

AMP Capital Ethical Leaders International Share Fund - On-platform Class A

Investment objective

To provide high returns over the long term while accepting high levels of volatility in returns. The benchmark for the Fund is the MSCI All Country World Index. In seeking to achieve the investment objective, we aim to provide a total return, after costs and before tax, high than the return from the benchmark on a rolling 5 year basis.

How we manage your money

The Fund normally invests in international shares.

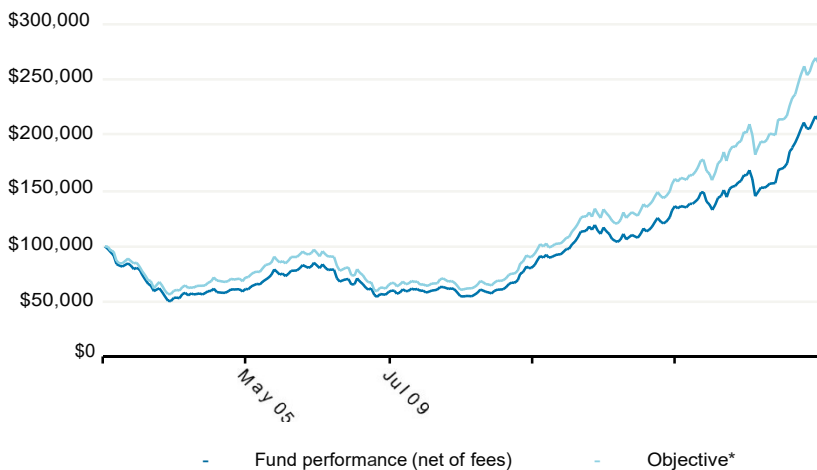
Performance as at 31 March 2022

%	1 MTH	3MTH	1 YR	3 YRS	5YRS	7YRS	SINCE INCEPT
Return - Net of Fees	-4.36	-10.51	4.75	10.22	10.49	7.93	3.25
Objective*	-1.28	-8.37	8.81	11.66	11.99	9.94	4.43
Excess return	-3.09	-2.14	-4.05	-1.44	-1.51	-2.01	-1.18

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 net asset value per unit for the relevant month end. This price may differ from the actual unit price for an investor buying or selling an investment. Actual unit prices will be confirmed following any transaction by an investor. Returns quoted are before tax, after fees and costs and assume all distributions are reinvested.

* The benchmark for this Fund changed from the MSCI World Accumulation Index to the MSCI All Country World Index on 1 August 2011. Past performance of this Fund is reported using the MSCI World Accumulation Index up to 31 July 2011. Performance reported after 1 August 2011 uses the current benchmark, the MSCI All Country World Index.

\$100,000 invested since inception



FUND FACTS

APIR	AMP0455AU
Inception date	20 April 2001
Fund Size	\$47,748,974
Total ongoing annual fees and cost*	% p.a.
Buy/Sell spread*	+0.25%/-0.25%
Distribution frequency	Half-yearly
Minimum investment	\$500,000

Minimum suggested 5 years time frame

*Fee information is accurate as at 30 June 2021, and is updated bi-annually. The Fund PDS

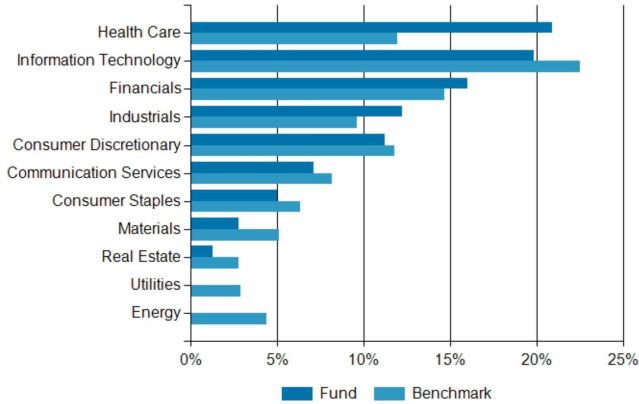
outlines the latest ongoing annual fees and cost as well as any member activity-related fees and costs (if applicable) that may apply to your investment. You can review the PDS at www.ampcapital.com

The new regulations effective from 30 September 2020 will change the way fees and costs are required to be disclosed to Investors. It is important to note these fees and costs have always existed and are factored into your net-of-fee returns. We are simply changing the way they are displayed. You are not being charged additional fees and costs.

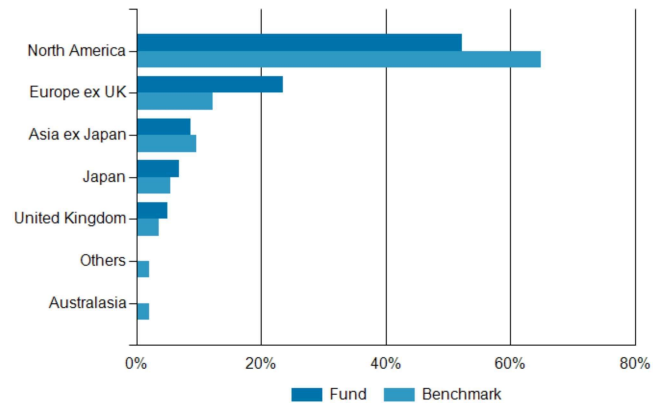
What happened last period

- Global shares fell significantly in the March quarter on fears around inflation, rate rises and the war in Ukraine
- The Fund produced a negative absolute return and underperformed the benchmark (before fees)
- Boston Partners and C Worldwide both produced negative absolute returns and underperformed their respective benchmarks

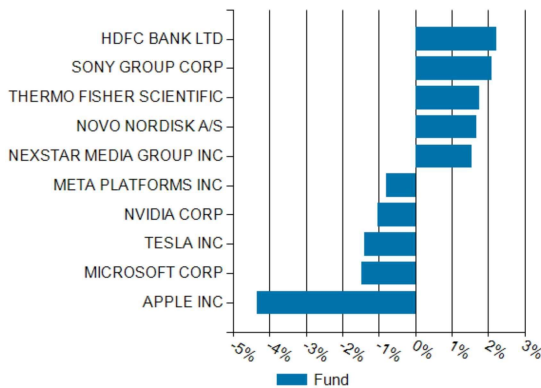
Sector allocation (%)



Regional allocation(%)



Top/Bottom Excess Weights



Fund Performance

The Fund produced a negative absolute return for the quarter and underperformed the benchmark (before fees). Boston Partners and C Worldwide both produced negative absolute returns and underperformed their respective benchmarks.

Stock selection and asset allocation were both negative for the quarter. The portfolio's developed-market holdings, which make up around 89% of the portfolio, underperformed its emerging-market holdings. On a regional basis, stock selection in the UK and Japan detracted, though selection in France and China was strong. On an industry sector basis, selection within healthcare was a significant positive contributor, while being underweight (i.e., not owning) energy sector stocks continued to detract,

as the sector continued to gain on the back of continued high inflation levels, strong commodity prices and the war in Ukraine.

At a stock level over the quarter, the top positive contributor for the quarter was an overweight holding in US-based television broadcasting company, Nexstar Media Group, as the stock rose (+21%) leading up to and after its Q4 financial report, which confirmed strong earnings growth. Not owing positive contributor, as the stock fell heavily (-36%) after disappointing revenue guidance was released mid-quarter, with management flagging headwinds due to increased competition.

Top detractors to performance for the quarter included an overweight holding in Home Depot, as the shares fell significantly (-30%) on Q4

results showing a fall in gross margin amid ongoing supply chain and logistics issues. An overweight holding in Japanese electronics giant Sony Group also detracted, as the shares fell (-19%) as rival Microsoft, early in the quarter, agreed to purchase game manufacturer Activision Blizzard, a move likely to improve Microsoft's position in the ongoing console market battle.

Market review

Global share markets fell by 4.75% in the March quarter, as measured by the MSCI World ex Australia index. Major drivers were increased inflation levels around the globe and the growing belief that central banks, particularly in developed economies, may have fallen considerably behind the ball in normalising interest rates, thus further exacerbating inflation. Russia's unprovoked price falls. Beyond the horrible human cost, the war has further inflamed already-significant global supply chain issues and commodity price volatility, particularly oil and gas. Unsurprisingly, European shares were weak over the quarter, particular in countries that are more reliant on Russian energy exports, such as Germany. Countering this pessimistic backdrop however, much of the global economy continues to grow, corporate earnings are generally solid - particularly in the US - and COVID-19 restrictions, in many countries, have become a thing of the past (with the notable exception of China). Emerging markets also fell over the period, with the MSCI Emerging Markets index closing the quarter down by 6.1%. Emerging markets were impacted by similar fears as developed markets. Chinese stocks particularly struggled over the period, as the nation's COVID-zero policies resulted in further mass-scale lockdowns which, along with ongoing regulatory concerns, contributed to heavy falls. (All indices quoted in local currency terms and on a total-return basis, unless otherwise stated.)

Outlook

Prevailing high inflation rates remain a prime market concern, particularly when taken into account with record debt-levels across the globe presenting difficulties as central banks begin to raise interest rates. Meanwhile, corporate earnings remain reasonably strong and growing, as

companies continue to move ahead from the 2020 COVID downturn. Russia's war on Ukraine is also likely to produce further volatility in the near-term as the conflict plays out. Supply-demand mismatches remain and, in some areas, have been exacerbated by the war. Likely tax hikes from the Biden administration are a further issue on the horizon which will impact earnings. Businesses with a strong competitive advantage, which tend to have power to raise prices, should do relatively well in an inflationary environment. As more central banks initiate rate rises in the coming months, this may actually ease, rather than add to market uncertainty. We continue to believe the longer-term trend will remain to the upside, and that investors with a diversified portfolio of quality businesses, bought at a reasonable price, are likely to do well over the longer-term.

Environmental, Social and Governance

During the March quarter, underlying manager Boston Partners engaged with Everest Re Group, a provider of reinsurance and insurance products in the US, Bermuda and internationally. The company recently undertook a comprehensive Scope 1, 2, and 3 greenhouse gas (GHG) emissions inventory assessment and the results will be in the Task Force on Climate-Related Financial Disclosures (TCFD) report in April 2022. The company has incorporated specific climate change factors into exposure analyses, including real-time data and a reduced timeframe for looking at climate change. The company has adjusted its portfolios to reduce exposure to catastrophic weather events, specifically, reducing its market share in the Gulf region from 5% to less than 3%.

Also, on the topic of climate change, Boston Partners engaged with KeyCorp, a financial service holding company. Last year, the company published its first Task Force on Climate-Related Financial Disclosures (TCFD) report and financed nearly \$7 billion of renewable energy projects. This year, the company plans to continue to build out its climate-risk framework, maintain its focus on expanding disclosures, and expand Board committee charters to reflect multiple aspects of ESG. The company is ahead of schedule for its emission reduction targets and plans to re-evaluate whether to accelerate these reduction targets or not. The company has had more of a challenge working towards its renewable energy targets and

is evaluating potential third party partnerships to help accelerate progress. The company's investments in renewable energy projects and green, social & sustainable bond financing have been value adds from both a returns-perspective and an ESG/climate-perspective.

Meanwhile, CWorldwide engaged with Nestle, a multinational food and drink processing conglomerate. Meeting with Nestle twice during the quarter, the first was an informative update with Francois Xavier Roger, CFO of Nestle. Nestle's critical priorities for the next 5-10 years are carbon neutrality, including the commitment to net-zero, and sustainable packaging. On sustainable packaging, Nestle aims to move away from non-recycled items by 2025. One billion CHF is allocated annually to the sustainability strategy anchored in the entire organisation. The second meeting later in the quarter was with Nestle's Sustainability team to discuss the Income Accelerator Programme targeted at farmers and families in the cocoa industry. The update call showed that Nestlé is the company in the cocoa industry that is progressing the most to improve living standards and income for farmers and families.



CERTIFIED BY RIAA

The AMP Capital Ethical Leaders Range has been certified by RIM according to the strict disclosure practices required under the Responsive Investment Certification Program.

The Certification Symbol signifies that an investment product or services takes environmental, social, ethical or governance considerations into account along with financial returns. See www.responsibleinvestment.org for details¹.

1. The Responsible Investment Certification Program does not constitute financial product advice. Neither the Certification Symbol nor RIAA recommends to any person that any financial product is a suitable investment or that returns are guaranteed. Appropriate professional advice should be sought prior to making an investment decision. RIM does not hold an Australian Financial Services License.

Portfolio Manager



Trent Loi

Trent Loi joined AMP Capital in May 2012 as the portfolio manager for the international share and Australian small companies' portfolios within the Specialist, AMP Capital Ethical Leaders, Experts' Choice and ipac ranges of funds. Prior to joining AMP Capital, he was an Associate Consultant at Mercer Investment Consulting. Prior to that, he was an Investment Analyst at Aon Investment Consulting.

Further information

For information about the Fund including fees, features, benefits and risks talk to your financial advisor today or read the product disclosure statement (PDS) which can be found on:

www.ampcapital.com/ethical-leaders-international-sha-re-fund

You can also call us on **1800 658 404**



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