

AMP Capital Global Infrastructure Securities Fund (Hedged) - Off-platform Class H

Investment objective

To provide total returns (income and capital growth) after costs and before tax, above the Fund's performance benchmark (Dow Jones Brookfield Global Infrastructure Index Australian Dollar Hedged) over the long term.

How we manage your money

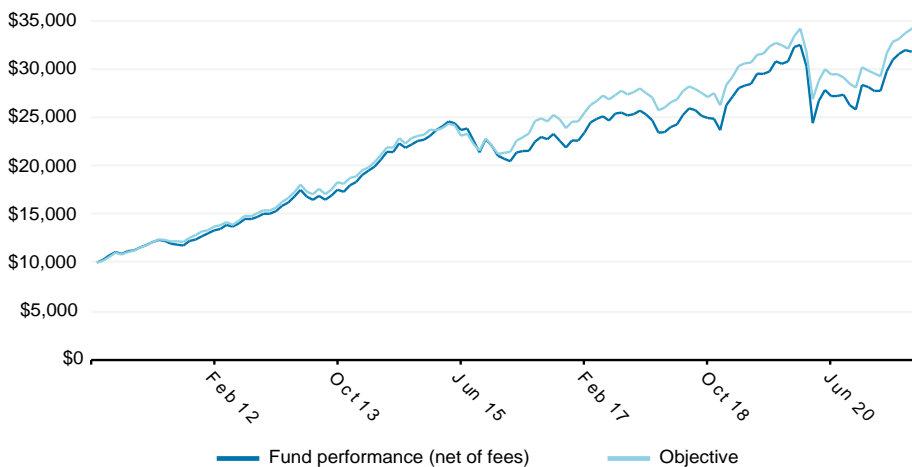
The Fund seeks to invest mainly in listed infrastructure securities where we consider that the underlying infrastructure assets are stable, have strong management teams and appropriate capital structures, and are available at attractive prices. The Fund utilises a bottom-up value-based investment approach,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

%	1 MTH	3 MTH	1 YR	3 YRS	5YRS	7YRS	SINCE INCEPT
Total Return - Net of Fees	0.71	1.43	17.01	7.54	7.06	5.28	11.54
Income	0.00	0.82	4.01	2.56	2.65	2.36	3.79
Capital	0.71	0.61	13.00	4.98	4.41	2.92	7.74
Objective	1.47	4.60	18.95	7.45	7.09	6.11	12.35
Excess return	-0.76	-3.17	-1.94	0.09	-0.03	-0.84	-0.81

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.

\$10,000 invested since inception



FUND FACTS

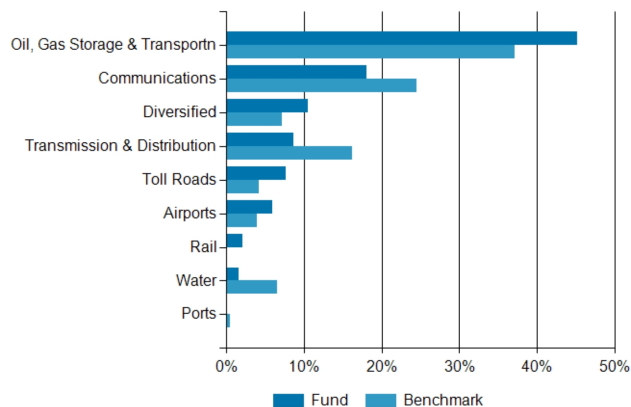
APIR	AMP1594AU
Inception date	02 July 2010
Fund Size	\$1,351,562,299
Management costs*	1.11% p.a.
Buy/Sell spread*	+0.20%/-0.20%
Distribution frequency	Quarterly
Minimum investment	\$10,000
Minimum suggested time frame	5 years

*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

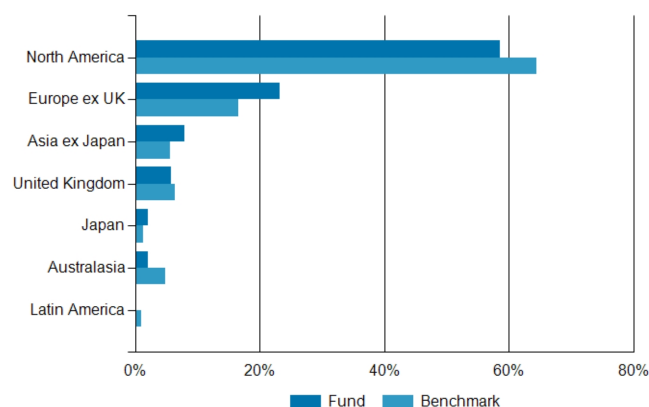
What happened last period

- The Fund underperformed the index during August
- The US Senate passed a \$1 trillion bipartisan infrastructure bill
- The pandemic continued to dominate investment markets.

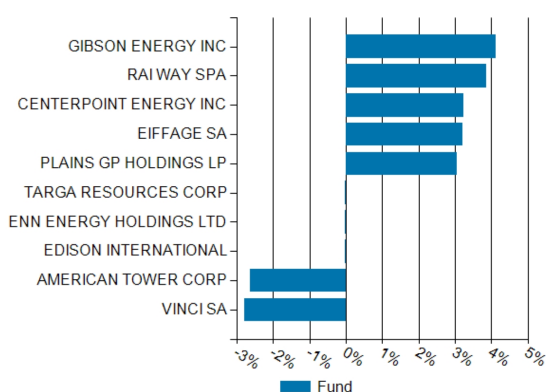
Sector allocation (%)



Regional allocation (%)



Top/Bottom Excess Weights



Fund Performance

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

The top three individual contributors to relative performance in the period were from an underweight position in Kinder Morgan Inc in oil, gas storage & transportation; and overweight positions in Beijing Enterprises Water Group in

water, and Atlas Arteria in toll roads. Kinder Morgan Inc underperformed in August as volumes in its products pipeline segment continues to be affected by COVID-19. Atlas Arteria reported its first half-year results, displaying stronger-than-expected traffic on its French toll road asset. Beijing Enterprises Water Group outperformed following strong reported earnings, which were above market expectations.

The bottom three individual contributors to relative performance during the period were from overweight positions in Plains GP Holdings in oil, gas storage & transportation and Pinnacle West Capital in diversified; and an underweight position in American Water Works (where we had no holdings) in water. Plains GP Holdings was impacted by an underwhelming second-quarter earnings result and weaker-than-expected guidance for 2021. Pinnacle West Capital was impacted by the recommended order from the administrative law judge in their rate case, which was more negative than expected. A final decision from the Commission is expected towards the end of September. American Water Works' outperformed in August as a result of the company presenting a better outlook for rate base growth partly fuelled by regulated acquisitions.

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 maintained an 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 the global vaccination programs. Although there remain significant opportunities, particularly in the airport space as the sector experiences bouts of short-term market volatility based on perceptions on whether the world economy is in a re-opening or lockdown phase. 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 August, geopolitics came sharply back into focus, as the US withdrew from Afghanistan, leading to a swift, unopposed takeover by the Taliban and terrible images emerging of desperate residents trying to flee the returned extremist regime. China was also in the spotlight during the month, coming under criticism for adopting an apparent conciliatory tone towards the Taliban, but also for its continued regulatory crackdown on technology and the property sector amid its continuing broader shift towards 'big government' policy, as leadership tries to address rising levels of income and wealth inequality contributing to rising social discontent. The pandemic also continued to dominate news, with focus slowly but clearly shifting away from raw case numbers and restrictions towards ongoing management of the virus with open economies, arguably a key factor continuing to support bullish sentiment in growth markets.

In the US, commentary from the US Federal Reserve continued to be closely watched over the month, as it nears its inevitable tapering of its bond purchases. US economic data releases meanwhile

were mixed. Retail sales fell amid a rotation in spending back towards services, along with the end of stimulus checks. Industrial production rose more than expected, while manufacturing conditions saw some regional falls, but remain strong overall. Housing starts fell, as did home builder conditions, while permits to build new homes rose. Jobless claims fell sharply, while job openings surged to a record high. A moderation in consumer price inflation meanwhile gave the US Federal Reserve a little breathing space to hold off any tapering, as did a sharp fall in consumer sentiment amid Delta variant related fears.

The US Senate passed a \$1 trillion bipartisan infrastructure bill earlier in the month and the House of Representatives agreed to vote on the bill by late September 2021. The bill represents the biggest spending in decades on infrastructure including roads, bridges, airports and waterways in the US.

In Asia, Japanese June quarter gross domestic product surprised on the upside, reflecting stronger than expected consumer spending and capital expenditure. The core consumer price index however remained in deflation in July. Chinese data released in August (for July) remained on the soft side, with a bigger than expected slowing in industrial production, retail sales and investment, along with a rise in unemployment and a further slowing in property price growth. Key drivers were floods, the latest Delta outbreak, regulatory policy tightening and carbon pollution reduction measures. In Europe, market sentiment generally remained positive amid strong business activity and job creation figures, improving corporate earnings and continued economic reopening. Travel between European nations is also rapidly rising. Moving away from restrictions was a theme in many countries on the continent, after continued progress with vaccine rollouts. Civil discontent was evident in others however, with hundreds of thousands protesting in France against new 'health pass' requirements to enter various public venues.

Outlook

Our outlook for North American oil, gas storage & transportation remains positive. 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 focused 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. Within the sector we favour European and developing economies' assets over the US due to more supportive valuations.

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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