

# 4D Global Infrastructure Fund

ARSN: 610 092 503

## Monthly performance update

As at 31 July 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).

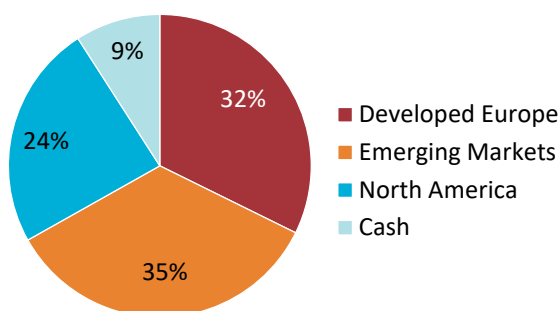
### Performance

	1 month	3 month	6 month	1 year	2 years (pa)	3 years (pa)	Inception (pa)*
4D Global Infrastructure Fund	0.87%	5.02%	13.66%	20.81%	14.78%	12.36%	14.35%
Benchmark: OECD G7 Inflation Index + 5.5%	0.95%	2.67%	3.49%	7.33%	7.44%	7.45%	7.37%
<b>Over/under performance</b>	<b>-0.09%</b>	<b>2.36%</b>	<b>10.17%</b>	<b>13.48%</b>	<b>7.34%</b>	<b>4.91%</b>	<b>6.98%</b>

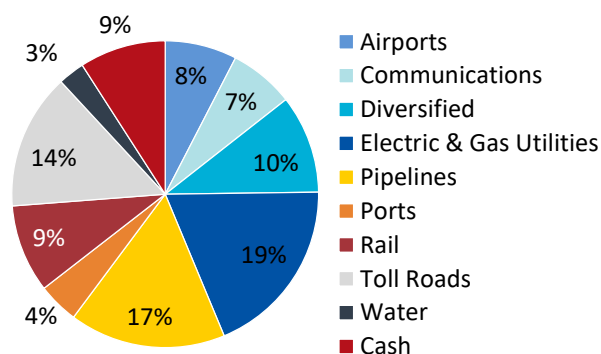
Performance figures are net of fees and expenses unless otherwise stated.

\*Inception date is 7 March 2016

### Regional Breakdown



### Sector Breakdown



### Top 10 Positions

IN ORDER OF PORTFOLIO WEIGHT	END WEIGHT %
Cellnex Telecom	4.77
Getlink	4.53
DP World	4.30
Jasa Marga	4.18
Cheniere Energy	3.99
Iberdrola	3.99
Shenzhen International	3.98
Kinder Morgan	3.90
Ferrovial	3.82
AENA	3.06
<b>Top 10 Total</b>	<b>40.51</b>

### 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	41
Application/Redemption Price (AUD) <sup>1</sup>	1.4829/1.4740
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



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### Portfolio performance review

The 4D Global Infrastructure Fund was up a net 0.87% (AUD) in July, under-performing the benchmark return of 0.95% (by 9bp) and the FTSE 50/50 Infrastructure Index, which was up 1.44% (AUD) in July. The A\$ finished lower at 0.675.

The strongest portfolio performer for July was Brazilian toll road operator Ecorodovias which was up 9.5% in July. This was not driven by stock specific news but rather, the entire Brazilian infrastructure space was up as Bolsonaro executes on reforms.

The weakest performer in July was US midstream operator Williams which was down 12.1% in the month on the back of concerns that key counterparties are cutting production targets which will flow through to Williams volumes and ultimate earnings. Management addressed the concerns in their Q2 call reiterating FY guidance at the lower end of range – the sell off was over done.

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). We are also seeing certain markets move ahead of fundamentals and have taken a more defensive stance in these regions increasing our exposure to defensive yield stories.

### Market review

Global equity markets had a solid July. The S&P 500 was up 1.4% while the broader MSCI World index was up 0.5%. EMs were down 1.15%. US bonds were largely flat with 10-year US Treasury bond yields finishing at 2.01%.

Geo-political issues again dominated. Markets initially breathed a sigh of relief on trade tensions after Mr Trump and President Xi agreed to restart trade negotiations. However, any apparent goodwill was short lived with President Trump shortly afterwards calling out China and Europe as 'currency manipulators'.

In the Straits of Hormuz two British flagged oil tankers were 'seized' by Iran while the US shot down an Iranian drone. These issues are all set against a backdrop of continued US sanctions on Iran. Two British warships were sent to operate in the region, protecting shipping, in addition to the already-permanent presence of the US 5<sup>th</sup> Fleet. Reportedly some oil tankers have even begun turning off their transponders when traversing the strait, which handles around 1/3 of global seaborne petroleum traffic, in order to make them harder to find and potentially intercept.

Hong Kong suffered through another month of protests against the extradition bill originally proposed earlier this year, and despite the suspension of the bill in June. Reports also emerged that Chinese

troops were massing on the border with Hong Kong. Needless to say any form of 'hot' engagement, either in the Middle East or HK, would be a negative for equities

The big news in EM's in July was the successful lower house passage of the pension reform bills in Brazil. The market is closely watching progress on this initiative as it is seen as an important sign-post on the progress of the Bolsonaro administration. While the bill still needs to pass further parliamentary votes its impact could be significant. The reforms are forecast to save the government close to 900 billion reais (US\$240b) over 10 years and would represent an important step in unlocking Brazil's huge potential.

### 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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