

4D Global Infrastructure Fund

ARSN: 610 092 503 mFund: 4DI01

Monthly performance update

As at 31 October 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).

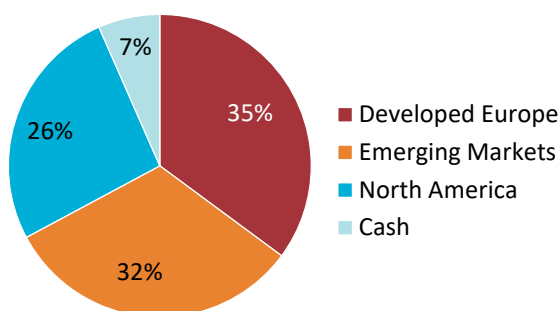
Performance

	1 month	3 month	6 month	1 year	2 years (pa)	3 years (pa)	Inception (pa)*
4D Global Infrastructure Fund	0.06%	3.57%	8.77%	27.03%	13.11%	15.78%	14.39%
Benchmark: OECD G7 Inflation Index + 5.5%	0.60%	1.71%	4.42%	7.14%	7.59%	7.41%	7.34%
Over/under performance	-0.54%	1.86%	4.35%	19.89%	5.51%	8.37%	7.05%

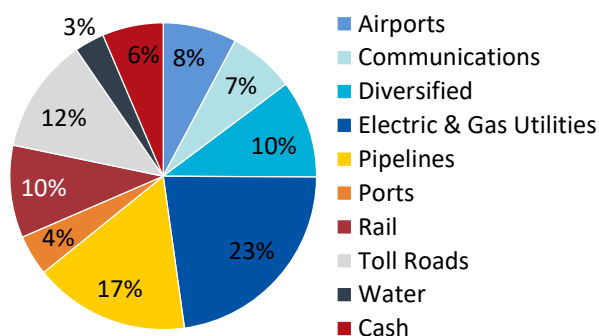
Performance figures are net of fees and expenses unless otherwise stated.

*Inception date is 7 March 2016

Regional Breakdown



Sector Breakdown



Top 10 Positions

IN ORDER OF PORTFOLIO WEIGHT	END WEIGHT %
Getlink	5.14
Cellnex	5.11
Iberdrola	4.50
DPWorld	4.26
Shenzhen International	4.07
Jasa Marga	3.88
Kinder Morgan	3.77
Cheniere Energy	3.71
Ferrovial	3.69
AENA	2.90
Top 10 Total	41.02

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	45
Application/Redemption Price (AUD) ¹	1.5330/1.5239
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 0.06% (AUD) in October, under-performing the benchmark return of 0.60% (by 0.54%) but out-performing the FTSE 50/50 Infrastructure Index, which was down 1.30% (AUD) in October. The A\$ finished at 0.6893, up a strong 2.1%.

The strongest portfolio performer for October was China Resources Gas, up 22.1% on sector momentum but no real stock specific news.

The weakest performer in October was Chilean water operator Aguas Andinas, down 14.7% post Chilean geo-political turmoil.

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

Market review

Despite a restless global macro backdrop, equities were strong in October. The US S&P 500 was up 2.17%, touching an all-time high towards month-end (and now up over 11% for 2019), the broader MSCI World Index was up 2.57% and EMs were also up 4.23%.

The global economy is in a synchronized slowdown and the IMF downgraded forecast growth for 2019 to 3%, its slowest pace since the GFC. In China, GDP growth for 3Q19 was slightly disappointing, down from 6.2% YoY in 2Q19 to 6% YoY in 3Q19, and a 6.1% consensus forecast. Even in a traditionally strong growth country like Singapore, retrenchments are rising, companies are more cautious about raising wages, and it's getting harder for those who lose their jobs to find new work. Reflecting the global slowdown, the US Fed cut rates for the third time this year to 1.5%.

The big geo-political development for the month was the potential Brexit exit for the UK. PM Johnson secured an exit deal with the EU, got it through Parliament and successfully called a national election for 12 December to effectively seek a mandate to exit the EU on the terms agreed. This is the big difference with the earlier referendum. At the upcoming election, UK voters will know exactly what a 'Brexit' looks like rather than at the referendum where the detailed shape of a Brexit was simply unknown. Therefore, 'informed' decisions can hopefully be made come December 12.

However, the world remains unsettled. HK suffered through another month of protests with increasing violence a worrying development. The protests may have moved HK into recession. In Spain, Catalan separatists took to the streets of Barcelona after many of their leaders were jailed by the Supreme Court over an attempt to break away from Spain back in 2017. In Chile, anti-government protests raged & impeachment talk flowed in the US.

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.

In Emerging Markets, Indian PM Modi is on his bike promoting his country internationally. With the nation grappling with its worst economic slowdown in 6 years, Mr Modi has already visited nearly a dozen nations since his landslide re-election win in May, seeking investments from the Middle East, sharing a stage with Donald Trump in Texas and hosting Chinese President Xi Jinping at a seaside resort. Now that is a sales pitch!

Argentina decisively elected left-wing leader Alberto Fernandez its new president in the hope of a reprieve from the country's economic crisis. However, just hours later, the central bank imposed significantly stricter controls on the purchase of US dollars underlining the scale of the economic challenge facing the new socialist/populist government.

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), mFund (code: 4DI01) 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)	Wealthtrac

Contact details

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