February 2021

AMP Capital Global Infrastructure Securities Fund (Unhedged) - mFund Class R

Investment objective

To provide total returns (income and capital growth) after costs and before tax, above the Fund's performance benchmark over the long term.Benchmark Dow Jones Brookfield Global Infrastructure Index AUD

How we manage your money

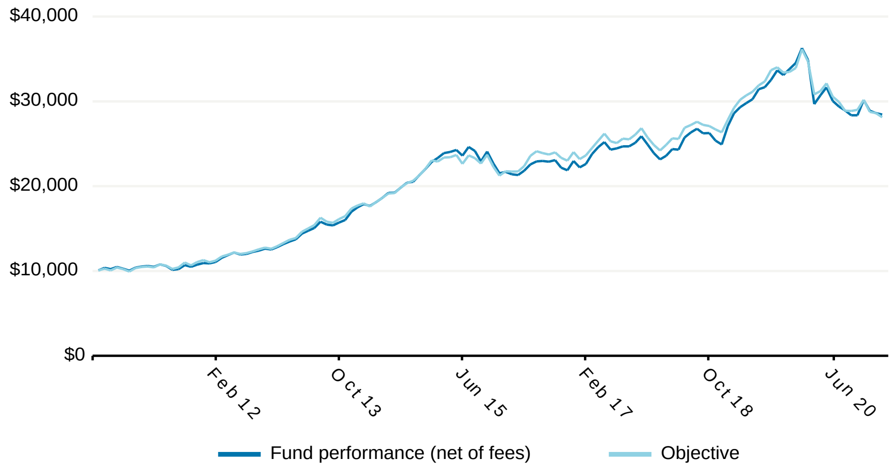
The Fund seeks to invest mainly in listed infrastructure securities where we consider that the underlying infrastructure assets are stable, have strong management teams and appropriate capital structures, and are available at attractive prices. The Fund utilises a bottom-up value-based investment approach, choosing a mix of infrastructure securities - from the more conservative assets with high and stable income levels to the more opportunistic investments that have the potential to produce higher returns. Generally, the Fund's international investments are not hedged back to Australian dollars.

Performance as at 28 February 2021

%	1 MTH	3 MTH	1 YR	3 YRS	5YRS	7YRS	SINCE INCEPT
Total Return - Net of Fees	-0.60	-5.70	-18.50	7.10	5.87	6.86	10.22
Income	0.00	0.94	3.33	3.92	3.22	3.62	3.67
Capital	-0.60	-6.65	-21.82	3.18	2.65	3.25	6.56
Objective	-1.70	-6.83	-18.94	5.15	5.32	6.63	10.09
Excess return	1.11	1.13	0.44	1.95	0.55	0.24	0.14

Past performance is not a reliable indicator of future performance. Performance is annualised for periods greater than one year. Total returns are calculated using the net asset value per unit for the relevant month end. This price may differ from the actual unit price for an investor buying or selling an investment. Actual unit prices will be confirmed following any transaction by an investor. Returns quoted are before tax, after fees and costs and assume all distributions are reinvested.

$10,000 invested since inception



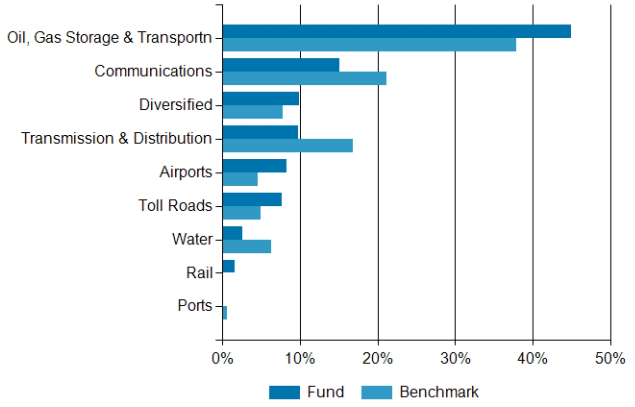
FUND FACTS	
APIR	AMP9027AU
Inception date	15 July 2010
Fund Size	$1,211,948,786
Management costs*	0.80% p.a.
Buy/Sell spread*	+0.25%/-0.25%
Distribution frequency	Quarterly
Minimum investment	$10,000
Minimum suggested time frame	5 years

*Fee information is accurate as at 30 June 2020, figures are updated bi-annually. The Fund PDS outlines the latest management costs and other relevant components, as well as other fees and costs that may apply to your investment. You can review the PDS at **www.ampcapital.com**

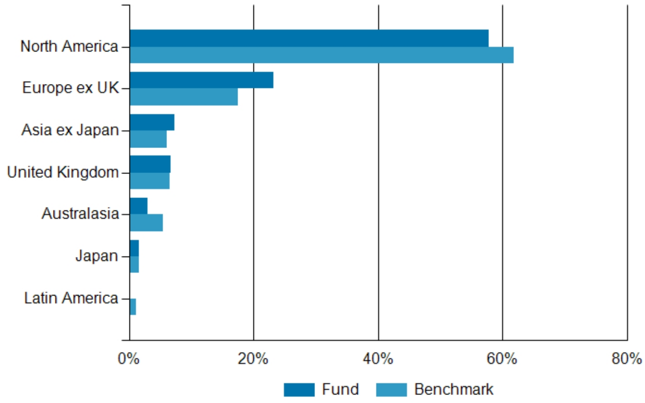
What happened last period

- The Fund outperformed its benchmark over the period
- COVID-19 continued to impact markets
- The North American oil, gas storage & transportation outlook remains positive

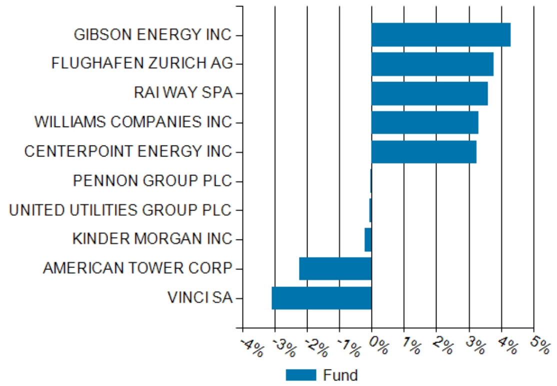
Sector allocation (%)



Regional allocation (%)



Top/Bottom Excess Weights



Fund Performance

The Fund outperformed the index during February on a total return local basis.

At a sector level, the Fund is overweight in oil, gas storage & transportation, airports, diversified and rail; and is underweight in transmission & distribution, communications, water, and ports. Overall positive contributions to relative returns came from airports, transmission & distribution, water, rail, toll roads, and communications; whilst negative relative contributions came from diversified, oil, gas storage & transportation, and ports. From an asset allocation perspective, positive contributions to relative returns came from transmission & distribution, water, rail, airports, oil, gas storage & transportation, communications, diversified, and toll roads; whilst ports detracted. At a stock selection level, positive contributions came from airports, toll roads, water, and transmission & distribution; whilst there were negative contributions from diversified, oil, gas storage & transportation, and communications. There was a neutral effect from rail and ports.

The top three individual contributors to relative performance in the period were from overweight positions in Gibson Energy Inc in oil, gas storage & transportation, Eiffage in toll roads, and Flughafen Zurich in airports. Gibson Energy Inc recovered following the quarterly release and management's commentary on growth opportunities in 2021. Eiffage has seen strong performance following a positive second half 2020 in contracting. A positive working capital profile is also likely to support the company's valuation. For Flughafen Zurich, the company is well-positioned for reopening post pandemic due to its strong balance sheet, good traffic mix and catchment area.

The bottom three individual contributors to relative performance during the period were from an overweight position in RAI Way in communications, an underweight position in Vinci in diversified, and an overweight position in CenterPoint Energy Inc in diversified. RAI Way was weaker on the back of the rise in bond rates as it has been perceived as a bond proxy. Vinci released strong full-year 2020 results including: a strong working capital position due to prepayments by public authorities in December, robust contracting margins in the second half of 2020, a higher than consensus dividend and better than expected autoroute traffic. CenterPoint Energy Inc has been impacted by inflation fears, the increase in bond rates, and the recent cold weather in Texas. The potential impact of inflation is still uncertain, as is the likely level of government intervention and/or legislative support.

Portfolio Positioning

We maintained a sizeable overweight allocation to the North American oil, gas storage & transportation sector. Our outlook for the energy sector remains positive as we believe that low-cost US production will continue to drive export growth as overall demand recovers in the long term.

We also held an overweight position in the transportation sector. The sector was at the forefront of the impact from the COVID-19 pandemic whilst also a key player in the recovery. We remain reliant on our long-term time horizon to search for dislocations in value. We will continue to be selective in our positioning, favouring highly discounted valuations based on conservative forecasts and robust financial structures which are able to withstand short-term demand shocks.

We retained a considerable underweight position in the communications sector. Secular trends such as e-commerce penetration, video streaming, working from home and the continued rapid growth in data usage have only been accelerated by the pandemic. Although we are positive on the tailwinds for the sector, valuations in developed markets currently remain stretched.

Market review

Although sentiment remains generally positive, equity valuations remain stretched on many metrics and are exposed to the risk of a correction. The bond sell-off, and thus increase in yields, has focussed market interest on equity valuations and the opportunity cost of owning stocks versus bonds. Against the background of an upward pressure on yields, there is also an increasing acceptance of the risk of higher-than-expected inflation in the medium term, even as economic growth expectations rise. This backdrop has been reflected in an increase in commodity prices, with the price of crude oil soaring, rising above US$60 a barrel during the month.

In the US, President Biden is in consensus-building mode, which will be key in passing the next stimulus package. Longer-term tax hikes could impact share valuations but, in the shorter-term, a more softly-softly approach will likely see changes implemented in a more graduated manner. Biden had an initial call with Chinese President Xi Jinping during the month. Developing a workable relationship and improving the US-Sino trade framework will be a diplomatic balancing act but is essential to improving global confidence.

US Federal Reserve Chairman Powell has emphasised the importance of "patiently accommodative" monetary policy in a communication crafted to assuage fears of nascent inflation and to stymie the possibility of interest rate rises in the short-to-medium term. However, increasing quantitative easing significantly whilst the domestic economic recovery remains tenuous could stoke fears of unexpected inflationary pressures. In her US Secretary of the Treasury nomination hearing, Janet Yellen said it was time to ramp-up fiscal spending as monetary policy starts to run out of effective tools at low near-term interest rates.

US economic data was mixed during the month, with weaker payroll data but stronger readings for purchasing managers' indices and a robust rise in construction. However, more importantly, US earnings have now recovered to around pre-coronavirus levels. Recent Consumer Price Index releases showed inflation was softer than expected. However, a much stronger than expected rise in producer prices supports the case for increasing inflationary risks due to potential supply/demand mismatches and increasing raw material costs. Achieving full employment will be challenging as a post-vaccination economy will likely result in some longer-term structural changes playing out.

Extreme weather in Texas almost forced the state's power grid to the brink of collapse and left millions of people without power. An unprecedented winter storm swept across the country and blanketed much of Texas in February. The record-breaking cold weather caused residents to turn up their heating and drove the need for electricity beyond the worst-case scenarios planned for by grid operators. This led to utility operators implementing rolling blackouts to ease the burden on strained power grids. If the grid had gone completely offline, the physical damage to power infrastructure from overwhelming the grid could have potentially taken months to repair.

In Asia, Japanese economic sentiment remains weak, with wages growth remaining negative. Japanese December quarter gross domestic product was stronger than expected but remains down on a year ago. Japan's composite business conditions purchasing managers' index improved slightly in February but remains subdued. In China, credit growth remains strong, but gross domestic product growth has slowed on an annualised basis. Consumer Price Index inflation saw a fall in non-food prices due to travel and celebration restrictions over and following the Chinese holiday period. However, producer price inflation has turned positive for the first time since early last year. Chinese equities clipped an all-time high as COVID -19 measures look to have worked taken from a global comparative basis and on optimism for a post-pandemic dawn following the Lunar New Year break. In a further sign of Chinese buoyancy, Hong Kong trading volumes approached four times that of the London Stock Exchange during the month as inflows from mainland China soared.

In Europe, there is hope that new Italian Prime Minister, Mario Draghi, will be able to implement a raft of programmes to provide some economic cohesion. The Italian Government will likely look to tap the European Union Recovery Fund to aid recovery and stability. European Central Bank President, Christine Lagarde, remains accommodative and has said more quantitative easing measures will be introduced if necessary. With fourth quarter 2020 gross domestic product falling as lockdowns intensified, there will be little appetite to wind-back accommodative measures for the foreseeable future.

Outlook

As we move into March, the significant further loosening of monetary policy and the lowering of interest rates has been a positive development for a long-life asset class like infrastructure. We continue to see the potential for future outperformance as investors seek quality defensive assets that provide sustainable yield profiles in the current low interest rate environment.

Our outlook for North American oil, gas storage & transportation remains positive, as a vaccine-driven cyclical recovery favours cash flow growth and deleveraging. Balance sheets continue to improve as many companies cut capital expenditure budgets substantially in favour of paying down debt. In the long term, low-cost North American production will continue to drive export growth as overall demand recovers.

The outlook for transportation remains focussed on economies reopening and the uncertainties around returning to prior levels of activity. Subsectors less dependent on mass transit such as freight, rail, or toll roads will be likely relative beneficiaries of economies reopening, whereas other subsectors such as passenger rail or airports will see their recovery more dependent on the success of the vaccine programmes. We will continue to be selective in our positioning, favouring highly discounted valuations based on conservative forecasts and robust financial structures which are able to withstand short-term demand shocks.

Portfolio Manager

Giuseppe Corona

Giuseppe Corona is the Head of AMP Capital's Global Listed Infrastructure Team, based in the London office. He also leads the research effort of infrastructure companies in North America and Europe. He joined the financial industry in 1999, and began portfolio management across long only and long/short products in 2008. Prior to joining AMP Capital, Mr Corona spent two years at Exane-BNP Paribas and infrastructure companies.

Further information

For information about the Fund including fees, features, benefits and risks talk to your financial advisor today or read the product disclosure statement (PDS) which can be found on:
www.ampcapital.com/global-infrastructure-securities-unhedged-fund
You can also call us on **1800 658 404**