

# 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

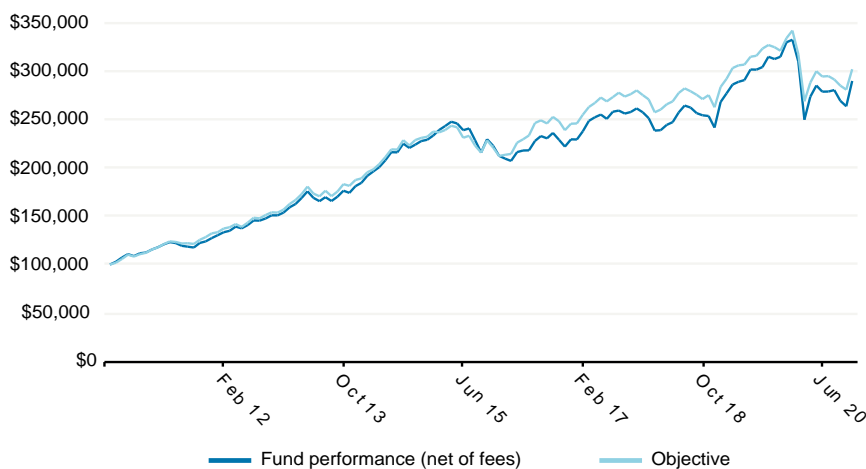
The Fund seeks to invest mainly in listed infrastructure securities where we consider that the underlying infrastructure assets are stable, have strong management teams and appropriate capital structures, and are available at attractive prices. The Fund utilises a bottom-up value-based investment approach, 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 November 2020

%	1 MTH	3 MTH	1 YR	3 YRS	5YRS	7YRS	SINCE INCEPT
Total Return - Net of Fees	9.89	3.36	-7.97	3.48	5.40	7.54	10.93
Income	0.00	1.04	3.75	2.09	2.54	3.10	4.36
Capital	9.89	2.33	-11.72	1.39	2.86	4.44	6.56
Objective	7.52	3.68	-5.94	2.54	6.45	7.54	11.36
Excess return	2.38	-0.31	-2.03	0.95	-1.05	0.00	-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

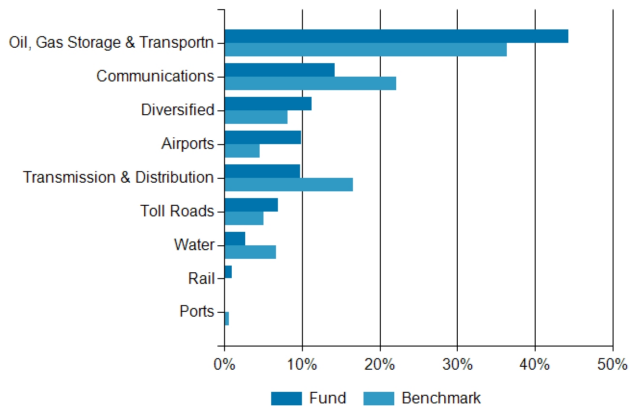
APIR	AMP1595AU
Inception date	15 July 2010
Fund Size	\$1,228,419,607
Management costs*	0.88% p.a.
Buy/Sell spread*	+0.25%/-0.25%
Distribution frequency	Quarterly
Minimum investment	\$500,000
Minimum suggested time frame	5 years

\*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)

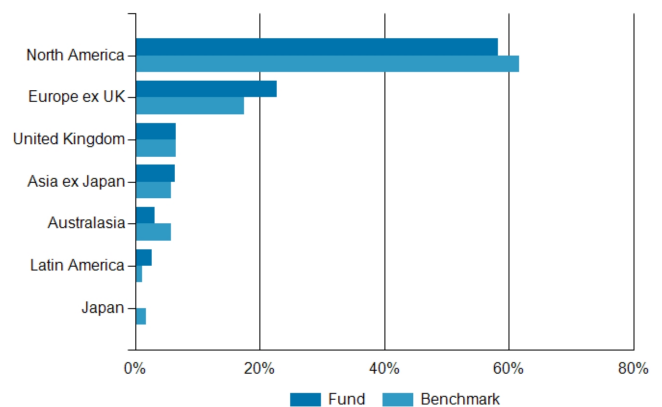
## What happened last period

- The Fund outperformed its benchmark during the month on a total return local basis
- Potential COVID-19 vaccines improved sentiment
- The North American energy sector continues to offer up fundamental value

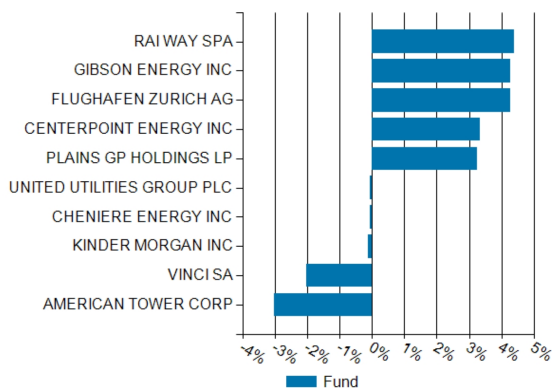
## Sector allocation (%)



## Regional allocation (%)



## Top/Bottom Excess Weights



## Fund Performance

The Fund outperformed the index during November 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 communications, transmission & distribution, water, and ports.

Overall positive contributions to relative returns came from airports, communications, transmission & distribution, toll roads, water, and rail; whilst oil, gas storage, & transportation, diversified, and ports detracted. From an asset allocation perspective, positive contributions to relative returns came from airports, diversified, transmission & distribution, communications, oil, gas storage & transportation, water, rail, and toll roads; whilst ports detracted. At a stock selection level, positive contributions came from toll roads, airports, and communications; whilst there were negative contributions from diversified, oil, gas storage & transportation, transmission & distribution, 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 Flughafen Zurich in airports, Plains GP Holdings in oil, gas storage & transportation, and Grupo Aeroportuario del Sureste in airports. Flughafen Zurich saw strong performance after it

provided the market with guidance for upcoming capital expenditure, with expectations for 2021 being significantly lowered. The company also benefitted from vaccine news and improved confidence in traffic recovery. Plains GP Holdings continued to perform well, receiving strong investor support as it is being viewed as having a deeply discounted valuation. Grupo Aeroportuario del Sureste performed strongly also on the back of positive vaccine news and improved confidence in traffic recovery.

The bottom three individual contributors to relative performance during the period were from an overweight position in National Grid in transmission & distribution, and underweight positions in ONEOK (where we held no position) in oil, gas storage & transportation and Vinci in diversified. National Grid underperformed heading into a regulatory review. ONEOK rose alongside other more cyclical companies with the rotation from defensives to cyclical exposures which occurred amid the 'risk-on' rally. Vinci shares rallied on positive news on vaccine developments, with sentiment also buoyed after the company's announcement it has won the Sydney Gateway motorway contract in Australia.

## 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 to the transportation sector. We do not believe the share price movements caused by the COVID-19 pandemic in the sector are fully reflecting changes in fundamental profit expectations and we remain reliant on our long-term time horizon to search for dislocations in value.

We also retained a considerable underweight position in the communications sector. Although we are positive on the tailwinds for the sector, valuations have become even more stretched on the back of the flight to safety due to COVID-19 concerns.

## Market review

Democratic candidate Joe Biden won the US Presidential election, although it took most of November for the Trump administration to tacitly accept defeat and agree to co-operate with a transition of power. However, the new administration looks like it will be constrained by a Republican Senate majority which will put dampers on many of the proposed accommodative measures and new policy implementation. Global Equity markets were buoyed by the positive news on several likely viable COVID-19 vaccines which could be distributed as early as the first quarter of 2021. However, during the month there were sharp spikes in pandemic cases, with many jurisdictions reintroducing sharper preventative measures and lockdown provisions.

US pandemic cases are rising, abetted by an uncoordinated management strategy, and associated lockdowns continue to impact the economy significantly. Stimulus negotiations remain under way as pressure mounts ahead of the looming December 11 government shutdown deadline and hence Congressional leaders are in focussed talks to head off potential issues. However, Treasury Secretary Mnuchin has so far declined to extend a majority of the Federal Reserve's emergency credit programs beyond 31 December. The central bank has objected to this approach as it risks removing a financial backstop at a time of high risk.

The US Federal Reserve made no changes to monetary policy but intimated a further expansion of its quantitative easing programme against the shadow of increasing COVID-19 cases, despite the promising eventuation of a vaccine. US economic data remained generally robust, with stronger than expected payroll jobs growth, a fall in unemployment and more buoyant business conditions. Payroll employment has now recovered significantly; however, the pace of the jobs recovery looks to be slowing and the effective employment rate will only be truly known once pandemic stimulus has been wound down and the underlying state of the economy established. Despite these

issues, US shares rose to a new record high.

In Europe, eurozone business conditions remain subdued, down from more recent highs and consistent with slower quarterly growth. European Central Bank President Lagarde's comments at a central bank gathering were dovish, suggesting an expansion in the European quantitative easing programme with additional supportive bank funding measures. However, progress has stalled on the European Union's €750 billion recovery fund, with Poland and Hungary seeking to use their veto in retaliation for a condition that funds can only be disbursed to countries that meet key democratic requirements.

In the UK, the Bank of England increased its quantitative easing programme as a new lockdown regime was implemented.

In Asia, Japanese household spending has risen solidly with the pace of wage declines slowing. Japan's Economy Watcher's survey has also improved, pointing to ongoing economic recovery and gross domestic product has exhibited a rebound following a slump in the June quarter. However, the composite business conditions purchasing managers' index for November fell slightly, suggesting some loss of recovery momentum. Spare capacity is constraining inflation, with core consumer price index inflation falling. Latest Chinese business conditions purchasing managers' indices remained strong and were consistent with ongoing economic expansion. Despite this, recent Chinese economic data has been mixed, with an increase in exports but weaker than expected imports and slowing credit growth. Consumer price inflation also slowed further, and producer prices remain in a deflationary environment.

Along with the broader equities market, listed infrastructure also rose on the back of positive news regarding vaccines for COVID-19. Transportation and energy infrastructure sectors were strong outperformers during this period.

## Outlook

The COVID-19 pandemic has presented a challenging environment for global listed infrastructure. However, our long-term outlook for the asset class remains positive, supported by a recovery in economic activity and industry-wide structural investment tailwinds. 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.

Our outlook for North American oil, gas storage & transportation remains positive. In the short term, we believe that liquids production growth will moderate given lower commodity prices, reflecting

the impact of the COVID-19 outbreak on overall demand. In the long term, we believe that low-cost US production will continue to drive export growth as overall demand recovers.

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. We will continue to add selectively where we find value.

## 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

AMP Capital Funds Management Limited (ABN 15 159 557 721, AFSL 426455) is the responsible entity (Responsible Entity) of the AMP Capital Global Infrastructure Securities Fund (Hedged) - On-platform Class A (Fund) and the issuer of the units in the Fund. To invest in the Fund, investors will need to obtain the current Product Disclosure Statement (PDS) from AMP Capital Investors Limited (ABN 59 001 777 591, AFSL 232 497) (AMP Capital). The PDS contains important information about investing in the Fund and it is important that investors read the PDS before making an investment decision about the Fund. Neither AMP Capital, the Responsible Entity, nor any other company in the AMP Group guarantees the repayment of capital or the performance of any product or any particular rate of return referred to in this document. While every care has been taken in the preparation of this document, AMP Capital makes no representation or warranty as to the accuracy or completeness of any statement in it including without limitation, any forecasts. This document has been prepared for the purpose of providing general information, without taking account of any particular investor's objectives, financial situation or needs. Investors should consider the appropriateness of the information in this document, and seek professional advice, having regard to their objectives, financial situation and needs. This document should not be reproduced in whole or in part without the express written consent of AMP Capital.