

# 4D Global Infrastructure Fund

ARSN: 610 092 503

## Monthly performance update

As at 30 September 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).

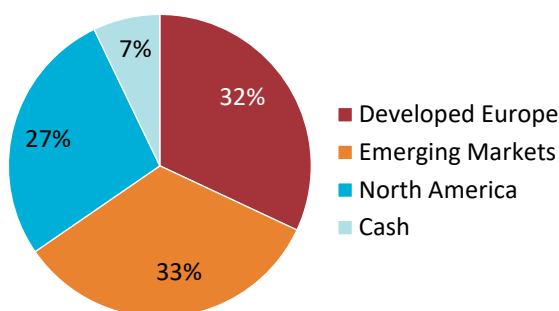
### Performance

	1 month	3 month	6 month	1 year	2 years (pa)	3 years (pa)	Inception (pa)*
4D Global Infrastructure Fund	2.22%	4.40%	12.14%	25.72%	15.04%	14.84%	14.74%
Benchmark: OECD G7 Inflation Index + 5.5%	0.47%	2.07%	4.15%	7.06%	7.49%	7.33%	7.34%
<b>Over/under performance</b>	<b>1.75%</b>	<b>2.33%</b>	<b>7.99%</b>	<b>18.67%</b>	<b>7.55%</b>	<b>7.52%</b>	<b>7.39%</b>

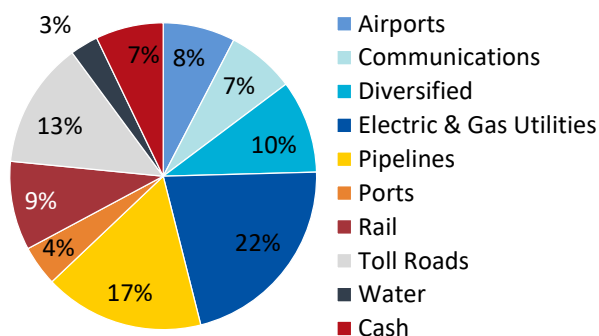
Performance figures are net of fees and expenses unless otherwise stated.

\*Inception date is 7 March 2016

### Regional Breakdown



### Sector Breakdown



### Top 10 Positions

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) <sup>1</sup>	1.5348/1.5256
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

IN ORDER OF PORTFOLIO WEIGHT	END WEIGHT %
Cellnex Telecom	5.14
Getlink	4.67
Iberdrola	4.32
DPWorld	4.26
Cheniere Energy	3.97
Jasa Marga	3.94
Kinder Morgan	3.90
Shenzhen International	3.84
Ferrovial	3.64
AENA	2.82
<b>Top 10 Total</b>	<b>40.51</b>

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### Portfolio performance review

The 4D Global Infrastructure Fund was up a net 2.22% (AUD) in September, out-performing the benchmark return of 0.47% (by 1.75%) and the FTSE 50/50 Infrastructure Index, which was up 1.80% (AUD) in September. The A\$ finished @ 0.6751.

The strongest portfolio performer for September was Brazilian toll road operator Ecorodovias up 13.7%. This followed finalization of the Leniency Agreement in Parana state in August as well as a month end auction win of the BR364/365 toll road which was a key road privatization for 2020 and extends their growth pipeline.

The weakest performer in September was Chinese gas distributor ENN Energy down 9.4% due to a planned stakeholder change in the Group which raised concerns on governance.

Despite a slowing global macro environment, it remains supportive of our overweight to user pay assets. However, ongoing geo-political issues see us limiting exposure to certain regions (eg UK).

### Market review

Global equities were positive in September despite negative geo political developments. The S&P 500 was up 1.87% while the broader MSCI World index was up 2.17%. EMs were also up 1.9%. The US Fed cut rates mid-month giving equity markets a boost.

Geo-politics again dominated the month. The big event was the attacks on the Saudi oil facilities with Houthi rebels in Yemen claiming responsibility. However, the US quickly passed blame to Iran. Events such as this are negative for equity market sentiment and global growth due to the impact on the oil price. At month-end US presidential impeachment talk dominated the airwaves.

Spain is heading towards their 4<sup>th</sup> election in 4 years on November 10 as acting PM Pedro Sanchez failed to get enough votes to form a government. Political uncertainty is always bad news for equities. However, S&P awarded Spain a credit rating upgrade from A- to A on the back of a solid economic outlook.

Australia delivered a current account surplus for the first time in 44 years on the back of strong iron ore prices which have since declined, so the significance of the CA outcome is unclear.

HK suffered through another month of protests continuing to test China's patience, while the UK and Brexit remains a complete mess. The UK's economic numbers are holding-up reasonably well but inevitably the current environment will filter through to the real economy at some stage and is a big negative for equity markets.

In Emerging Markets, Argentina introduced exchange controls as the country lurched to the left following president Macri's defeat in

primary elections in August. A presidential election is looming in Argentina so market uncertainty is likely to escalate as it looks as if the left leaning Alberto Fernandez will triumph.

Vietnam, where GDP rose 7.31% yoy in 3Q, is proving to be a poster child in EMs as to why infrastructure spend is good for an emerging middle class, while an emerging middle class is good for infrastructure spend. Vietnam has a young and growing middle class, a horde of free-trade agreements, and a booming manufacturing industry. But it is starting to see expectations outrun reality. Businesses are complaining about congested ports and roads. Infrastructure is the big challenge, especially at its ports. China claims 6 of the world's top 10 ports by container traffic - including Shanghai at No. 1. However, Vietnam's two biggest ports, Ho Chi Minh Seaport and Cai Mep, rank 25 & 50.

### 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)	Powerwrap (IDPS)
Macquarie Wrap (IDPS, Super)	Praemium
Mason Stevens	Wealth O2
Netwealth (Super Service, Wrap Service, IDPS)	

### Contact details

Call us on: 1800 895 388 (AU) or 0800 442 304 (NZ)  
Email us at: [client.services@bennelongfunds.com](mailto:client.services@bennelongfunds.com)  
Mail us at: Level 26, 20 Bond Street Sydney NSW 2000  
Visit our website at: [4dinfra.com](http://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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