



# Infrastructure



## Access a world of opportunities

### About AMP Group

Established in 1849 with over 160 years of experience providing financial services, AMP is Australia's largest retail and corporate pension provider, and one of the region's most significant investment managers.

AMP has more than 3.8 million customers and over 3,700 employees. It has one of Australia's largest shareholder registers, with more than 790,000 shareholders. One in six Australian adults is an AMP customer.

AMP Capital Investors, a wholly owned subsidiary of the AMP Group, is a specialist investment manager with over A\$97.4 billion in funds under management as at 30 September 2010.

AMP Capital is one of the longest standing participants in global infrastructure investment following its first infrastructure investment in the Sydney Harbour Tunnel in 1988. AMP Capital has been investing in Asian infrastructure since 1994, and is among the earliest infrastructure investors active in India. Today the company manages infrastructure investments in Asia, Europe, North America, Australia and New Zealand, investing in all sub-sectors (utilities, transport and social infrastructure) and lifecycles (greenfield, growth and mature) of the infrastructure universe.

The long-standing reputation of the infrastructure team is built on its key capabilities and investment focus. AMP Capital takes an active role in managing investments and adds value through both financial structuring and driving operational excellence. The experience of the team spans a diverse range of sectors and geographic regions, and includes technical expertise in areas such as project finance, due diligence, and sector and industry research across multiple regions. The team has the ability to leverage structuring and operating professionals with expertise in debt advisory, legal, risk and compliance, tax and fund accounting that may be seconded for specific infrastructure projects at any point during the investment process.

The infrastructure team can also access the professional expertise of other investment teams across the business, including more than 250 investment professionals within the property, economic forecasting, fixed income, equities and currency divisions.



“AMP Capital is one of the longest standing participants in global infrastructure investment...”



## Our philosophy

We believe strong risk-adjusted investment returns are best delivered by combining a diversified mix of complementary assets. We analyse each potential investment opportunity on a stand-alone basis and in the context of a portfolio's existing exposure profile. This reflects the often highly individualised nature of returns and risk available from specific infrastructure opportunities, even within the same sector, lifecycle or geography.

The key infrastructure sectors we consider for investment include:

- Transport – roads, airports, rail, ports
- Utilities – electricity, gas, water
- Social – healthcare, education, aged care, government housing
- Communications – cell towers, cable networks, broadcast networks

We focus on the identification and evaluation of investment return and risk characteristics. This approach is woven around our core competencies which encompass areas such as dedicated research and analysis, origination, asset management and portfolio construction utilising advanced in-house proprietary risk modelling tools.

### Key infrastructure investments:

Sydney Harbour Tunnel	1988
NSW Rent-Buy Scheme	1991
St Vincents Hospital	1992
Asian Infrastructure Fund	1994
Fullham Correctional Centre	1995
Melbourne CityLink	
United Energy	
Riverland Water	1996
Epic Energy	
Melbourne Airport	1997
Flinders Private Hospital	
Interlink Roads (M5 Freeway)	1998
Launceston Airport	
Multinet Gas	1999
Indrapratha Gas	2000
Tata Teleservices	
Gujarat Pipavav Port	2001
Bharti Telecom	2002
Alinta Gas Networks	2003
Arrow Systems	
Brisbane Airport	2004
Wales & West Utilities	
Jet Airways	2005
Principal Healthcare	
Sydney University Village	
BAA Toggle	2006
Thames Water	
Gati Distributors	
Konaseema Gas Power	
Matariki Forests	
NZ Hospital Car Parks	
New College	2007
Domain Aged Care	2008
Garland Hydro	
Angel Trains	
Compañía Logística de Hidrocarburos	
Quippo Telecom	2009
Gayatri Infrastructure Ventures	
Quijing Gas	2010

\*This list denotes a sample of our acquisitions since 1988.

## Our products

A key philosophy of our investment in infrastructure is to provide diversification. We offer access to a range of diversified funds and customised portfolios to meet the risk and return requirements of our investors.

### Unlisted infrastructure funds

AMP Capital has a range of unlisted infrastructure funds which offer investors access to varied investment profiles. AMP Capital has been investing in Asian infrastructure since 1994 and has significant experience in infrastructure investing in the high growth market of India. AMP Capital also invests in the more established markets in Europe, North America,



## Origination

One of our key competitive strengths lies in sourcing opportunities through established networks and relationships with government, infrastructure project operators, corporates and other financial intermediaries. We proactively research infrastructure sectors and industry sectors to generate proprietary deal flow opportunities. Our scale, brand and relationships give us a competitive edge in the process of deal sourcing and origination.

## Debt advisory

The Debt Advisory team is a specialist group providing advice on debt structures to optimise the capital structure efficiency of new and existing investments. We seek to create debt structures that can withstand volatility to forecast cash flows and changes to investment grade credit ratings. Our team also provides ongoing capital structure management which forms a core part of our active asset management.

## Active asset management

We are an active asset manager providing input on strategic business issues across all infrastructure

sectors. By working with operating businesses to address the issues and challenges, we can achieve the best overall results for the business and for our clients. Our active investment management approach includes the development of risk assessment and control frameworks, governance and board structures, board participation, liaising with debt providers, capital structuring advice and the development, review and input to business plans.

## Focused portfolio construction

Constructing and managing efficient portfolios requires extensive analysis of individual and collective sensitivities on an ongoing basis. The key elements of building and maintaining quality investment portfolios are:

- Alignment with client interests
- Independent assessment of investment opportunities between teams involved in the decision making process and portfolio construction
- Diversity of investments across multiple sectors, lifecycles, geographies and underlying sensitivities
- Strong internal risk management and compliance

Australia and New Zealand. Within these regions we diversify our portfolios through exposure to multiple countries, industry sectors and asset lifecycle stages. AMP Capital invests in infrastructure assets through providing either debt to assets or unlisted equity.

## Listed infrastructure funds

Our listed infrastructure investment philosophy focuses on companies that own and operate infrastructure assets, derive most of their cashflow from those assets, and have liquid market listings on major global stock exchanges. We aim to provide access to the expected long term global growth in infrastructure by investing across geographic regions and infrastructure sectors, with a key focus on energy, transportation, communication and water.

## Separately managed portfolios

We have been designing and managing separately managed infrastructure on behalf of individual clients for over 15 years. These portfolios incorporate Australian and international infrastructure equity or debt investments, as well as listed infrastructure.

Prior to constructing a diversified portfolio for single account clients, AMP Capital engages in a comprehensive dialogue with our client to understand the specific return, risk and income objectives and restrictions that will govern a mandate. We seek to identify and originate appropriate investment opportunities, utilising on-the-ground international resources and networks of operators and financial relationships, consistent with the agreed client portfolio objectives.



# Our commitment to responsible investing

We take environmental, social and governance (ESG) issues seriously both in our own operations and in our investment decision-making practices. We believe this approach will maximise returns and reduce risk for clients and shareholders. Using our experience and scale to influence companies in which we invest gives us opportunities to drive better performance in the management of corporate responsibilities.

By doing this well, as a leading infrastructure investment manager, we create value for the stakeholders in our community, our marketplace, our workplace and our environment. Sustainable practices are implemented in the infrastructure investment process through:

- Incorporating ESG issues in our due diligence and approval processes
- Addressing ESG issues in the management of our assets
- Following a program of research focused on key sustainability issues

Formalising sustainability as part of the Infrastructure Policies and Procedures Manual AMP Capital is committed to a number of responsible investment and environmental initiatives, including:

- United Nations Principles for Responsible Investing (UNPRI)
- Energy Efficiency Opportunities Act (EEO) – This is an Australian Federal Government business energy saving initiative that encourages large energy-consuming companies to use less energy by implementing energy saving initiatives.
- National Greenhouse and Energy Reporting Act (NGERA) – This is an Australian Federal Government initiative designed to collect data from large Australian corporate groups relating to their members' greenhouse gas emissions, energy production and energy consumption.



## Contact us

If you would like to know more about AMP Capital Investors, please visit [www.ampcapital.com](http://www.ampcapital.com) or contact:

### South East Asia and Middle East

**Dean Winterton**  
Managing Director

T: +65 6511 1878

E: [dean.winterton@ampcapital.com](mailto:dean.winterton@ampcapital.com)

### United Kingdom and Europe

**Richard Shields**  
Managing Director

T: +44 20 7659 9279

E: [richard.shields@ampcapital.com](mailto:richard.shields@ampcapital.com)

### Japan

**Toshiaki Yamashita**  
Managing Director

T: +81 3 3212 7162

E: [toshiaki.yamashita@ampcapital.com](mailto:toshiaki.yamashita@ampcapital.com)

### General Inquiries

**Warwick Mancini**  
Head of Unlisted Investment Specialists

T: +61 2 9257 3607

E: [warwick.mancini@ampcapital.com](mailto:warwick.mancini@ampcapital.com)

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