March 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

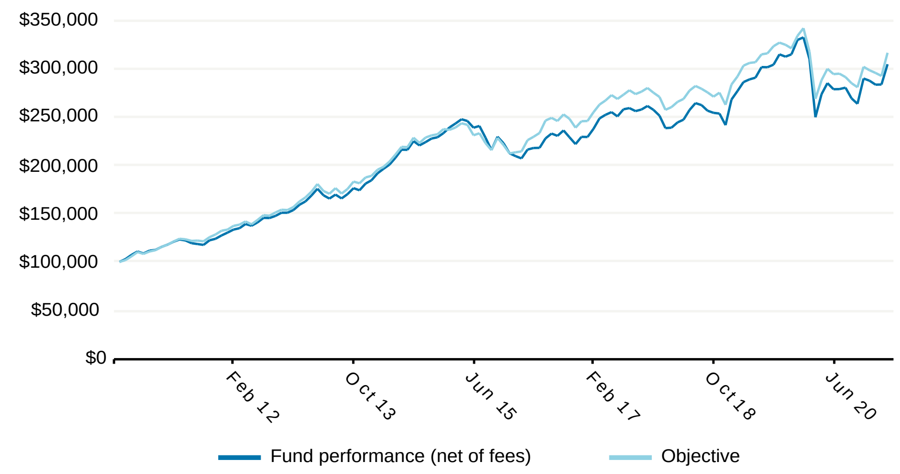
The Fund seeks to invest mainly in listed infrastructure securities where we consider that the underlying infrastructure assets are stable, have strong management teams and appropriate capital structures, and are available at attractive prices. The Fund utilises a bottom-up value-based investment approach,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

%	1 MTH	3 MTH	1 YR	3 YRS	5YRS	7YRS	SINCE INCEPT
Total Return - Net of Fees	7.37	5.90	21.91	8.42	7.09	6.47	11.09
Income	1.00	1.00	4.79	2.49	2.98	3.35	4.43
Capital	6.37	4.90	17.12	5.93	4.11	3.12	6.66
Objective	8.15	6.03	17.69	6.73	6.95	6.89	11.48
Excess return	-0.78	-0.13	4.22	1.69	0.13	-0.42	-0.39

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



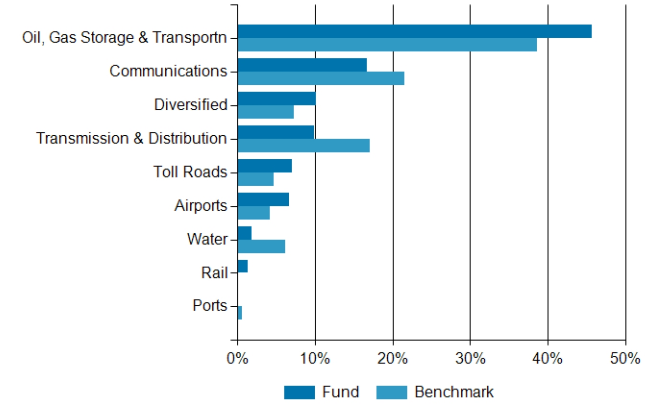
FUND FACTS	
APIR	AMP1595AU
Inception date	15 July 2010
Fund Size	$1,293,086,940
Management costs*	0.88% p.a.
Buy/Sell spread*	+0.25%/-0.25%
Distribution frequency	Quarterly
Minimum investment	$500,000
Minimum suggested time frame	5 years

*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**

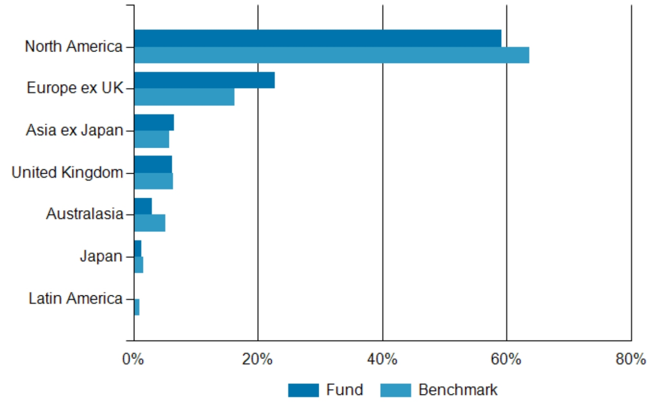
What happened last period

- The Fund underperformed the benchmark during the period
- Markets are looking ahead to the opening of economies post the rollout of vaccinations
- Biden administration looks to target infrastructure in next spending bill

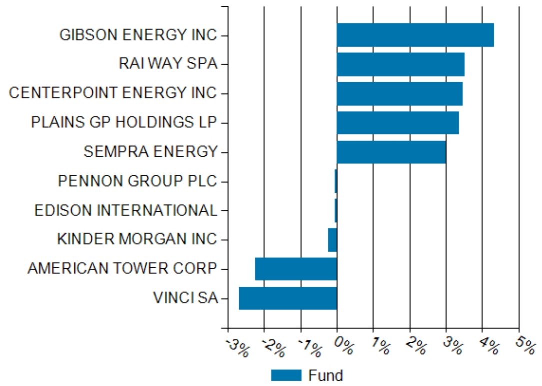
Sector allocation (%)



Regional allocation (%)



Top/Bottom Excess Weights



Fund Performance

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

At a sector level, the Fund is overweight in oil, gas storage & transportation, airports, toll roads, diversified, and rail; and is underweight in transmission & distribution, communications, water, and ports. Overall positive contributions to relative returns came from diversified, oil, gas storage & transportation, and ports; whilst negative relative contributions came from communications, airports, transmission & distribution, rail, toll roads, and water. From an asset allocation perspective, positive contributions to relative returns came from oil, gas storage & transportation, water, and ports; whilst rail, airports, toll roads, transmission & distribution, diversified, and communications detracted. At a stock selection level, positive contributions came from diversified, oil, gas storage, & transportation, and toll roads; whilst there were negative contributions from communications, transmission & distribution, airports, and water. 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 Centerpoint Energy Inc in diversified and Sempra Energy in oil, gas storage & transportation, and an underweight position in Vinci in diversified. CenterPoint Energy Inc experienced a recovery during the period as concerns faded regarding how electric transmission and distribution companies might be impacted by the February Texas power crisis. Sempra Energy benefitted from rising expectations of a positive outcome from proposed transactions, along with receding concerns with regards to the San Diego franchise re-tender. Vinci has been impacted by airport and toll road trends, which remain subject to pandemic restrictions, but we see the shares discounted to fair value and well-placed for recovery.

The bottom three individual contributors to relative performance during the period were from overweight positions in Flughafen Zurich and Aeroports de Paris in airports, and Eiffage in toll roads. Flughafen Zurich was impacted by general weakness in European airport shares in an environment of rapidly changing expectations for the resumption of travel. However, the company has demonstrated excellent cost control and the positive change in the regulatory environment should not be overlooked as travel recovery progresses. Aeroports de Paris was also impacted by the negative European sentiment; however, it continued to see relative robust retail trends and slight traffic outperformance versus other hubs. Eiffage, despite excellent cash generation, is facing short-term headwinds due to French lockdown measures.

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 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. However, we were able to take advantage of the volatility during the period and reduced our underweight exposure to the sector.

We reduced our overweight position in the transportation sector. The valuation dislocations in the sector narrowed as positive vaccine developments were announced, although there remain significant opportunities. 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.

Market review

Share markets remained volatile overall as uncertainty increased on what actions the US Federal Reserve (Fed) might take in mitigating upward pressure on bond rates. There were also some concerns over the pace of vaccine rollout in some countries, supply bottlenecks, and the pace of economic recovery. However, overall, global share markets saw support from the increasing visibility developing around these areas. Despite this, technology stocks continue to exhibit some risk-on / risk-off vacillation around potentially excessive valuations and the ongoing rotation bias from growth into value.

In the US, the US$1.9 trillion support programme was passed in an attempt to provide further stimulus to the economy and make good an initial election promise to reduce some economic inequality. Markets are hoping the programme will be able to stimulate activity without stoking inflation. The passing of the bill has imparted some confidence to the new administration and Joe Biden gave his first press conference, albeit somewhat later than expected, with optimism. The market is now looking ahead to the proposed next spending bill, mooted to be around the US$3 trillion mark, this time more focussed on infrastructure, investment, and education. Initial jobless claims have fallen more than expected, a sign of some labour market progress. Improvements in the US-Sino relationship have stalled however, after Biden criticised China's reduction of democratically elected Hong Kong lawmakers.

The US equity market saw new highs as technology stocks saw some renewed buying interest following the recent selloff and as data showed unemployment claims had fallen. US economic data was relatively light. Small business confidence rose but remains relatively weak in contrast to large business confidence that is very strong. Consumer sentiment is also high, assisted by vaccine rollout and stimulus packages. Services and manufacturing ISM data remains buoyant. Although unemployment has fallen a little, many of the jobs lost due to the pandemic remain to be recovered, with full-time unemployment remaining elevated. Sustainable participation levels are also open to a significant level of interpretation and uncertainty.

In Europe, the bloc has been criticised for its slow vaccine rollout and a partisan approach, both internally and externally. Eurozone business conditions PMIs remain subdued and lockdowns continue to impact retail sales. Core CPI inflation remains low. In contrast to the Fed, which has remained relatively sanguine, European Central Bank officials have expressed concern about the threat of the rise in bond yields. European bond and asset prices thus saw some support following the European Central Bank saying it would ramp-up asset purchases. Despite this, the recovery prognosis for the underlying eurozone economy has slowed somewhat.

In the UK, the Competition and Markets Authority issued its final decision on water price controls for Northumbrian, Yorkshire, Bristol and Anglian water companies after a dispute between the companies and the regulator Ofwat. Ofwat's original proposal would have seen customers save £50 on average on their annual bills. However, the companies claimed this would reduce their ability to invest in environmental measures and keeping water supplies safe for the future. The authority has agreed on a compromise which will see a smaller reduction.

In Asia, Japanese business conditions PMIs remain soft. However, labour market data and consumer confidence has shown some improvement. The Bank of Japan has indicated it remains prepared to defend its bond yield targets. Japanese household spending has shown some declines as the pandemic lockdown continues to impact, but there has been a decline in new coronavirus cases. In China, business conditions PMIs and general economic data are consistent with reasonable growth. Annual growth in exports and imports continues to increase, as do money supply and credit growth, seeing core CPI and producer price inflation starting to edge up. China has also published its latest Five-Year Plan, setting 20 key targets. Interestingly, no long-term GDP growth target has been set, with targets instead to be set on an annual basis going forward.

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 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.

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.

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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