

4D Global Infrastructure Fund

ARSN: 610 092 503 mFund: 4DI01

Monthly performance update

As at 31 January 2020

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).

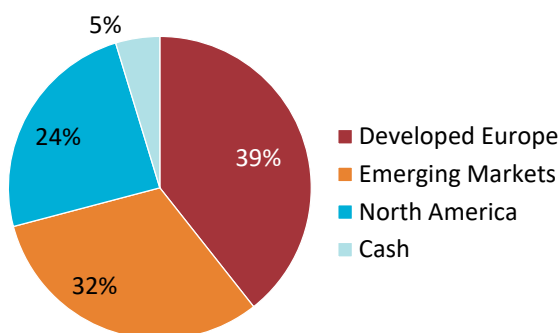
Performance

	1 month	3 month	6 month	1 year	2 years (pa)	3 years (pa)	Inception (pa)*
4D Global Infrastructure Fund	5.11%	7.44%	11.27%	26.47%	17.39%	19.62%	15.50%
Benchmark: OECD G7 Inflation Index + 5.5%	0.63%	1.60%	3.33%	6.94%	7.40%	7.35%	7.29%
Over/under performance	4.48%	5.85%	7.94%	19.54%	9.99%	12.27%	8.22%

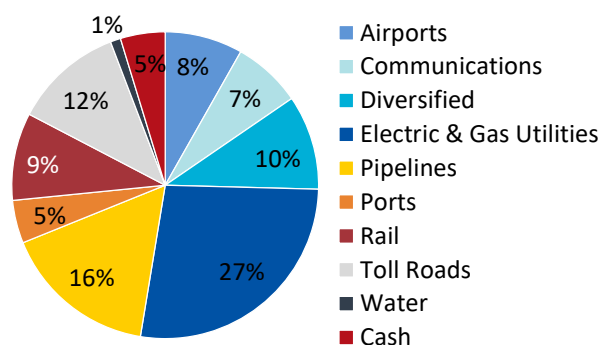
Performance figures are net of fees and expenses unless otherwise stated.

*Inception date is 7 March 2016

Regional Breakdown



Sector Breakdown



Top 10 Positions

IN ORDER OF PORTFOLIO WEIGHT	END WEIGHT %
Cellnex	5.56
Getlink	5.12
Iberdrola	4.56
DP World	4.53
Cheniere Energy	3.89
Kinder Morgan	3.83
Shenzhen International	3.80
Ferrovial	3.63
Jasa Marga	3.63
National Grid	3.54
Top 10 Total	42.09

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	1.6471/1.6373
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 5.11% (AUD) in January, outperforming the benchmark's return of 0.63% (by 4.48%) but underperforming the FTSE 50/50 Infrastructure Index, which was up 7.31% (AUD) in January. The A\$ finished at 66.9c, down 4.3% for the month supporting the performance.

The strongest portfolio performer for the month of January was European tower operator Cellnex up 17.1% as the market recognizes managements strong execution of its growth strategy.

The weakest performer in January was US midstream operator Williams down 12.8% as the market becomes increasingly concerned about the financial viability of some of its counter parties in the Marcellus/Utica region in a low commodity price environment. We think the sell-off has been overdone.

As we progress through 2020, with a macro back drop of slower growth, lower interest rates but no imminent recession our portfolio remains overweight user pay assets and overweight emerging markets. Our biggest concern remains ongoing geo-political issues compounded by 2020 being a US election year with Trump looking to cement his re-election.

Month in review

2020 was a mixed start to the year for equity markets. The US S&P 500 was up 0.3%, the broader MSCI World Index was down 0.4% while EMs were down 5%.

Despite it being the traditional holiday period, several significant macro events presented in January. Firstly, after a 3 year skirmish the US and China signed Phase 1 of a trade deal. Equity markets liked this and rallied accordingly. While obviously only the first step in a trade war resolution it is one that we had long expected and should see a return in market confidence and be an ongoing positive for equities.

The UK and EU parliaments approved the UK's EU exit to be effective on 31 January. What a long and twisted saga this has been, but its resolution allows Britain to move forward independently forging its own identity, removing uncertainty and restoring confidence and conviction in equity markets.

Demonstrating that there is ongoing life in the all-important US consumer shopping records have been smashed. Marking the biggest single day in US retail history, 'Super Saturday' on 21 December saw sales reach US\$34.4b, topping Black Friday's \$31.2b by 10%. Online spending accounted for ~58% of sales growth from a year earlier. US recession talk has receded.

The Eurozone Composite PMI was unchanged at 50.9 in January indicating ongoing modest growth at the start of 2020.

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 Coronavirus outbreak sent fears through equity markets towards month-end. Its potential impact on global growth is the main concern from a financial perspective. When the SARS outbreak occurred in 2003 China's economy represented ~4% of the global economy compared to ~16% today. This will remain a key focus of equity markets until resolution is achieved.

Middle East tensions also escalated with the assassination of an Iranian General followed by an Iranian missile response and the tragic shooting down of a domestic passenger airliner. The Middle East remains a troubled jurisdiction.

In Emerging Markets, the RIO Times reports that the Brazilian Government plans to auction 44 infrastructure assets in 2020 including: concessions for 22 airports, 7 highways, 9 port terminals, 2 railroads, and the renewal of 4 rail freight transportation contracts. This asset recycling strategy, to some extent pioneered in Australia, will, we believe, become more common globally as government's struggle to fund much needed new infrastructure. Directly or indirectly many of these assets will find their way to the public equity markets fueling the ongoing rapid expansion of the asset class.

We remain positive about the market outlook for 2020. With some of the big macro issues having progressed we should see a lift in market confidence and global economic activity – all good for equities. While 2019 saw an economic slowdown there are tentative signs this decline may be bottoming so hopefully an acceleration of economic growth will emerge.

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	
BT (Wrap, Super)	Powerwrap (IDPS)
Hub24 (IDPS, Super)	Spitfire (Wealthtrac)
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