

# 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. Benchmark Dow Jones Brookfield Global Infrastructure Index Australian Dollar Hedged

## How we manage your money

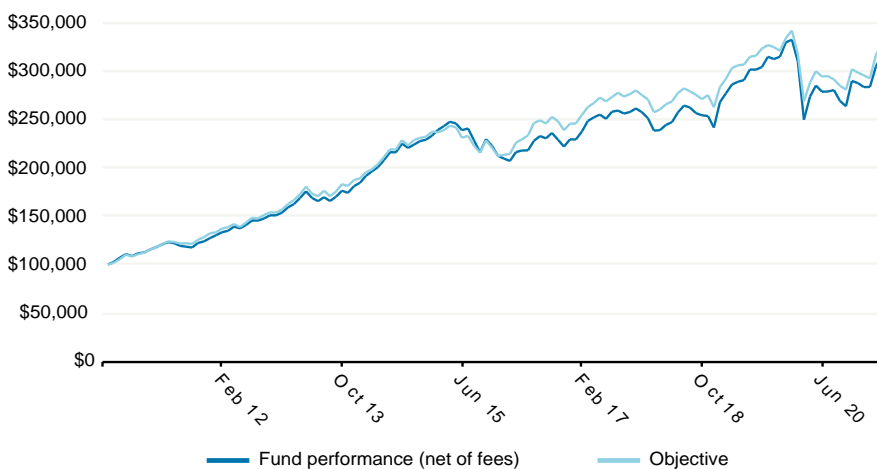
The Fund seeks to invest mainly in listed infrastructure securities where we consider that the underlying infrastructure assets are stable, have strong management teams and appropriate capital structures, and are available at attractive prices. The Fund utilises a bottom-up value-based investment approach, 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 30 April 2021

%	1 MTH	3 MTH	1 YR	3 YRS	5YRS	7YRS	SINCE INCEPT
Total Return - Net of Fees	3.97	11.72	15.77	9.01	7.76	6.72	11.40
Income	0.00	1.04	4.49	2.50	2.99	3.36	4.41
Capital	3.97	10.67	11.28	6.51	4.76	3.36	6.99
Objective	3.77	11.05	13.97	7.31	7.42	7.04	11.77
Excess return	0.20	0.67	1.80	1.70	0.34	-0.32	-0.37

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

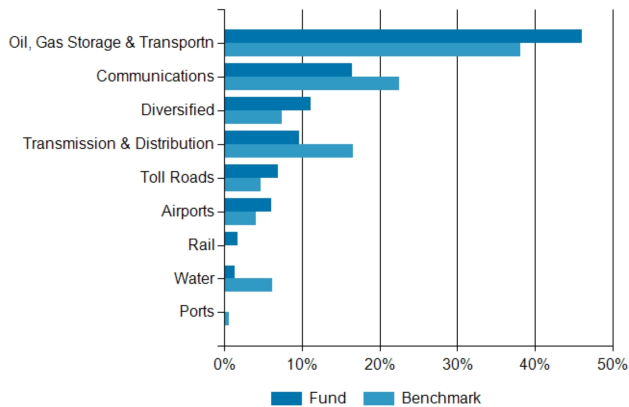
APIR	AMP1595AU
Inception date	15 July 2010
Fund Size	\$1,377,234,108
Management costs*	0.88% p.a.
Buy/Sell spread*	+0.25%/-0.25%
Distribution frequency	Quarterly
Minimum investment	\$500,000
Minimum suggested time frame	5 years

\*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](http://www.ampcapital.com)

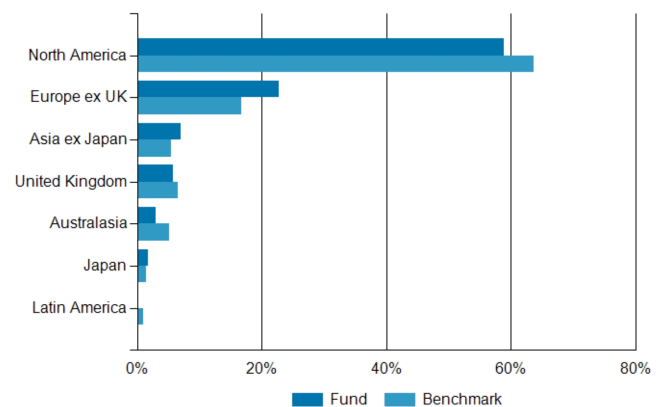
## What happened last period

- The Fund outperformed the benchmark during the period
- Listed infrastructure will benefit from opening economies
- US planning to significantly expand infrastructure spending

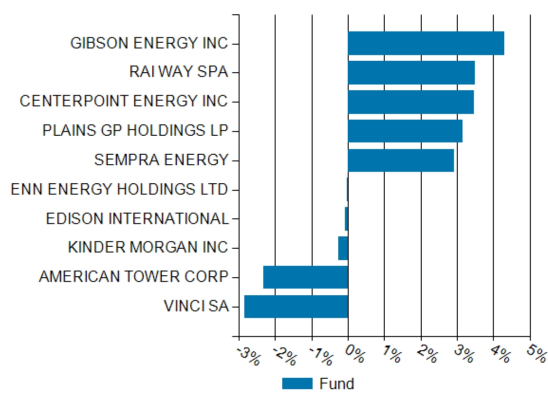
## Sector allocation (%)



## Regional allocation (%)



## Top/Bottom Excess Weights



## Fund Performance

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

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

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

transportation, and an underweight position in China Gas Holdings (where we had no position) in oil, gas storage & transportation. CenterPoint Energy Inc announced the sale of its Arkansas and Oklahoma gas utilities at an attractive price, well ahead of market expectations which was well-received by investors. NiSource announced an equity raising required to fund its renewables investments over the next two years, effectively removing the overhang on the shares. China Gas Holdings dipped significantly during mid-late April after it announced it would raise capital via a dilutive placement.

The bottom three individual contributors to relative performance during the period were from an underweight position in Crown Castle International Corp (where we had no holding) in communications, and overweight positions in China Tower Corp in communications and Gibson Energy Inc in oil, gas storage & transportation. Crown Castle traded well after posting strong first quarter results including a significant uplift in earnings and a raising of its 2021 guidance. China Tower Corp experienced some weakness as the market was expecting stronger growth from its tower activities. Gibson Energy Inc experienced some volatility after it entered a long-term agreement with Suncor to support the use of biofuels.

## 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 maintained 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

In a generally upbeat month, global equities rose as a clearer path to pandemic herd immunity has imparted increased confidence, with the International Monetary Fund revising up its 2021 guidance. Infrastructure also had a positive month, outperforming broader equities. However, risks of more pandemic waves with new strains could yet spook the market, with the out of control multi-variant surges in India showing we are not out of the woods yet. Markets are also still looking ahead to determine which structural economic changes will play out post the full global vaccination stage. These include the impact of a likely permanent shift away from hub and spoke urban structures to more evenly distributed economic models and a likely commensurate reduction in commuting to central business districts.

In the US, shares rose to new record highs. US economic data was strong on the back of reopening, recovery from the recent storms, and on the public's receipt of US\$1,400 stimulus cheques boosting confidence and consuming propensity. US Federal Reserve Chairman Powell confirmed the sequence of policy tightening would be to taper bond purchases first, then maintain a steady balance sheet, then hike rates. However, these are all conditional on the central bank first making substantial progress towards its objectives which remains a way off. Minutes from the last central bank meeting reiterated previous communications, hedging bets in being optimistic on the economic outlook but remaining dovish. The Biden administration is pushing ahead with its infrastructure and socially driven American Families

Plan. The administration is also looking to promote a global minimum corporate tax rate, increase the domestic corporation tax, and to significantly increase capital gains tax for high earners. However, the Republicans are unlikely to support significant tax hikes which will mean the budget reconciliation path will likely be taken, requiring a simple Senate majority, possibly with carved-out areas to ensure programmes get over the line. Taken in aggregate, these proposals could impact markets negatively as they enter the legislative process when their full impact can be digested.

Despite the uncertainty, US data remains generally buoyant, with the composite business conditions purchasing managers' index rising to a new high on the back of stimulus and reopening, initial jobless claims falling sharply, and the Institute for Supply Management Services Index remaining robust. However, the trade deficit continues to widen. A widening of both trade and budget deficits (twin deficits) has historically put downward pressure on the US dollar.

In Asia, in Japan, the composite business conditions purchasing managers' index remains soft despite a rise in household spending and a marginal increase in wages growth. Core inflation has risen slightly but remains historically low. In China, regulators fined Alibaba a record US\$2 billion in response to accusations of the abuse of market dominance. Chinese gross domestic product has showed a significant rise from the pandemic slump of a year ago. From a stability standpoint, money supply and credit growth have both showed some further moderation.

In Europe, the European Central Bank left monetary policy on hold. President Lagarde described the Eurozone as being on "crutches" and sees it as "premature" to discuss any reduction in stimulus as this juncture. Despite this, eurozone business conditions data rose further. In Italy, Prime Minister Mario Draghi is looking to assuage German and French concerns and return Italy inside the political and economic tent as a core European player. Overall eurozone unemployment has barely changed, hamstrung by renewed and ongoing lockdown provisions.

## 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](http://www.ampcapital.com/global-infrastructure-securities-hedged-fund)

You can also call us on **1800 658 404**

**INSIGHTS  
IDEAS  
RESULTS**

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