

# AMP Capital Investors

## Manager Profile



### Company overview

AMP Capital Investors (AMP Capital) is a leading investment manager with over 45 years of experience in Asia Pacific. With 230 investment professionals and almost 900 employees globally, AMP Capital offers clients compelling investment opportunities across a broad range of asset classes, including infrastructure, real estate, equities and fixed income.

AMP Capital and its affiliate AMP Capital Brookfield (the Manager, Investment Manager or ACB) together represent AMP Capital's specialist global listed real estate and infrastructure securities capabilities.

ACB, which is 50% owned by AMP Group and 50% owned by Brookfield Asset Management, is a specialist investment manager offering clients access to a globally integrated investment platform with capabilities in both real estate and infrastructure securities. AMP Capital Brookfield draws upon the breadth and depth of AMP Capital to achieve synergies in research, operations and distribution.

### Investment process

ACB adopts a fundamental, bottom-up approach that focuses on value-based stock selection and under-followed, out-of-favour companies. This is complemented by a top-down overlay. The top-down approach is derived from the continuous collaboration of each of the regional teams and the global portfolio managers. The investment team actively facilitates the continuous exchange of views across three key regions: (i) the Americas, (ii) EMEA (Europe, the Middle East and Africa), and (iii) Asia-Pacific (including Asia, Australia and New Zealand), thereby capitalising on changing global conditions as well as country-specific opportunities.

The regional teams actively communicate local market insights with the global portfolio managers who, in turn, draw on these discussions when forming new policy on regional allocation and constructing the global portfolio.

Comprehensive and detailed research is a fundamental input to the overall investment process. The approach focuses on bottom-up company fundamentals and therefore management meetings and asset visits are an integral part of this process. Alongside this information, further inputs are sourced both internally and externally, and compiled, analysed and applied at every stage of the investment process. The research team maintains an extensive network of internal and external contacts in the industry and is

unconstrained by any alliances or allegiances. In addition, the investment team has access to financial experts in different geographical regions and sectors. Independent views are formed and the investment team assigns its own assumptions on stocks, markets or regions utilising 'best in class' research. In addition, the investment team draws on its broad ranging experience from the direct and public capital markets as well as the broader industry, essentially providing a considered qualitative overlay to the models.

Portfolio management decisions are implemented following a thorough full-team review. Formal global portfolio management meetings are held at least weekly to discuss and reach consensus on the overall portfolio strategy/ model, market outlook and key holdings. Informal discussions regarding investments and the portfolio occur frequently throughout each day.

The decision to buy or sell a security is a result of the research and stock selection process undertaken by each regional portfolio management team. The securities selected are moulded into a portfolio by the global portfolio managers. Index weightings are considered when assessing individual security weightings, but don't impose rigid guidelines or restrictions.

### **Investment philosophy and style**

ACB adopts a fundamental, bottom-up, value-based stock selection methodology complemented by a top-down overlay. ACB has a history of generating excess returns for its clients through its fundamental research conducted by local teams, value-based stock selection, and a focus on under-followed, out-of-favour companies and relatively concentrated portfolios. In other words, it likes to look where others do not.

The investment team believes the performance of real estate securities is influenced by their relative attractiveness against both direct real estate and against other parts of the equity market. The investment approach is based on evaluation of both areas and multi-asset expertise. Real estate securities can't be understood or appraised in isolation because real estate securities around the world vary a great deal. At a basic level, distinctions exist between real estate investors, real estate fund managers and real estate developers, for example.

In the long-term, the investment team believes a company's value is largely determined by a combination of the value of its underlying assets and the related cash flows and strength of its management team. In the short-term, however, a range of sharemarket factors influence share prices and cause divergence from their long-term fair value. As such, real estate stocks are often mispriced, providing numerous short-term opportunities.

ACB's investment style and philosophy has been consistently and successfully applied over the past nine years to generate an attractive track record over time and by region.

- A philosophy which approaches research, valuation and portfolio construction from a real estate orientation.
- A globally integrated value approach with regional investment teams providing local property, market and equity research.
- Leading edge technology providing real-time access to data and inputs across all regions.
- A shared business and investment approach in conjunction with prudent risk management and a long history of being a trusted fiduciary.

## Reason we selected AMP Capital Investors

We selected AMP Capital Brookfield on the basis of depth of experience, breadth of team and process. The centralised and decentralised approach ensures both top-down and bottom-up analysis is carried out extensively. The investment process is transparent and disciplined with proprietary quantitative tools used to assess each company and focus the team's research. The quantitative tool helps facilitate a higher conviction, more concentrated portfolio compared to peers. Finally, we believe its active investment approach with top-down considerations is complementary to its strong bottom-up decisions from regional managers.



### What to do next

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