December 2021

AMP Capital Global Infrastructure Securities Fund (Hedged) - On-platform Class A

Investment objective

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

How we manage your money

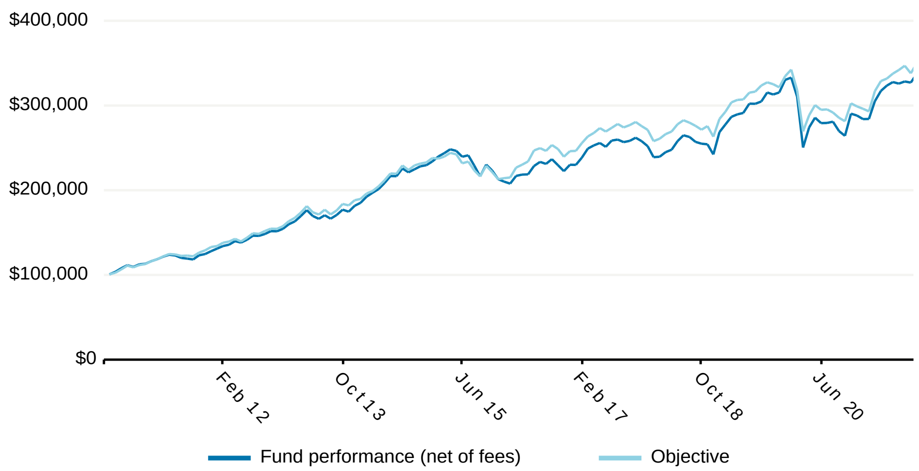
The Fund seeks to invest mainly in listed infrastructure securities where we consider that the underlying infrastructure assets are stable, have strong management teams and appropriate capital structures, and are available at attractive prices. The Fund utilises a bottom-up value-based investment approach, 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 hedged back to Australian dollars.

Performance as at 31 December 2021

%	1 MTH	3 MTH	1 YR	3 YRS	5YRS	7YRS	SINCE INCEPT
Total Return - Net of Fees	4.81	4.71	18.87	12.27	8.30	5.89	11.44
Income	0.90	0.90	4.18	3.53	3.18	2.87	4.40
Capital	3.91	3.82	14.69	8.73	5.12	3.02	7.04
Objective	6.81	7.37	21.43	11.33	8.09	6.57	12.00
Excess return	-2.00	-2.66	-2.56	0.94	0.21	-0.68	-0.56

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.

$100,000 invested since inception



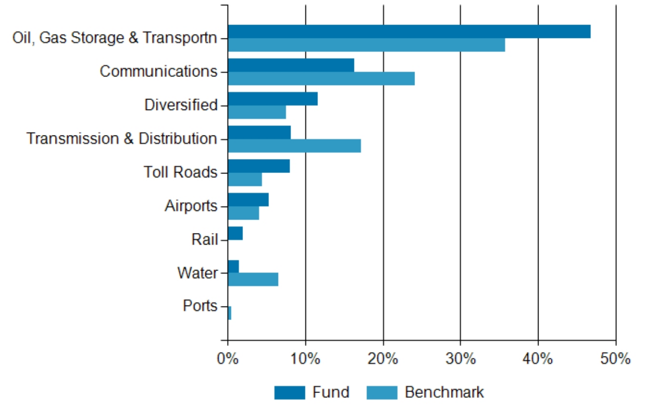
FUND FACTS	
APIR	AMP1595AU
Inception date	15 July 2010
Fund Size	$1,159,386,800
Management costs*	0.81% p.a.
Buy/Sell spread*	+0.20%/-0.20%
Distribution frequency	Quarterly
Minimum investment	$500,000
Minimum suggested time frame	5 years

*Fee information is accurate as at 30 June 2021, 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**

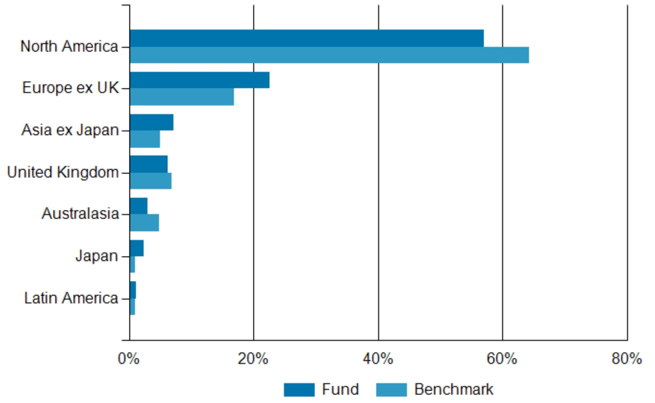
What happened last period

- The Fund underperformed the index during December
- During December, the European Commission announced that the extension of airport slot relief rules until October 2022, providing relief for airlines still suffering from reduced traffic due to the COVID-19 pandemic
- Investors remain focused on inflation globally and the increase in the number of Omicron cases.

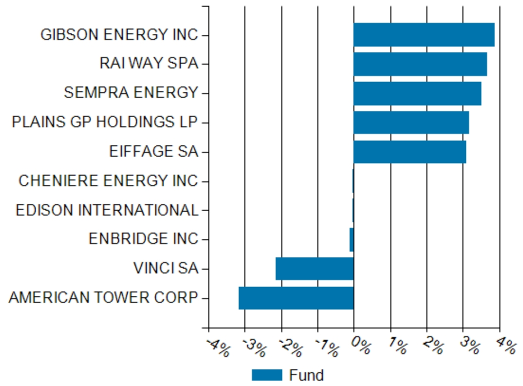
Sector allocation (%)



Regional allocation (%)



Top/Bottom Excess Weights



Fund Performance

The Fund underperformed the index during December on a total return local basis.

At a sector level, the Fund is overweight in oil, gas storage & transportation, diversified, toll roads, rail, and airports; and is underweight in transmission & distribution, communications, water, and ports.

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

The top three individual contributors to relative performance in the period were from underweight positions in Cellnex Telecom (where we held no position) in communications, and ONEOK (where we held no position) in oil, gas storage & transportation and an overweight position in Atmos Energy in oil, gas storage & transportation. Cellnex Telecom's acquisition of CK Hutchison Holdings' sites in the UK may lead to significant competition concerns, as suggested by the UK's Competition and Markets Authority (CMA). This presents challenges for the company to compete in the UK and also highlighted the regulatory risks for the company's further mergers and acquisition activity in the region. ONEOK's stock has been consolidating following a strong re-rating throughout the course of 2021. Investors remain focused on the achievement of deleveraging targets. Atmos Energy has recovered from its previous share price lows as the gas price weakened and related expectations of higher-than-expected inflation of utility bills have subsided.

The bottom three individual contributors to relative performance during the period were from an underweight position in Crown Castle International Corp (where we held no position) in communications; and overweight positions in China Tower Corp in communications, and in Gibson Energy in oil, gas storage & transportation. Crown Castle International benefitted from the company's strong performance following its positive outlook for 2022 and some rotation within the communications sector. China Tower Corp was weighed down by concerns the carriers might slow down their 5G rollout in 2022 following the publication of an article by the National Development and Reform Commission of China which encouraged carriers to be prudent in the rollout of the 5G network. Gibson Energy's contribution from its marketing segment continued to disappoint.

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 in the long term, low-cost North American production will continue to drive export growth as overall demand recovers and OPEC spare capacity decreases.

We retained an 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.

We maintained an underweight position in the utilities sector. Energy policy is directing investments towards the sector, creating growth opportunities across all regions. We are seeing infrastructure investment targets on the rise globally, especially to build and connect renewable assets. However, volatile risk-free rates can result in valuation volatility, and thus potential entry and exit points within the sector.

We maintained our overweight position in the transportation sector. In toll roads, we remain positioned towards assets where traffic is either already above, or rapidly returning towards 2019 levels, yet remain at substantially discounted valuation levels. Airport shares remain volatile and subject to headline risk. However, we continue to see compelling value opportunity in strong 'destination' airports – namely capital cities with robust local economies and tourist appeal

Market review

December saw financial media coverage continue to focus on current high inflation rates, with growth markets somewhat lacking direction for much of the month, before generally turning more positive into the holiday season. US inflation was shown to be 6.8% over the year to November, the highest in 39 years, with many other countries also now at multi-year peaks. Complicating this issue is that many central banks, particularly the US Federal Reserve, have continued to purchase very large amounts of bonds, and hold interest rates near all-time lows, despite flagging intentions to ease stimulus levels, leaving global debt levels an increasingly discussed topic. The Federal Reserve's balance sheet, for example, is now approaching US$9 trillion, with the central bank recently indicating that quantitative easing is likely to end in March 2022, clearing the way for a potential first hike in the June quarter of 2022.

Outside of finance, the other main media focus was on the 'Omicron' variant of COVID-19 and the response from governments around the world. While raw case numbers rose rapidly to new peaks, numerous studies showed Omicron symptoms to be generally relatively mild in nature, despite being considerably more infectious, with fatality and hospitalisation rates far below that of previous variants, adding to hopes we can move away from the pandemic towards an endemic phase. Reflecting this, South Africa, where Omicron was discovered, moved away from contact tracing and quarantine during December, allowing people who have tested positive, but show no symptoms, to socially gather, albeit with some remaining restrictions, amid plunging hospitalisation rates relative to previous waves. As has been the case for some time however, global governments have reacted vastly differently to the Omicron wave, heavily impacting confidence, trade, travel and adding to civil discontent.

On the data front, business conditions in Europe, the US, the UK, Japan and Australia all fell slightly in December as the Omicron wave played out.

In the US, retail sales and industrial production rose, but by less than expected. Jobless claims rose, though remain historically low, with an excess of available jobs now placing upwards pressure on US wages. Jobless claims meanwhile fell to a 52-year low, with the unemployment rate now approaching 3%. Housing starts, permits to build new homes and the National Association of Home Builders building conditions index were all strong. Finally, producer price inflation rose to a new high of 9.6% year-on-year, which should encourage the Federal Reserve to reduce stimulus and start tapering its quantitative easing.

In Europe, the European Central Bank confirmed it will end its pandemic emergency quantitative easing program as scheduled in March 2022. However, the central bank will also increase bond purchases to smooth the adjustment. Amid increased social and business restrictions, the European Central Bank also signalled rate hikes were not likely until 2023.

During December, the European Commission announced that the extension of airport slot relief rules until October 2022, providing relief for airlines still suffering from reduced traffic due to the COVID-19 pandemic. Airlines will now be required to use only 64% to retain their airport rights, instead of the normal requirement that compels airlines to use at least 80% of their slots.

In Asia, the Japanese Tankan business survey showed conditions were mostly firm in the December quarter, while the purchasing managers index fell slightly in December. Meanwhile, Japanese household spending figures showed another rise in October, while economic sentiment showed further improvement in November. In China, economic activity for November was unsurprisingly confirmed as being weaker. Growth in industrial production accelerated, but retail sales and investment growth slowed, home prices fell for the third month in a row and unemployment rose slightly. China's consumer price index rose, but core inflation fell to just 1.2% year-on-year, while producer price inflation slowed. Export growth remained strong, while import growth accelerated. Credit growth has meanwhile stabilised at around 10% year-on-year.

Outlook

Our outlook for North American oil, gas storage & transportation remains positive as a cyclical recovery with strong commodity prices favours cash flow growth and deleverage. Commodity prices continue to recover, driven by robust demand and limited supply growth. Additionally, balance sheets continue to improve as many companies reduce capital expenditure budgets substantially in favour of paying down debt, reaching an inflection point on free cash flow generation. In the long term, low-cost North American production will continue to drive export growth as overall demand recovers and OPEC spare capacity decreases.

The outlook for transportation remains focused on global vaccination rates as an important signpost for traffic recovery. 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 are positive on the thematic of digitalisation, connectivity, and data usage for the communication sector; however, valuations have broadly remained stretched in developed markets. We expect to see a more substantial increase in activity around 5G in 2021, particularly as more 5G handsets become available and the race between both countries and carriers accelerates to build-out coverage and capacity. Within the sector we favour European and developing economies' assets over the US due to more supportive valuations.

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-hedged-fund
You can also call us on **1800 658 404**

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