

# 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. However, the Fund has outperformed its benchmark over a five, seven and ten-year basis, and since inception.
- > The listed component of CIF returned -1.90% for August, underperforming the MSCI World ex AU Accumulation Hedged AUD Index return of 6.15%.

## Investment approach

The Fund provides diversification across a broad range of infrastructure sectors, through investment in both unlisted infrastructure assets and listed infrastructure securities. For unlisted infrastructure assets, we take a 'bottom up' approach where each opportunity is analysed on an individual basis taking into account the nature of the returns and risks of each asset. For listed infrastructure securities, we take a 'top down' approach where the focus is on selecting sectors that fit our infrastructure investment philosophy.

## Performance – as at 31 August 2020

**Inception Date:** 30 Oct 2007

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

**Management costs:** 1.61%

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	-1.12	-1.79	-7.19	3.26	6.79	7.15
Distribution	0.00	0.53	2.16	3.07	3.53	5.26
Growth	-1.12	-2.32	-9.35	0.19	3.27	1.89
Benchmark	0.35	1.03	4.26	5.15	5.39	6.78

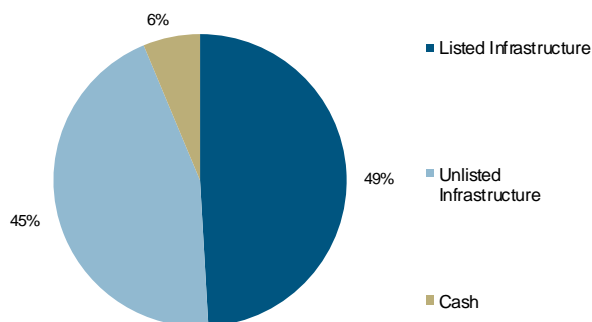
Past performance is not a reliable indicator of future performance.

Performance is annualised for periods greater than one year.

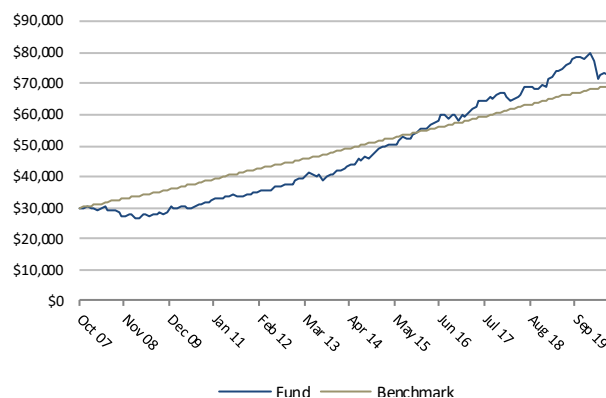
Total returns are calculated using the unit price which uses the net asset values for the relevant month end. This price may differ from the actual unit price for an investor applying for or redeeming an investment. Actual unit prices will be confirmed following any transaction by an investor. Returns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

For more information visit [ampcapital.com.au](http://ampcapital.com.au)

## Asset Allocation



## \$30,000 invested since inception



## Asset Allocation

%	Current
US	33.72
Australia	28.01
UK	14.84
Europe	9.62
Canada	6.51
New Zealand	6.05
Japan	0.81
Asia excl. Japan	0.44

## Top 10 holdings

Security Details	% Portfolio
Australia Pacific Airports Corporation	11.60
American Tower Corp	6.85
London Luton Airport	4.97
ANU Student Accommodation	4.28
Crown Castle International Corp	4.23
Angel Trains	4.20
Enbridge Inc	4.04
Auckland South Corrections Facility	3.27
Macarthur Wind Farm	3.01
Vinci SA	2.72

## 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)

Total passenger volumes at Melbourne Airport for the month ending 31 July 2020 were 97.6% below the prior corresponding period (PCP). International passenger volumes fell by 98.5%, while domestic passenger volumes decreased by 97.2%. International passenger volumes at Melbourne Airport during the month were driven lower by a decrease in capacity (-94% relative to the PCP) and lower average-load factors. Additional restrictions put in place by the Victorian State Government in response to the resurgence of a second wave of COVID-19 infections further hindered international passenger volumes. Only 12 of 36 international carriers operated limited services out of Melbourne Airport during July of which Qatar Airways, Air New Zealand and Emirates accounted for the bulk of passengers. Domestic passenger volumes at Melbourne Airport during the month were similarly impacted by lower capacity (-93% relative to the PCP) and lower average-load factors. Capacity reductions occurred across airlines, including the discontinuation of the Tigerair brand. The reduction in capacity was due to border restrictions implemented for Victorian travellers by all other Australian states and territories to contain potential transmission risk. Melbourne Airport's EBITDA for July 2020 was 90.9% below the PCP, with the softer result attributable to lower revenues in all business units as a result of the material negative impact of COVID-19. Expenses were 54.2% lower than the PCP, primarily due to reduced airport operations in response to lower passenger volumes. A new solar farm at Melbourne Airport,

the largest of its kind in Australia, is expected to be operational in January 2021. The renewable energy development will be capable of generating up to 17 gigawatt hours of electricity every year, which is equivalent to 15% of Melbourne Airport's annual electricity consumption and is set to reduce the airport's carbon footprint as part of its long-term ESG program.

### Angel Trains

Angel Trains' July YTD revenue was £324.9 million, 11.5% above the corresponding period in 2019, and July YTD EBITDA was £282.8 million, 11.2% above the corresponding period in 2019. The Bombardier Class 720 new-build project is progressing well and has achieved a key milestone in accepting its first six Class 720 units into service on 21 August 2020, in line with the agreed revised delivery schedule. Angel Trains expects to accept a further 20 units into service before the end of 2020. The existing Emergency Measures Agreements (EMA) between the UK government and train operating companies are due to expire at the end of September 2020 and the conditions upon renewal are anticipated to be broadly similar to existing EMAs. Kevin Tribble retired as CEO of Angel Trains at the end of August 2020 and was succeeded on 1 September 2020 by Malcolm Brown, who returns to Angel Trains (where he was previously CEO for almost 10 years) after a two-year period with AMP Capital Global Infrastructure Equity where he was European Head of Asset Management.

### Port Hedland International Airport (PHIA)

Total passenger volumes at Port Hedland International Airport (PHIA) for the month ending 31 July 2020 were 8.6% above budget but 32.4% below the PCP following the negative impact of COVID-19 restrictions. In total, 27,650 passenger movements were facilitated at PHIA during the month. For July, PHIA's EBITDA was 0.7% above budget. The result was broadly in line with budget, with slightly higher aviation revenues and lower expenses offset by a timing delay in rates reimbursements. Aviation revenues were 4.2% higher than budget following stronger than budgeted passenger volumes, which were slightly offset by lower than budgeted aircraft tonnage landed. Non-aviation revenues were 14.6% below budget primarily due to a timing delay in the reimbursement of rates, which was slightly offset by higher hire car

## Investment objective

To provide total returns (income and capital growth) after costs and before tax, above the Fund's performance benchmark.

## Facts

Fund size	\$861.49 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 2020
Distribution cents per unit	0.69

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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concession revenues. Total expenses were 10.1% below budget primarily driven by lower security, maintenance and heliport costs and timing of professional fees, which were slightly offset by higher employment costs.

#### Powerco

Recent instances of community transmission of COVID-19 have placed New Zealand on 'Alert level 2', but such an alert level doesn't restrict movement or business operations as long as social distancing is maintained, and additional precautions taken. The restrictions will be reviewed by 16 September. There has been no material impact on Powerco or its contractors to date and customer-initiated works continue to track positively. There has been no uptake of the Electricity Authority support package for retailers and the regulator is considering an earlier closure of the support program in November, given only one retailer was forced out of business by COVID-19. The year-to-date earnings before interest, tax, depreciation and amortisation and financial movements was 1.6% below budget, driven by lower customer-initiated works revenue from work deferral or cancellation and partially offset by strong revenues in the electricity business. The restrictions also impacted YTD capital expenditure delivery which was 19.7% below budget. Management is planning to ramp up work during the summer construction period.

#### ITS ConGlobal (ITSC)

July 2020 YTD revenues and EBITDA were US\$240.79 million and US\$24.41 million, respectively, representing a 5.3% year-over-year decline in revenues and a 40% year-over-year increase in EBITDA. Revenue growth remains subdued as softness in intermodal and auto volumes continues due to the continued global proliferation of COVID-19. However, July YTD EBITDA outperformed both budget and 2019 levels, driven by management's strong management of costs to better match expected volumes. AMP Capital and the ITSC Board have begun examining a series of technological initiatives at ITSC facilities to identify incremental value creation opportunities. Most notable initiatives include a potential strategic partnership with an emerging software company focussed on tele-operated, semi-autonomous industrial equipment and a company specialising in the automation of gate operations.

#### London Luton Airport (LLA)

Passenger volumes for August at London Luton Airport were over 821,000, up from 450,000 in July, representing approximately 44% of the passenger levels in July 2019. On this basis London Luton Airport was the best performing airport in the UK. Load factors remain resilient at an average of 57% but we expect to see some weakening of demand from September following the summer holiday period. The strong passenger numbers translated into positive EBITDA performance for the month of over £3.9 million, reflecting the significant efficiencies that have been achieved and enabled the asset to achieve operating leverage at these passenger levels. General Aviation (GA) and cargo movements have continued to recover well, with GA movements having returned to approximately 83% of pre COVID-19 levels.

#### SA Schools

AMP Capital received approval from the Government of South Australia to engage an architect to design the new Year 7 accommodation at the two high school assets. A COVID-19 clean occurred at Roma Mitchell Secondary College over the space of several days, with school returning later that week. For the 12 months to August 2020, 99.99% of the service fee was received from the state. 100% of the abatement was passed through to the operator, Spotless.

#### AquaTower

Treated water volumes for the calendar year to 31 August 2020 were circa 6% below budget. AquaTower's budget does not include seasonality in its forecasts, and traditionally usage is higher in the hotter months and lower in the cooler months. Water volumes have also been impacted relative to the same period in 2019, as a result of reduced travel to the region due to COVID-related travel restrictions. AquaTower's water treatment plants continue to operate without any adverse impacts from COVID-19.

#### Australian National University Student Accommodation (ANU)

Following a successful let up period at the beginning of the year, the short-term occupancy of the ANU Purpose Built Student Accommodation portfolio had been materially impacted by lockdown measures introduced in response to COVID-19. Since March, the ACT health authorities have been successful in managing the pandemic, with ACT recording zero active cases as of the end of August. The success of ACT in managing the number

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of active COVID-19 cases has been reflected in an uptick in occupancy, increasing from circa 50% at the end of March to circa 65% in August. As of 27 July, classes had returned to campus and ANU has introduced a COVID-19 alert system which will assess the disease situation on both campus and across the ACT and provide recommended actions for students on a daily basis. An agreement has been reached between AMP Capital and ANU which mitigates the downside occupancy risk for the remainder of 2020 and provides the university with the flexibility to ensure student safety at the residences. Discussions are underway with the university on SA8, a 730-bed development due to open in 2023, over which AMP Capital has a right of first refusal.

#### Macarthur Wind Farm

Macarthur Wind Farm has ceased generation whilst AGL repairs an AGL-owned electrical transformer that takes all electricity generated from the site. The transformer is expected to be repaired early in September, with generation to commence shortly thereafter. Due to the nature of the investment, with AGL taking the risk of an inability to generate electricity, there is no impact to equity owners with revenues and expenses continuing in line with budget. The project continues to operate without any adverse impacts from COVID-19. AMP Capital completed its third quarterly meeting with other project stakeholders in early August 2020.

#### Auckland South Corrections Facility (ASCF)

The project continues to operate without incident from COVID-19. During August, COVID-19 restrictions were strengthened as a result of a number of cases in the community. By the end of the month, a decision had been made to ease restrictions with a further trend towards more normal operations.

#### Global listed infrastructure

The listed component of CIF returned -1.90% for August, underperforming the MSCI World ex AU Accumulation Hedged AUD Index return of 6.15%.

#### Utilities

Diversified utilities, water, integrated regulated and transmission & distribution all provided a negative return.

#### Infrastructure

Airports, toll roads provided a positive return. Rail, communications infrastructure, ports 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 via the unique blend of unlisted and listed infrastructure.

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