

4D Global Infrastructure Fund

ARSN: 610 092 503

Monthly performance update

As at 31 August 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).

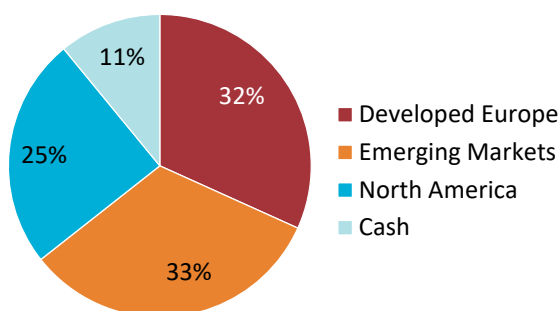
Performance

	1 month	3 month	6 month	1 year	2 years (pa)	3 years (pa)	Inception (pa)*
4D Global Infrastructure Fund	1.26%	5.33%	11.98%	23.24%	14.01%	13.00%	14.39%
Benchmark: OECD G7 Inflation Index + 5.5%	0.63%	2.51%	3.91%	7.14%	7.50%	7.39%	7.38%
Over/under performance	0.63%	2.82%	8.06%	16.10%	6.51%	5.61%	7.01%

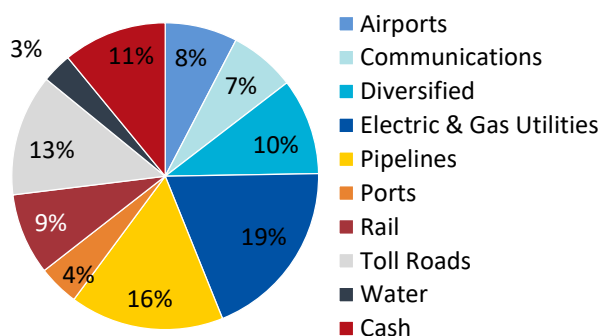
Performance figures are net of fees and expenses unless otherwise stated.

*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	42
Application/Redemption Price (AUD) ¹	1.5015/1.4925
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

IN ORDER OF PORTFOLIO WEIGHT	END WEIGHT %
Cellnex Telecom	4.84
Iberdrola	4.47
Getlink	4.40
DPWorld	4.31
Shenzhen International	3.91
Cheniere Energy	3.87
Kinder Morgan	3.87
Jasa Marga	3.79
Ferrovial	3.78
AENA	2.98
Top 10 Total	40.21

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Portfolio performance review

The 4D Global Infrastructure Fund was up a net 1.26% (AUD) in August, out-performing the benchmark return of 0.63% (by 63bp) but underperforming the FTSE 50/50 Infrastructure Index, which was up 3.27% (AUD) in August. The A\$ finished up at 0.6724.

The strongest portfolio performer for August was US water operator American Water Works, up 11.4% for the month. AWK is a strong regulated utility benefiting from a pipeline of replacement spend and a market flight to safety.

The weakest performer in August was global port operator DP World down 9.1% on the back of global concerns of slowing growth, middle east conflict and increased US/China trade tensions. DPW's global footprint offers strong diversified exposure and we believe it has been completely oversold and is now offering some of the most attractive value within the universe.

Despite a slowing global macro environment, it remains supportive of our overweight to user pay assets. However, ongoing geo-political issues see us avoiding certain markets until issues are resolved (e.g. Brexit).

Market review

Global equities stumbled on worrying geo political developments in August. The S&P 500 was down 1.6% while the broader MSCI World index was down 2.2%. EMs were down 2.5%. US bonds rallied with the 10-year US Treasury bond yields finishing down 0.5% at 1.5% following a 'flight to safety'.

As noted, geo-political issues again dominated with President Trump acting to both escalate and de-escalate trade war fears in the same month. In response, early in August China looked to devalue the Yuan sending markets into a spin.

HK suffered through another month of protests with their nature varying between violent and non-violent. In a show of military might China began amassing troops on the HK border – a clear signal from China's leaders that the status quo with protests is unacceptable. A full-scale military intervention is unlikely but becoming increasingly probable the longer the protests persist.

The UK remains in a tough place. On the right you have PM Johnson suspending parliament and heading towards a 'hard' Brexit, while on the left you have Jeremy Corbyn who, according to the FT, would confiscate ~Pnds 300bn in shares and hand them to workers in one of the biggest state raids on the private sector to take place in a western democracy.

In Emerging Markets, Argentina's right leaning president Mauricio Macri was trounced in primary elections by left leaning Alberto

Fernandez and running mate Cristina Kirchner. With a Presidential election due in October, Argentina's lurch to the left was seen as a major negative by markets. Macri's austerity measures are very unpopular in Argentina. The trouble is these policies were key in securing a US\$56b IMF bailout back in 2018. Mr Fernandez actually blames the IMF for Argentina's current troubles.

Also in EM's, the recently printed huge EU-Mercosur free trade deal came under threat as France and Ireland threatened to vote against it due to Brazil's apparent lack of action on the wildfires in the Amazon. However, at the G7 at the end of the month that view met resistance from fellow EU member states including Germany and the UK. Brazilian president Bolsonaro has now committed to mobilise the Brazilian military to help fight the fires.

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)	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
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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