

# AMP CAPITAL CORE INFRASTRUCTURE FUND - OFF-PLATFORM CLASS H

Aims to generate income and capital growth from a diversified portfolio of Australian and global unlisted infrastructure assets and listed infrastructure securities.

## Performance summary

- > The Core Infrastructure Fund (CIF) has underperformed its benchmark over the past month. The Fund has outperformed its benchmark over a one, seven and ten-year basis, and since inception.
- > The listed component of CIF returned 1.42% for June, underperforming the MSCI World ex AU Accumulation Hedged AUD Index return of 2.40%.

## Investment approach

The Fund aims to invest primarily in unlisted infrastructure assets (50%) and listed infrastructure securities and cash (50%).

## Important Note Regarding Performance Fee Estimate\*

The Management Costs consist of a management fee component, a performance fee component, and an indirect costs component. The performance fee component is an estimate which is calculated based on an average of the performance fees for the previous five years to 31 December 2020. This estimate does not take into account carried forward underperformance which will reduce future performance fees, therefore future performance fees may be lower than estimated. During 2020 performance of the Fund was negatively impacted by the COVID-19 pandemic and its associated impacts, resulting in a carried forward negative performance fee position as at 31 December 2020. This negative amount will be deducted from any future performance fees that may be payable. Future performance will need to exceed the Fund's benchmark by 9.30% of NAV (as at 31 December 2020) before additional performance fees may be charged by the Responsible Entity.

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## Performance – as at 30 June 2021

**Inception Date:** 30 Oct 2007

**Performance benchmark:** 10 year Australian Government Bond Yield plus 3.25% pa

**Management costs:** 2.17% pa

The Management costs include a management fee, a performance fee, and indirect costs. The performance fee is 15.39% (inclusive of GST less reduced input tax credits) of the outperformance of the Fund, based on the Fund's total return over the 10 year Australian Government Bond Yield plus 3.25% p.a. Outperformance is measured on an after management fee, indirect costs and transactional and operational costs basis. The Fund PDS outlines the management costs components, as well as other fees and costs that may apply to your investment. You can review the PDS at [www.ampcapital.com.au](http://www.ampcapital.com.au)

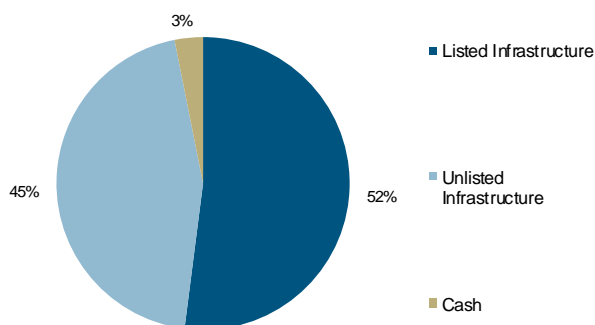
%	1 mth	3 mth	1 yr	3 yr	5 yr	Incept
Total return - after fees	-0.41	1.48	4.66	3.61	5.00	7.13
Distribution	0.85	0.87	3.33	2.95	3.50	5.19
Growth	-1.27	0.62	1.34	0.66	1.50	1.94
Benchmark	0.39	1.21	4.46	4.75	5.18	6.65

Past performance is not a reliable indicator of future performance.

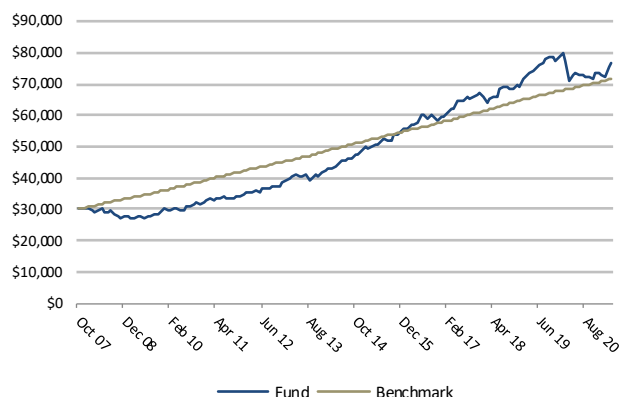
Performance is annualised for periods greater than one year.

Total returns are calculated using the unit price which uses the net asset values for the relevant month end. This price may differ from the actual unit price for an investor applying for or redeeming an investment. Actual unit prices will be confirmed following any transaction by an investor. Returns quoted are before tax, after Class 'H' fees and costs, assume all distributions are reinvested and are annualised for periods greater than one year.

## Asset Allocation



## \$30,000 invested since inception



## Asset Allocation

	Current %
US	32.84
Australia	27.35
UK	14.91
Europe	10.37
Canada	7.10
New Zealand	6.12
Japan	0.72
Asia excl. Japan	0.59

## Top 10 holdings

Security Details	Portfolio %
Australia Pacific Airports Corporation	12.17
American Tower Corp	6.90
Luton Airport	5.01
Crown Castle International Corp	4.76
Enbridge Inc	4.60
Angel Trains UK	4.27
ANU Student Accommodation	3.67
SecureFuture Wiri Holdings Limited	3.29
Macarthur Windfarm	2.99
Vinci SA	2.99

## Performance and activity

### Unlisted infrastructure

The unlisted component of the portfolio comprises Angel Trains, Australia Pacific Airports Corporation (APAC) (Melbourne and Launceston Airports), Powerco, AquaTower, SA Schools, Port Hedland International Airport (PHIA), ITS ConGlobal (ITSC), London Luton Airport (LLA), Australian National University Student Accommodation (ANU), Macarthur Wind Farm, Auckland South Corrections Facility (ASCF), AMP Capital Diversified Infrastructure Trust, AMP Capital Global Infrastructure Fund and AMP Capital Global Infrastructure Fund II.

#### Australia Pacific Airports Corporation (APAC)

The COVID-19 pandemic continued to impact the operational and financial performance of Melbourne Airport in FY21. Total passenger volumes at Melbourne Airport for the year-to-date (YTD) (eleven months to 31 May 2021) were 78.5% below the prior corresponding period (PCP) and 2.2% above the March 2021 reforecast. YTD domestic passenger volumes were 70.3% below the PCP and 2.1% above the reforecast. Furthermore, YTD international passenger volumes were 97.5% below the PCP and 4.4% above the reforecast.

APAC's YTD EBITDA was 70.8% below the PCP and 4.9% above the reforecast, while total revenues were 2.4% above the reforecast (62.0% lower than the PCP) and operating expenses were 0.5% below the reforecast (40.6% lower than the PCP).

Launceston Airport's YTD passenger volumes were approximately 51.2% below the PCP but 16.4% above the reforecast. YTD EBITDA was above the reforecast, primarily due to the higher than expected passenger volumes and retail revenues. Shane O'Hare, Melbourne Airport's former chief of aviation, has been appointed as the interim Chief Executive Officer of Launceston Airport following the departure of former CEO Hans van Pelt.

#### Angel Trains

Angel Trains continues to perform well operationally, with close to 100% of its trains currently on lease following successful re-leasing over the past three years. There has been no impact on capital revenues thus far as a result of the COVID-19 pandemic, with Angel Trains continuing to receive all monthly rental payments in advance and in full under its lease agreements.

The outlook for the UK rail industry has improved in recent months, following the government announcement of a planned return to normality by July 2021, combined with the ongoing success of the vaccine rollout. Some industry research is suggesting a return to rail passenger load factors of approximately 85% by the end of 2021.

#### Port Hedland International Airport (PHIA)

Passenger volumes at PHIA for the eleven months to 31 May 2021 (YTD) remained resilient, notwithstanding the wider disruption caused by COVID-19. The YTD passenger volumes were 5.4% ahead of budget but 2.4% below the PCP.

YTD EBITDA was 1.3% above budget; this positive result was primarily attributed to higher than expected aviation revenues and strong cost control, partially offset by lower non-aviation revenues.

AMP Capital continues to work with management to secure long-term pricing agreements with airlines. During the quarter PHIA agreed to a new 10-year aeronautical services agreement with Virgin Australia, with revised pricing to apply from 1 July 2021. AMP Capital's focus has now shifted to reaching similar agreements with Qantas and Alliance Airlines.

PHIA's General Manager, Mr Rod Evans, will be leaving the airport in September 2021. Mr Evans has decided to relocate to Perth to be with family and pursue another employment opportunity closer

to home. Mr Evans has been instrumental in navigating PHIA through a challenging period and oversaw the development and execution of a substantial portion of the airport's capital works program. A recruitment process to replace Mr Evans has commenced.

#### Powerco

As at 31 May 2021 the YTD (two months to 31 May 2021) earnings before interest, tax, depreciation, amortisation and financial movements (EBITDA) is tracking 13.1% favourable to budget, due to higher customer initiated works and electricity revenues and lower maintenance costs. YTD capex is also 26.5% ahead of budget driven by strong overhead renewals and growth projects.

Previous CEO Nigel Barbour finished his time with Powerco in June, and his successor James Kilty will commence in mid-October. James has extensive experience in the energy industry, most recently as the Deputy CEO of Contact Energy, and is well suited to lead Powerco. Chris Taylor, Powerco's CFO, is the acting CEO in the interim.

#### ITS ConGlobal (ITSC)

ITS ConGlobal YTD performance continues to be negatively impacted by operational challenges within the intermodal business unit, principally as a result of COVID. The decline in intermodal performance is mostly attributable to lower productivity. YTD revenue was 7.2% higher than the PCP; this was largely driven by higher intermodal volume and container and equipment sales within the depot business unit. Adjusted YTD EBITDA was 28.0% lower than the PCP, largely driven by lower lifts per hour and significant increases in overtime and personal time off due to COVID dynamics and congestion issues. Additionally, YTD capex is tracking lower than planned.

#### London Luton Airport (LLA)

Passenger performance in May was approximately 180,000 passengers, which represents just over 10% of 2019 levels. Passenger volumes have continued to be significantly curtailed as a result of travel and other restrictions. However, the establishment of a 'traffic light' system has provided clarity on the path to recovery for the sector. The UK Government confirmed that international travel can resume from 17 May 2021, and initially provided a list of 12 countries deemed part of the 'Green List'. This means inbound passengers do not need to self-isolate or quarantine in a managed hotel, subject to providing a negative pre-departure PCR virus test, and a further test within two days of arrival. Further countries added to the Green List, as well as increasing consumer confidence to travel on 'Amber List' countries, coupled with recognition and relaxation of restrictions for individuals with double vaccination status, is expected to see a strong recovery over the summer period.

The YTD (five months to May 2021) revenue at LLA was 49.4% below budget and 61.4% lower than the 2019 corresponding period. YTD operating costs were 25.6% favourable to budget, driven principally by a reduction in wage costs through the UK Government's furlough scheme that has been extended, and the business rates grant scheme for UK airports, as well as significant cost saving measures across the business.

#### SA Schools

The SA Schools PPP project (SA Schools) continues to deliver strong operational and financial performance. AMP Capital is progressing two significant modifications for new classrooms and associated facilities at the project's two high schools, Mark Oliphant College and Roma Mitchell Secondary College. During the quarter, works continued on site, with good progress being made by the builder, Hansen Yuncken. We are pleased to be working with Hansen Yuncken again on this project, having developed strong relationships with them over almost ten years on SA Schools. We have already seen that this relationship allows us to develop best

outcomes for the project and maintain our focus on completing the new buildings in time for the 2022 school year.

### AquaTower

AquaTower is performing in line with expectations. Operational performance is measured against 29 KPIs. For the 12 months to 30 June 2021, no abatements were levied on AquaTower.

### Australian National University Student Accommodation (ANU)

Occupancy throughout Semester One has been stable at approximately 70%, despite the continued closure of Australia's border to international students. The performance of this asset is significantly better than what is being experienced at competing Australian universities and reflects the premium quality of the asset and strong demand for Australia's highest ranked university. ANU and AMP Capital have developed options to return international students to campus through pilot schemes in 2021 which are currently being assessed by ACT and federal governments.

AMP Capital has negotiated an extension of debt covenant waivers up to May 2022. As noted above, we have been working closely with the university to develop a pilot program to return international students to the ACT. At the end of June, Davey Lodge, a 465-bed facility was used to quarantine returning Federal Government officials from the G7 summit. The quarantining of these government officials provided a solid test case for the ability of the university to independently quarantine returning students.

### Macarthur Wind Farm

AMP Capital continues to work closely with AGL and the other shareholder in monitoring the performance of the asset. Since acquisition, the financial performance of Macarthur has been strong, and the asset continues to receive its scheduled payments from AGL. Pleasingly, operational disruptions have had no bearing

on the scheduled payments from AGL, which have continued as normal.

### Auckland South Corrections Facility (ASCF)

The ASCF Board and AMP Capital are continuing to support the operator Serco and the New Zealand Department of Corrections to progress a review of the KPI regime for the project, to better align the KPIs, and enhance the performance of the project. This review is progressing well, with the aim to finalise the review as soon as possible.

### Global listed infrastructure

The listed component of CIF returned 1.42% for June, underperforming the MSCI World ex AU Accumulation Hedged AUD Index return of 2.40%.

### Utilities

Water, integrated regulated and transmission & distribution provided a positive return. Diversified utilities provided a negative return.

### Infrastructure

Rail and communications infrastructure provided a positive return. Airports, toll roads and ports contributed negatively during the period.

### Outlook

CIF remains an attractive investment opportunity, particularly on a risk-adjusted return basis and during periods of high market volatility. The Fund provides a well-diversified investment opportunity, with exposure to the performance of a wide range of infrastructure and utilities sectors via the unique blend of unlisted and listed infrastructure.

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## Investment objective

To provide total returns (income and capital growth) after costs and before tax, above the Fund's performance benchmark. The benchmark for the Fund is the 10 year Australian Government Bond Yield plus 3.25%pa.

## Facts

Fund size	\$854.02 million
Minimum suggested time frame	5 years
Minimum initial investment	\$10,000
Buy/sell spread	+0.05/-0.05

Distribution frequency	Quarterly
Date of last distribution	Jun 2021
Distribution cents per unit	1.12

Investors should consider the Product Disclosure Statement (PDS) available from AMP Capital Investors Limited (ABN 59 001 777 591) (AFSL 232497) (AMP Capital) for the AMP CAPITAL CORE INFRASTRUCTURE FUND - OFF-PLATFORM CLASS H (Fund) before making any decision regarding the Fund. AMP Capital Funds Management Limited (ABN 15 159 557 721, AFSL 426 455) is the responsible entity of the Fund and the issuer of units in the Fund. The PDS contains important information about investing in the Fund and it is important investors read the PDS before making a decision about whether to acquire, continue to hold or dispose of units in the Fund. Neither AMP Capital, 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. Past performance is not a reliable indicator of future performance. 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 fact sheet 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, before making any investment decisions, consider the appropriateness of the information in this fact sheet, and seek professional advice, having regard to their objectives, financial situation and needs.

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