

ClearBridge RARE Infrastructure Value

Quarterly Investment Option Update

31 March 2022

Aim and Strategy

The portfolio's investment objective is to provide investors with regular and stable income, comprised of dividends, distributions and interest, plus capital growth from a portfolio of global infrastructure securities while hedging the fund's currency exposure back to AUD. The portfolio aims to outperform a benchmark comprising OECD G7 inflation plus 5.5% p.a. after fees, hedged back into AUD, over rolling five-year periods.

Investment Option Performance

To view the latest investment performances for each product please visit amp.com.au/performance

Investment Option Overview

Investment Category	Property and Infrastructure
Suggested Investment timeframe	3 to 5 years
Relative risk rating	7 / Very High
Investment style	Value
Manager style	Single Manager

Asset Allocation	Benchmark (%)	Actual (%)
Global listed infrastructure	n/a	96.60
Cash	n/a	3.40

Sector Allocation	%
Electric	40.19
Railway	15.52
Communications	10.25
Toll Roads	9.78
Energy Infrastructure	9.23
Renewables	3.88
Gas	2.99
Airports	2.78
Water	1.98
Cash	3.40

Regional Allocation	%
USA & Canada	57.69
Western Europe	34.12
Asia Pacific Developed	4.80
Cash	3.40

Top Holdings	%
Getlink SE	5.54
Union Pacific Corporation	4.15
NextEra Energy, Inc.	4.13
SSE plc	3.93
Public Service Enterprise Group Inc	3.88
Exelon Corporation	3.76
Sempra Energy	3.71
American Tower Corporation	3.49
CMS Energy Corporation	3.40
Pembina Pipeline Corporation	3.34

Investment Option Commentary

On a regional basis, the U.S. and Canada region was the top contributor to quarterly performance (+3.95%), of which U.S. energy infrastructure company Cheniere (+1.07%), Canadian energy infrastructure company Pembina Pipeline (+0.80%) and U.S. electric utility Exelon (+0.58%) were the lead performers.

Cheniere Energy owns and operates U.S. liquefied natural gas (LNG) export facilities. Cheniere's share price benefited from the tensions in Europe increasing the demand for U.S. LNG.

Pembina Pipeline provides transportation and midstream services for the energy industry in North America. The company announced the hire of Scott Burrows as permanent CEO, and Jaret Sprott as COO and reaffirmed its corporate strategy, boosting investor sentiment.

Exelon is a pure transmission and distribution regulated utility business. Its utilities serve millions of electric and gas customers across Delaware, Illinois, Maryland, New Jersey, Pennsylvania, and the District of Columbia. Shares outperformed along with the utilities sector, with Exelon starting to be viewed as a premium name after its recently completed spin-off of its non-regulated nuclear business.

Turning to Western Europe, French rail operator Getlink (+0.66%) also performed well during the quarter.

Getlink is a French rail company that owns the concession over the Channel Tunnel rail link between the U.K. and France. Traffic recovery continues with the easing of pandemic related restrictions. Separately, Getlink's electric transmission interconnector project, 'Eleclink', received final safety certification from the regulator, enabling operations to start in the middle of 2022.

U.S. communications company American Tower (-0.51%) was the largest detractor from quarterly performance.

American Tower is a leading independent owner, operator and developer of wireless and broadcast communications infrastructure. The company has 41,000 sites in the U.S. and a further 139,000 sites across 19 countries, predominantly emerging markets (75,000 in India, 40,000 in Latin America and 18,000 in Africa). American Tower underperformed during the quarter as investors, driven by rising interest rates, rotated away from defensive sectors into more value-orientated sectors.

All returns are in local currency.

Market Commentary

Clearbridge's global listed infrastructure strategies outperformed global equities for the quarter.

The outlook for interest rates and inflation continue to cause volatility in markets following the conflict between Ukraine and Russia. ClearBridge expect this volatility to continue as the market digests the impact on inflation and global growth.

Geopolitical risks, ongoing COVID-19 disruption, supply chain issues and high inflation continue to reduce expectations for economic growth, although a recession is still not considered the base case.

Outlook

On a regional level, the strategy's largest exposure is in the U.S. & Canada (58%) and consists of exposure to regulated and contracted utilities (34%) and economically sensitive user-pays infrastructure (24%).

For the Global Infrastructure Value Strategy, the primary quantitative tool in portfolio construction is excess return, on which Clearbridge's stock-ranking system is based. As such, driven by valuation, the Investment Committee initiated a position in U.S. gas utility Sempra Energy and U.S. electric utilities PG&E Corporation and Constellation Energy.

The strategy also used the opportunity to crystallise some gains by exiting French airport operator Aeroports de Paris, U.S. electric utility Southern Company and U.S. renewables utility Brookfield Renewable Partners.

Availability

Product name	APIR
SignatureSuper*	AMP1552AU
SignatureSuper Allocated Pension*	AMP1564AU
Flexible Lifetime Investment (Series 2)**	AMP2042AU

*Closed to new investors

**Closed to new and existing investors

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