July 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

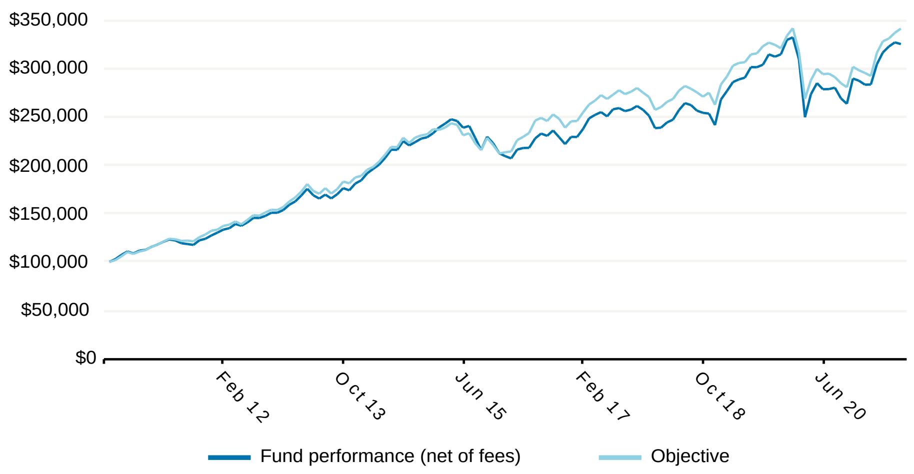
The Fund seeks to invest mainly in listed infrastructure securities where we consider that the underlying infrastructure assets are stable, have strong management teams and appropriate capital structures, and are available at attractive prices. The Fund utilises a bottom-up value-based investment approach,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

%	1 MTH	3 MTH	1 YR	3 YRS	5YRS	7YRS	SINCE INCEPT
Total Return - Net of Fees	-0.54	2.75	16.67	7.17	6.92	6.03	11.40
Income	0.00	0.90	4.33	2.77	2.90	2.65	4.39
Capital	-0.54	1.85	12.34	4.40	4.01	3.37	7.01
Objective	1.27	3.99	15.77	6.56	6.50	6.56	11.88
Excess return	-1.81	-1.23	0.90	0.61	0.42	-0.54	-0.48

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



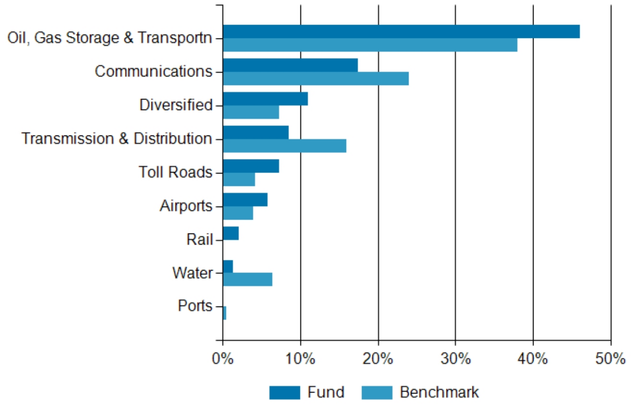
FUND FACTS	
APIR	AMP1595AU
Inception date	15 July 2010
Fund Size	$1,348,450,035
Management costs*	0.88% p.a.
Buy/Sell spread*	+0.25%/-0.25%
Distribution frequency	Quarterly
Minimum investment	$500,000
Minimum suggested time frame	5 years

*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**

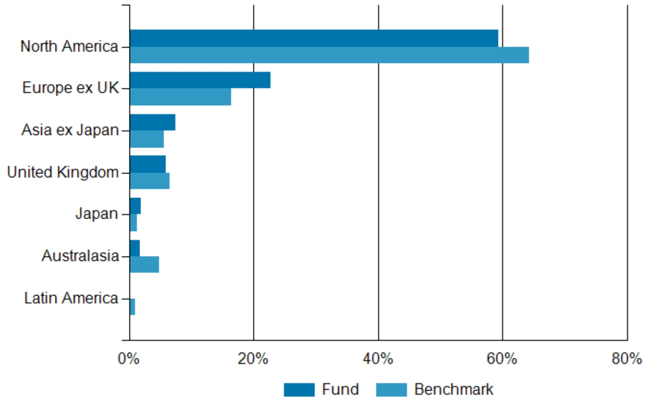
What happened last period

- The Fund underperformed the index during July
- US US$1 trillion infrastructure package set to pass
- Delta coronavirus variants continue to complicate the opening of economies

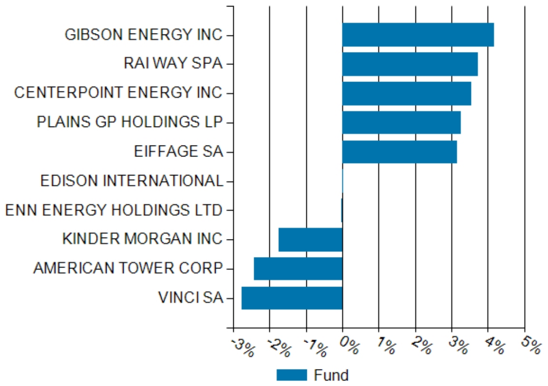
Sector allocation (%)



Regional allocation (%)



Top/Bottom Excess Weights



Fund Performance

The Fund underperformed the index during July 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 communications, transmission & distribution, water, and ports.

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

The top three individual contributors to relative performance in the period were from an underweight position in Pacific Gas & Electric Corp (where we had no holding) in transmission & distribution, an overweight position in Spark Infrastructure Group in transmission & distribution, and an underweight position n Crown Castle International Corp (where we had no holdings) in communications. Pacific Gas & Electric has pulled back on expectations of the wildfire season in California impacting results. Spark Infrastructure Group received a bid from a consortium comprising Ontario Teachers' Pension Plan and Kohlberg Kravis Roberts. The share price has traded up to reflect the news. Crown Castle International Corp experienced some delays in its small cell rollout, which was a negative surprise to the market.

The bottom three individual contributors to relative performance during the period were from overweight positions in Plains GP Holdings and Gibson Energy in oil, gas storage & transportation, and an underweight position in American Water Works Co (where we had no holdings) in water. Plains GP Holdings was impacted on concerns on second quarter earnings and the emergence of the Delta variant. There have been some concerns over the outlook for Gibson Energy's Marketing division. American Water Works' share price rose in anticipation of a strong results announcement, with favourable weather and improving sentiment on the company.

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.

We reduced our underweight position in the utilities sector. Energy policy is directing investments towards the sector, creating growth opportunities across all regions. We are seeing infrastructure spending on the rise in the US, Europe and Asia as a form of stimulus, which will add to tailwinds from green energy investments. 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. The valuation dislocations in the sector have narrowed following positive announcements on vaccine developments, 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

July exhibited another complicated economic backdrop with ongoing market uncertainty on the persistency of inflation, rising pandemic cases and variants, and a mixed interpretation of central bank communications, resulting in fluctuating market consensus. The Reserve Bank of New Zealand ended its bond buying programme with a more hawkish communications stance. Although a small economy, this has led some market participants to review their estimates on global central bank timelines for winding back supportive programmes and stimulus. Thus, there will be increasing pressure on the US Federal Reserve to release clearer communications and guidance in future. With the global economic background lacking consistent investor direction and dominated by short-term sentiment, shares have benefitted from support, but bond yields have continued to see some retracement. The pandemic doggedly finds a way to surprise the market despite ongoing vaccination implementation.

In the US, equities rose to yet new highs. Economic releases were generally strong despite some patches of concern, with positive gains in consumer confidence and surging home prices. The employment market remains tight, but the participation rate is also low suggesting some reluctance to re-enter the workforce, perhaps a combination of government support programmes married to ongoing pandemic fears. In fact, the recovery in US jobs compares poorly to other comparable countries. Business conditions purchasing managers' indices fell in July, with the pandemic resurgence impacting services. Overall housing data was mixed, with home builder conditions and permits falling, but housing sales up. However, supply/demand mismatches are still impacting supply chains across the US economy. Producer and consumer price inflation has been stronger than envisaged. Producer price increases tend to lead to consumer price increases in general as retailers wait to see if inflationary prices are temporary before making any decisions to raise prices. In Infrastructure, an historic US$550 billion bipartisan supported federal investment in America's infrastructure was announced. It is the largest federal investment in public transport to date and the programme will also be developed with a climate crisis aware structure.

In Asia, Japanese household spending has fallen as lockdowns continue to impact, although economic sentiment remains surprisingly buoyant. The Bank of Japan made no major changes to monetary policy but will offer banks interest free funds for climate-linked lending. Japanese inflation remains subdued. In China, services conditions have fallen sharply as smaller businesses are less resilient in riding-out lockdowns. Naturally, producer and consumer price inflation have thus both slowed. A lower growth/low inflation backdrop has encouraged the Peoples' Bank of China to cut bank reserve requirements. Money supply and credit conditions remain supportive, with gross domestic product growth accelerating in the June quarter. Export and import growth have both been stronger than expected and Chinese growth remains robust on a global level.

In Europe, eurozone economic sentiment saw some support, helped by some reopenings and a fall in unemployment. Eurozone business conditions were revised up for previous months as retail sales showed improvement. However, European powerhouse Germany saw factory orders softening somewhat. The European Central Bank left monetary policy static but communicated more dovish forward guidance, consistent with its new 2% inflation target. Rate hikes are thus likely to be a way off yet, with ongoing quantitative easing programmes likely to continue untrammelled. The composite business conditions purchasing managers' index rose to a 21-year high. In the push for European sustainability, the European Commission is seeking to increase taxes on fossil fuels and introduce a European Union wide levy on aviation fuel.

In England, the world will be looking to see how the decision to open up the economy will fare and whether it will be a successful or failed experiment in managing the pandemic.

News regarding transactions and the privatisation of infrastructure assets has dominated headlines. Bids for companies at significant premiums have meant that returns on those assets have been boosted in the short-term in an otherwise flat month for infrastructure.

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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