

# Specialist International Share Fund

## On-platform Class A

### Investment objective

To provide total returns (income and capital growth) after costs and before tax, above the Fund's performance benchmark on a rolling 3 year basis. The benchmark for the Fund is the MSCI World ex Australia ex Tobacco Index (net dividend reinvested).

### How we manage your money

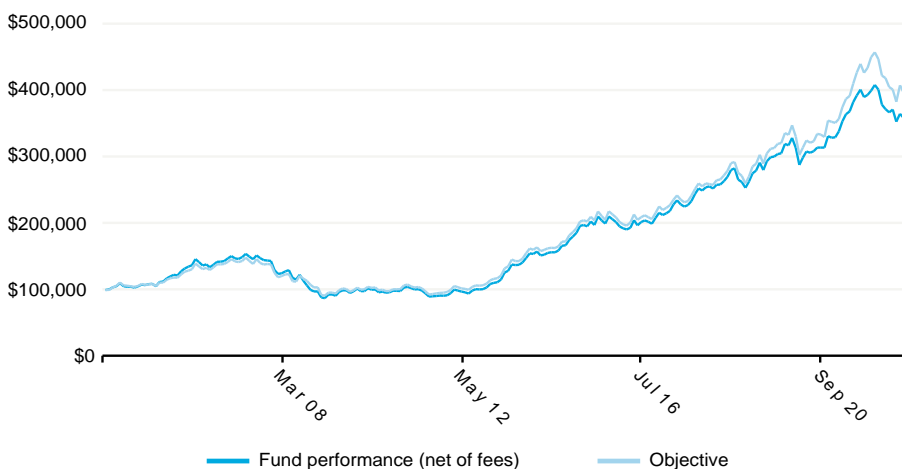
The Fund normally invests in international shares.

### Performance as at 31 December 2022

%	1 MTH	3 MTH	1 YR	3 YRS	5YRS	7YRS	SINCE INCEPT
Total Return - Net of Fees	-4.63	5.82	-10.27	4.89	7.98	8.86	7.13
Objective	-5.53	3.89	-12.71	6.21	9.29	9.67	7.62
Excess return	0.90	1.94	2.44	-1.32	-1.31	-0.81	-0.49

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.

### \$100,000 invested since inception



### FUND FACTS

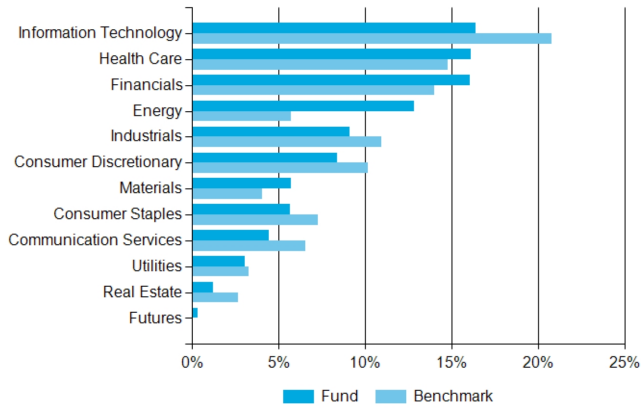
APIR	AMP0824AU
Inception date	05 February 2004
Fund Size	\$2,580,160,278
Total ongoing annual fees and cost*	1.14% p.a.
Buy/Sell spread*	+0.20%/-0.15%
Distribution frequency	Half-yearly
Minimum investment	\$500,000
Minimum suggested time frame	5 years

\*Fee information is correct as of 30 June 2022 and is updated biannually. Total ongoing annual fees and costs are made up of management fees and costs, performance fees (if applicable) and transaction costs. You should refer to the current PDS or other offer document for the relevant Fund available at [www.amp.com.au/investments](http://www.amp.com.au/investments) for the latest ongoing annual fees and costs as well as member activity-related fees and costs (if applicable).

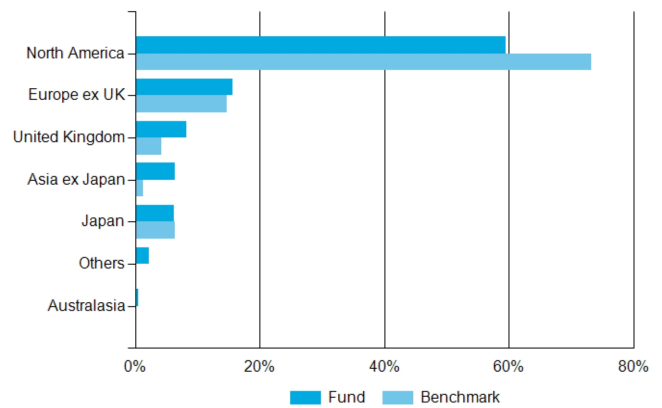
### What happened last period

- Global shares rose in the December quarter, on hopes inflation may be peaking.
- The Fund posted a strong positive return and comfortably outperformed its benchmark.
- All of the Fund's five underlying managers gained ground with American Century the only manager to underperform its benchmark.

## Sector allocation (%)



## Regional allocation (%)



## Fund Performance

The Fund posted a strong positive return and comfortably outperformed its benchmark during December quarter. All of the Fund's five underlying managers gained ground, with American Century the only manager to underperform its benchmark. In what was a tough year for markets, while the Fund lost ground it outperformed its benchmark.

At a country level, active allocation held back performance on a relative basis. Holdings in Brazil detracted most, while within developed markets, the underweight position in Germany was the main detractor. On the flipside, the overweight position in the UK was a strong contributor, with an underweight position in the US also supportive.

Sector allocation also added value. Being overweight to energy and underweight to consumer discretionary were the main contributors, whereas the overweight position in industrials detracted. Stock selection was also a contributor to relative returns, particularly positions in IT and consumer discretionary stocks, while positions in industrials and energy stocks detracted most.

The largest individual stock contributors were having a nil position in Tesla and underweight exposures to Apple and Amazon.com. US-based automaker and energy storage company Tesla (-56%) fell heavily amid fears high inflation may reduce demand for its electric vehicles as well as potential impacts of China's COVID-19 lockdown on EV production and Elon Musk possibly reducing his shareholding to compensate for Twitter losses. Shares in US-based technology company Apple (-11%) and online retailer and cloud services provider Amazon.com (-30%) also suffered on the back of falling economic growth expectations as these types of stocks saw their premium share prices pull back.

The largest individual stock detractors were overweight positions in Petroleo Brasileiro, Global Payments Inc and Itau Unibanco Holding. Shares in

state-owned Brazilian oil producer Petroleo Brasileiro (-9%) and financials services provider Itau Unibanco Holding (-12%) fell amid heightened market concerns relating to the potential for political unrest surrounding Brazil's presidential election results. US-based financial payments tech company Global Payments Inc (-13%) also lost ground despite declaring record results for the September quarter, as lower economic growth expectations dampened investor sentiment.

## Market Review

International sharemarkets rose over the December quarter, with volatility remaining elevated, as was the case through most of the calendar year. Shares made strong gains through October and November as markets began to factor in inflation showing signs of peaking and central banks accordingly toning back their hawkish commentary. December however saw shares pull back, amid a realisation that rates may still be higher for longer in order to keep inflation under control. Economic data, largely unsurprisingly, also became increasingly indicative of potential recessionary conditions ahead, though this is not guaranteed; and, for long-term investors, perhaps not materially important. Interestingly, shares continued to show a propensity to rise on negative economic data surprises and fall on positives, highlighting the dominant role of the potential interest rate path in influencing short-term trading. The MSCI World ex Australia index finished the period up by 7.4% in local currency terms, or 3.9% in Australian dollar terms, given strength in the domestic currency through the quarter. Emerging markets were also strong over the period, returning 6.6%, with particular strength notable in Chinese, Korean and Taiwanese markets. (All indices quoted in local currency terms and on a total-return basis, unless otherwise stated.)

## Outlook

As central banks continue to raise interest rates, markets appear to have factored in a strong likelihood of recession. Corporate earnings are

facing headwinds, with increased costs eating into margins often reflected by downwards revisions to earnings estimates. Meanwhile, the continued push in the west away from traditional energy sources, such as oil and coal, is likely to continue to drive uncertainty in energy markets. In this environment, businesses with a strong competitive advantage and power to raise prices are likely to gain market share. Share price volatility tends to create stronger investment opportunities and we believe investors with a diversified portfolio of quality businesses, bought at a reasonable price, are likely to do relatively well in the long-term.

## Portfolio Manager



**Trent Loi**

Trent is the Portfolio Manager for the international share and Australian small companies portfolios within the Specialist, Experts' Choice and ipac ranges of funds. In this role, he is responsible for devising investment strategy, conducting manager research & selection and constructing multi-manager portfolios. Prior to joining AMP Capital in May 2012, he was an Associate Consultant at Mercer 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.amp.com.au/investments](http://www.amp.com.au/investments)

You can also call us on **133 267**

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