January 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 over the long term.BenchmarkDow Jones Brookfield Global Infrastructure Index Australian Dollar Hedged

How we manage your money

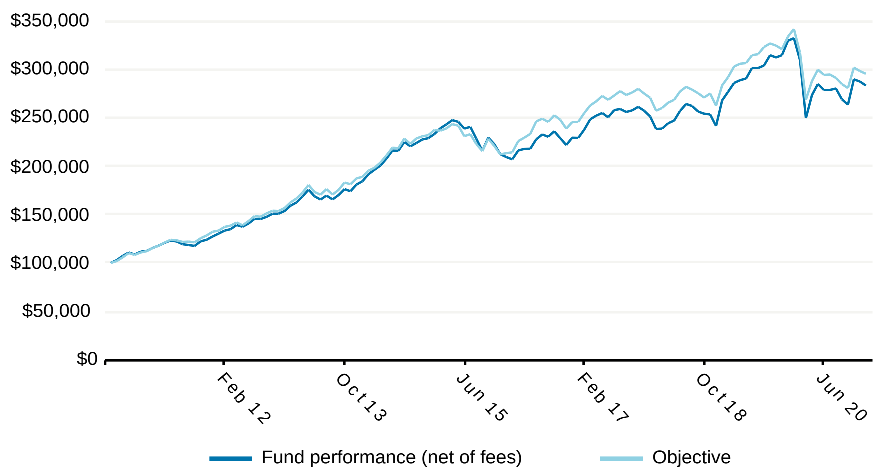
The Fund seeks to invest mainly in listed infrastructure securities where we consider that the underlying infrastructure assets are stable, have strong management teams and appropriate capital structures, and are available at attractive prices. The Fund utilises a bottom-up value-based investment approach, 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 January 2021

%	1 MTH	3 MTH	1 YR	3 YRS	5YRS	7YRS	SINCE INCEPT
Total Return - Net of Fees	-1.45	7.49	-14.71	4.08	6.22	6.32	10.51
Income	0.01	1.02	3.54	2.43	2.76	3.21	4.38
Capital	-1.45	6.47	-18.25	1.65	3.47	3.11	6.14
Objective	-0.92	5.28	-13.50	2.97	6.72	6.59	10.95
Excess return	-0.53	2.22	-1.21	1.11	-0.49	-0.27	-0.43

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



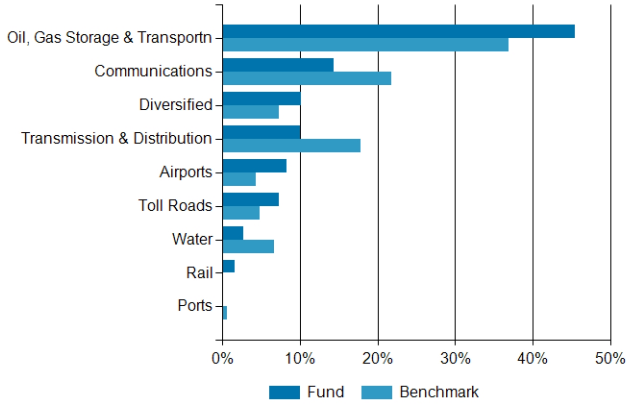
FUND FACTS	
APIR	AMP1595AU
Inception date	15 July 2010
Fund Size	$1,200,243,944
Management costs*	0.88% p.a.
Buy/Sell spread*	+0.25%/-0.25%
Distribution frequency	Quarterly
Minimum investment	$500,000
Minimum suggested time frame	5 years

*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**

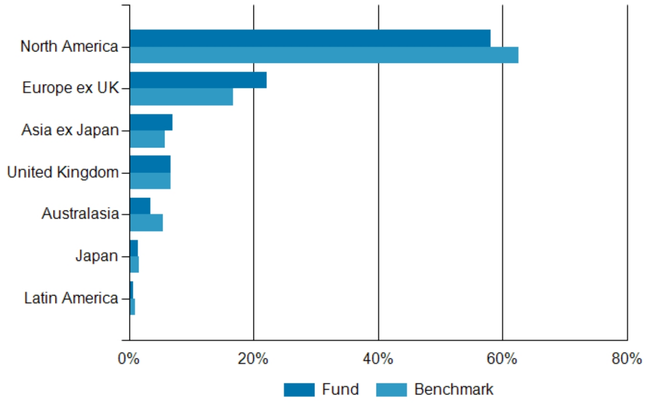
What happened last period

- The Fund underperformed its benchmark during the month on a total return local basis
- The market continues to look ahead to COVID-19 vaccine rollout in 2021
- Conditions in the North American energy sector continue to improve

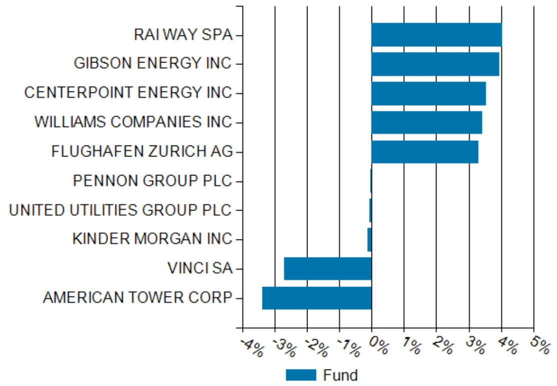
Sector allocation (%)



Regional allocation (%)



Top/Bottom Excess Weights



Fund Performance

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

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

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

The top three individual contributors to relative performance in the period were from overweight positions in The Williams Companies and Plains GP Holdings in oil, gas storage & transportation, and an underweight position in PG&E Corp in transmission & distribution. The Williams Companies continues to perform well as its environmental, social, and governance profile and related communications were viewed positively by the market. Plains GP Holdings performed well on expectations of higher Permian Basin volumes. PG&E Corp came under pressure in January as wildfires continued beyond the usual December end to the season. Otherwise, the company received its wildfire safety certificate from the regulator; however, there were numerous areas of concern raised which will remain a focus in subsequent proceedings.

The bottom three individual contributors to relative performance during the period were from overweight positions in RAI Way in communications, Aeroports de Paris in airports, and Gibson Energy in oil, gas storage & transportation. RAI Way was down in January on limited newsflow. Aeroports de Paris was impacted by rising pandemic cases across the European Union which drove airport share prices weaker. Gibson Energy Inc was impacted by poor expectations for marketing cash flows.

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

Equity markets pulled-back as COVID-19 cases increased and initial vaccine roll-out and completion estimations now look overly optimistic. The increasing probability of delayed or reduced US stimulus also weighed on global markets. Despite the pull-back, valuations remain stretched in many areas and remain open to the risk of further corrections.

In the US, the storming of Capitol Hill shook the establishment and led Donald Trump to be the only US President in history to be impeached twice. Recent events have brought to the fore deep social divisions in the US which will take time to heal. Biden has said one of his first acts in office will be to push forward a US$1.9 trillion stimulus package, although it will likely be required to be initially pared back or delayed to enable it to be passed. He also moved to remove many of Trump's executive orders, including rejoining the Paris Climate Accord. Post the initial inauguration euphoria, markets will need to fully digest the implications of the Biden administration, including a proposed raft of tax rises and a move to curb fossil fuel energy sources. The administration is likely to heal some of the diplomatic rifts that have opened up in recent years.

As one of the first acts of the new administration, the Department of the Interior issued an order, implementing a 60-day freeze on new drilling permits on federal lands. The order does not have any implications for existing operations under a valid lease. Operators had already anticipated a Biden policy change, with permitting on federal lands in New Mexico reaching record levels in 2020 in anticipation. In addition, the number of permits granted for wells on federal land was 60% higher in 2020 than in 2019, with EOG Resources, Devon Energy, and Occidental Petroleum Corp leading the way. While permitting and leasing have been suspended temporarily, unless the Biden administration aims to permanently ban drilling and/or permitting on federal lands with existing lease contracts, production from existing federal leasehold in New Mexico will remain largely unchanged.

The US Court of Appeals for the District of Columbia Circuit also affirmed a District Court decision, requiring the US Army Corps of Engineers to prepare an environmental impact statement for the Dakota Access Pipeline and proposed easement under Lake Oahe. This had been expected by the market. However, the appeals court declined to shut the pipeline whilst the environmental review is underway.

Despite the US Federal Reserve's Beige Book noting a slowdown in economic activity, recent US data releases have been relatively strong, with robust home builder conditions, mortgage applications, housing starts, and a decline in jobless claims. The central bank kept monetary policy on hold as generally expected. With its commitment not to raise rates until inflation is within target range and near full employment is reached, quantitative easing will likely remain in place for the foreseeable future.

In Europe, a post-Brexit environment will hopefully allow a line to be drawn under the recent UK-eurozone fractious relationship and enable longer-term frameworks and workable terms of engagement to be established. From a political stability perspective, In Italy, the governing coalition remains tenuous despite Prime Minister Giuseppe Conte surviving a confidence vote, with the Dutch government also resigning following a child benefit scandal.

The European Central Bank has said it may introduce additional capital requirements for banks, due to the increase in leveraged loans and the riskier environment this imparts to the European banking system. The central bank kept monetary policy static, with President Lagarde emphasising the bank will keep purchasing bonds until financial conditions are strong enough to offset the deflationary effects of the pandemic.

Despite the shifting sands, eurozone industrial production has risen more than expected and is now approaching pre-coronavirus levels, although lockdowns are likely to see it slow.

In Asia, Japanese data has been mixed with a fall in unemployment, a rise in the ratio of job openings to applicants, and stronger than expected household spending but a continuing fall in wages. Japanese economic sentiment has also fallen as the third wave of coronavirus cases takes effect. The Bank of Japan kept monetary policy on hold, as current risks to growth and inflation are biased to the downside. In China, business conditions purchasing managers' indices remain at levels consistent with ongoing economic expansion. China's trade data saw an acceleration in imports but slightly slower exports and some reduction in money supply and credit growth, although credit growth remains high. However, credit growth should moderate somewhat as monetary policy normalises. Headline Consumer Price Index inflation is now in positive territory although core Consumer Price Index inflation remains subdued.

Outlook

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 road 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.

For global listed infrastructure as an asset class 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. The investment team continues to rely on its investment process, focussing on the long-term cash flow generation of core infrastructure assets, which we firmly believe is the best way to value these companies. Whilst we are closely monitoring current developments, we will continue to look to take advantage of opportunities as they emerge with a long-term investment horizon.

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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