

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 outperformed its benchmark over the past month. The Fund has outperformed its benchmark over a seven and ten-year basis and since inception.
- > The listed component of CIF returned -2.92% for December, outperforming the MSCI World ex AU Accumulation Hedged AUD Index return of -5.19%.

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.

For more information visit ampcapital.com.au

Performance – as at 31 December 2022

Inception Date: 30 Oct 2007

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

Management costs: 2.17%

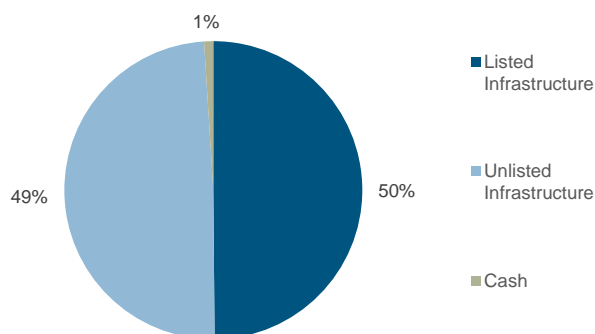
The Management costs include a management fee, a performance fee, and indirect costs. The performance fee is 15.39% (inclusive of GST less reduced input tax credits) of the outperformance of the Fund, based on the Fund's total return over the 10 year Australian Government Bond Yield plus 3.25% p.a. Outperformance 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

%	1 mth	3 mth	1 yr	3 yr	5 yr	Incept
Total return - after fees	0.78	4.73	-2.24	0.54	3.60	6.73
Distribution	0.66	0.66	3.11	2.91	2.98	4.97
Growth	0.12	4.07	-5.35	-2.37	0.62	1.75
Benchmark	0.56	1.72	6.44	5.12	5.21	6.57

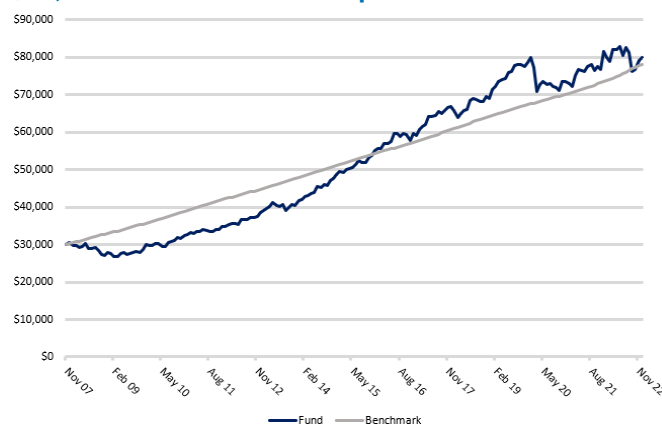
Past performance is not a reliable indicator of future performance. Performance is annualised for periods greater than one year.

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

Region	Current %
US	35.50
Australia	31.18
UK	10.42
Europe	8.65
Canada	7.14
New Zealand	5.86
Asia excl. Japan	0.72
Japan	0.53

Top 10 holdings

Security Details	Portfolio %
Australia Pacific Airports Corporation	15.29
American Tower Corp	5.89
London Luton Airport	5.58
ANU Student Accommodation	5.35
ITS ConGlobal	4.76
Enbridge Inc	4.74
Crown Castle International Corporation	3.50
Auckland South Corrections Facility	3.21
Vinci SA	2.96
Macarthur Windfarm	2.95

Performance and activity

The Core Infrastructure Fund (CIF) has outperformed its benchmark over the past month. The Fund has outperformed its benchmark over a seven and ten-year basis and since inception.

The listed component of CIF returned -2.92% for December, outperforming the MSCI World ex AU Accumulation Hedged AUD Index return of -5.19%.

Unlisted infrastructure

The unlisted component of the portfolio comprises 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)

During December 2022, the total passenger volumes observed at Melbourne Airport were 4% higher than November 2022 volumes and 79% of December 2019 (pre-COVID) volumes. International traveller numbers during the month rose to the highest levels seen in almost three years, representing 71% of pre-COVID volumes and were 18% higher than November 2022. Domestic passenger volumes represented 83% of pre-COVID volumes. The strong international passenger flows are reflective of growing demand for international travel and increased flight capacity at Melbourne Airport.

Year-To-Date (YTD) (for the first five months of FY23) earnings before interest, tax, depreciation and amortisation (EBITDA) outperformed the budget by 1%, reflecting the stronger than expected international passenger performance during November 2022. Total revenues tracked 0.7% ahead of the budget as a result of favourable performances across APAC's aviation, retail and ground transport revenue streams. Operating costs tracked 0.1% favourable to the budget despite increased ground transport and technology supplier costs, offset by corporate cleaning and reactive maintenance costs.

YTD passenger volumes at Launceston Airport were approximately 302% above the prior corresponding period (PCP) and in line with the budget. The YTD revenue also tracked in line with the forecast. In September 2022, Launceston was named Australia's Airport of the Year for 2022 at the Australian Aviation Awards night.

APAC submitted its Level 3 Airport Carbon Accreditation application to the Airports Council International for assessment. Level 3 certification is in recognition of APAC's efforts to fulfil requirements of the Mapping and Reduction phases, together with assessment of Scope 3 emissions.

Port Hedland International Airport (PHIA)

Passenger volumes at PHIA for the four months to 31 October 2022 (YTD) continued to be solid following a very strong finish to FY22. The YTD passenger volumes were 17% ahead of budget and 20% above the PCP.

YTD EBITDA tracked 24% favourable to the budget, attributable to the strong passenger performance. Aeronautical revenues were 12% above budget, with the higher than budgeted passenger volumes slightly offset by lower-than-expected aircraft tonnage landed. Passenger numbers have been particularly strong in each month of the financial year. Non-aeronautical revenues were 8% above budget, primarily due to higher-than-expected hire car income and food and beverage retail turnover. Total expenses tracked 10% favourable to the budget, predominantly due to the timing of maintenance expenses and security costs.

The in-principle aeronautical agreement with Qantas confirmed in June 2022 has now been executed with both parties signing the agreement in November 2022. The final pricing agreement was in line with the FY23 budget.

Discussions about the development of a Qantas lounge in concert with the terminal redevelopment are ongoing, with a lease expected to be negotiated over the coming months.

Powerco

As at November 2022, the YTD earnings before interest, tax, depreciation, amortisation and financial movements (EBITDAF) tracked 1.2% favourable to the budget, as a result of continuing high levels of customer initiated works.

The Commerce Commission (Commission) released their final decision on Powerco's revenue allowances as Powerco transitions from the Customised Price-Quality Path (CPP) to the FY24-25 Default Price-Quality Path (DPP). The decision is value accretive for Powerco and the business will move from its CPP to DPP on 1 April 2023.

Powerco experienced volatile storm activities in November, with the volume of high voltage remediation works larger than the volumes observed in October 2022. There were six recorded storm days in November, four of which were level 1 in nature. Whilst the December unplanned system average interruption duration index tracked broadly in line with the monthly target, Powerco will continue to prepare for consultations with the Commission as annual targets are likely to be exceeded.

Powerco participated in an industry-funded independent study by The Boston Consulting Group to develop a low carbon energy road map. The report takes a whole of electricity sector perspective to identify ways to achieve the best low carbon energy system for New Zealand. The report was publicly released in late October 2022 and can be accessed [here](#).

ITS ConGlobal (ITSC)

ITSC's November 2022 YTD revenue tracked 20% higher than the PCP, with YTD adjusted EBITDA tracking 71% above the PCP and 39% favourable to the budget.

The Depot business continues to produce strong financial results with YTD adjusted EBITDA tracking 78% above the budget and 100% higher than the PCP. The results were driven by higher storage and handling volumes, new business wins and the ITSC commercial team pursuing loaded storage (or "full" containers compared to empty containers which can be stacked) which come at higher rates versus typical container storage. Furthermore, strong financial momentum continues to flow through from the new business and contract wins in 2021. There continues to be a robust commercial pipeline of depot opportunities that AMP Capital and the ITSC management team are actively pursuing.

The Intermodal business is continuing to stabilise to a degree, albeit is still tracking behind budget due to lower-than-expected volumes and productivity challenges. The YTD intermodal volumes were 9% unfavourable to the budget and 18% lower than the PCP as US buying patterns are reverting to more normalised levels and congestion in certain regions has further limited volumes. However, the impact has been partially offset by decreases in labour costs as a result of the lower volumes. The ITSC management team are monitoring and adjusting labour hours to account for lower volumes while still maintaining service expectations. It is expected that lower and more stable volumes may help improve productivity though this effect will take time and is not immediate.

The AMP Capital asset management and ITSC management team are very close to concluding the broader Tactical Plan in renegotiating or exiting the 17 underperforming intermodal contracts with only one contract remaining. A 12-month run rate is expected for the re-contracted terminals to reach financial targets,

given that the contracts were renegotiated recently. AMP Capital and the ITSC management team will continue to progress discussions on the final contract over the next quarter.

London Luton Airport (LLA)

2022 passenger volumes reflected 73% of 2019 levels. Positively, the passenger traffic tracked 6% ahead of the budget and was 187% higher than the PCP, signalling a strong summer and winter holiday period, as well as LLA's significant recovery from the difficult operating conditions induced by the pandemic.

YTD EBITDA exceeded the budget by 44% due to strong income generation across various revenue streams and cost control. Most notably this included increased aircraft parking and retail trading upside, as well as car parking and other revenue streams. YTD revenue tracked 24% favourable to the budget due to higher passenger volumes, and improved aero yield, as well as favourable income variances across various revenue streams. YTD operating costs, however, tracked 9% adverse to the budget.

The Luton Direct Air-Rail Transit (DART) system has received Stage 2 Authorisation from the Department for Transport to open late Q1 2023. This is a key milestone, and the Luton DART will allow a seamless circa 30 minutes journey between London St Pancras Station and the Airport terminal, significantly improving the passenger experience.

Customer experience has continued to maintain very high standards at LLA, with an overall ASQ score of 4.02 (out of 5) for November 2022, reflecting the success of various initiatives. Importantly, statistics from measures which look at whether customers felt safe and secure, confident to travel and relaxed all scored very highly and close to 100%.

SA Schools

SA Schools continues to perform well. Operational performance is measured against 294 KPIs. For the 12 months to 30 November 2022, 99.98% of the service fee was received from the State of South Australia; and of the 0.02% abatement, 100% was passed through to the subcontractor.

AMP Capital has commissioned works via Spotless to improve the playing surface and drainage at the Roma Mitchell Secondary College (RMSC) soccer ovals. These works commenced at the end of the school year and are planned for completion prior to the return of staff and students in late January 2023.

AMP Capital also undertook a pre-end of defects liability period (DLP) inspection of the Year 7 additional accommodation modification works at Mark Oliphant College and RMSC. The inspections went well, with only minor items identified for resolution prior to the end of the 12-month DLP.

AquaTower

All plants continued to operate well over the December quarter. While AquaTower continued to see solid consumption in comparison to the past two COVID-19 affected years, treated water volumes tracked 5.7% behind the budget in the year to 31 December 2022 due to the wetter conditions observed in 2022.

For the 12 months to 31 December 2022, no abatements were levied on AquaTower, with each plant meeting all contractual water quality parameters.

Australian National University (ANU) Purpose Built Student Accommodation (PBSA)

Occupancy remained at 100% during Semester 2, 2022 with the ANU currently managing a waitlist of excess applications. Occupancy in 2023 is protected by a revenue underwrite from the ANU, however nevertheless AMP Capital has been working closely with the University to maximise occupancy for Semester 1 2023. This ensures there is strong momentum from returners in 2024. The ANU is currently in the process of making enrolment and accommodation offers to students following the release of the domestic school-leaver results. Early indications are that there is strong demand for accommodation on campus.

The Department of Home Affairs continues to process historically high numbers of student visa applications, which is a lead indicator of strong demand for Australian tertiary institutions from the international market. In addition to this, the Chinese Government dropped its zero-COVID stance and began relaxing restrictions in December 2022. The AMP Capital asset management team will continue to monitor this closely with the ANU to proactively respond to opportunities.

Macarthur Wind Farm

Macarthur's performance has been robust. While production has been slightly lower than anticipated recently due to turbine operation and maintenance activities, the asset continues to receive its scheduled payments from AGL under its fixed price contract.

Health and safety performance continues to be sound, with zero lost time injuries and no medical treatment incidents.

Auckland South Corrections Facility (ASCF)

The project continues to perform well both financially and operationally.

Operational performance is measured against 52 KPIs. For the 12 months to 30 September 2022, 99.93% of the service fee was received from the New Zealand State; and of the 0.07% abatement, 100% was passed through to the subcontractor.

Discussions with Corrections continue regarding the review of the current performance regime, which will form part of an ongoing wider contract reset exercise.

Global listed infrastructure

The listed component of CIF returned -2.92% for December, outperforming the MSCI World ex AU Accumulation Hedged AUD Index return of -5.19%.

Utilities

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

Infrastructure

Ports provided a positive return. Airports, rail, toll roads and communications infrastructure provided a negative return.

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 through its blend of unlisted and listed infrastructure.

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	\$832.87 million	Distribution frequency	Quarterly
Minimum suggested time frame	5 years	Date of last distribution	Dec 2022
Minimum initial investment	\$10,000	Distribution cents per unit	0.85
Buy/sell spread	+0.05/-0.05		

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. **A target market determination has been made in respect of the Fund and is available at www.ampcapital.com/TMD.** 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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