a mess, and bad for the UK. Huge numbers of pro and anti Brexiteers have been protesting in London.

US economic indicators were mixed while China showed early signs of a trough. European indicators moderated with some PMI falls.

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)
Mason Stevens	Praemium

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

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.

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