

Specialist Australian Small Companies Fund - On-platform Class A

Investment objective

The benchmark for the Fund is the S&P / ASX Small Ordinaries Accumulation Index. To provide total returns (income and capital growth) after costs and before tax, above the performance benchmark on a rolling 3 year basis.

How we manage your money

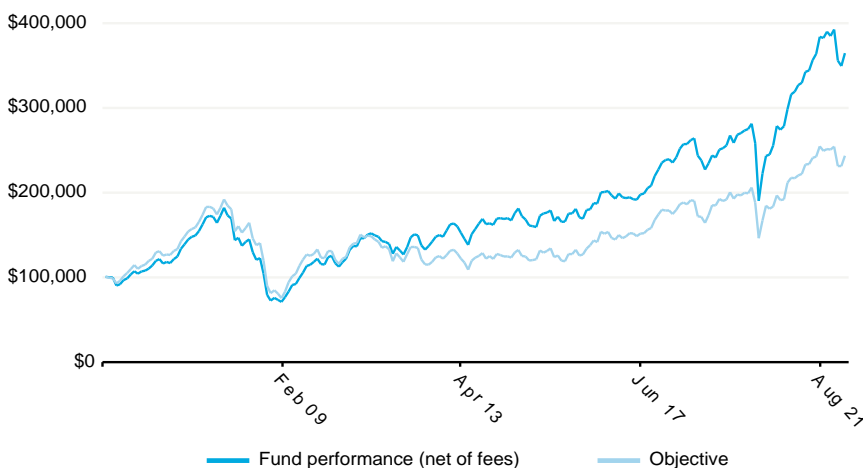
The Fund normally invests primarily in shares in small companies listed on the Australian Securities Exchange (ASX). Smaller companies are generally those defined as being outside the top 100 companies listed on the ASX. However, there is some ability for managers to invest in those stocks in the Top 50-100 band if allowed for in the individual managers mandate. Up to 20% of the Fund may be invested in unlisted companies that are believed to be likely to be listed in the next 12 months on the ASX.

Performance as at 31 March 2022

%	1 MTH	3 MTH	1 YR	3 YRS	5YRS	7YRS	SINCE INCEPT
Total Return - Net of Fees	4.39	-7.11	10.65	14.76	13.41	11.05	7.94
Objective	5.26	-4.21	9.68	9.64	9.90	9.52	5.45
Excess return	-0.86	-2.90	0.97	5.12	3.51	1.53	2.49

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	AMP0973AU
Inception date	10 January 2005
Fund Size	\$316,794,301
Total ongoing annual fees and cost*	1.89% p.a.
Buy/Sell spread*	+0.30%/-0.30%
Distribution frequency	Half-yearly
Minimum investment	\$500,000
Minimum suggested time frame	7 years

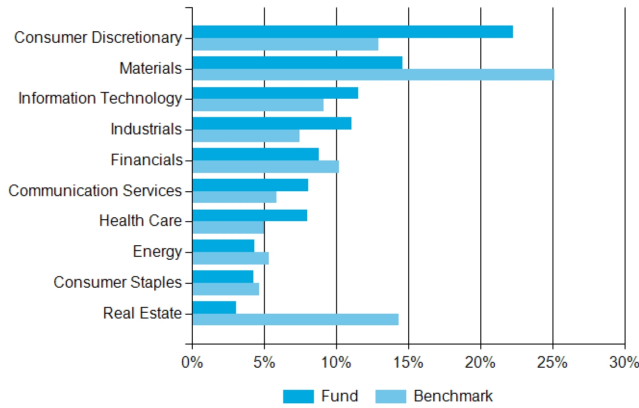
*Fee information is accurate as at 30 June 2021, and is updated bi-annually. The Fund PDS outlines the latest ongoing annual fees and cost as well as any member activity-related fees and costs (if applicable) that may apply to your investment. You can review the PDS at www.ampcapital.com

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.

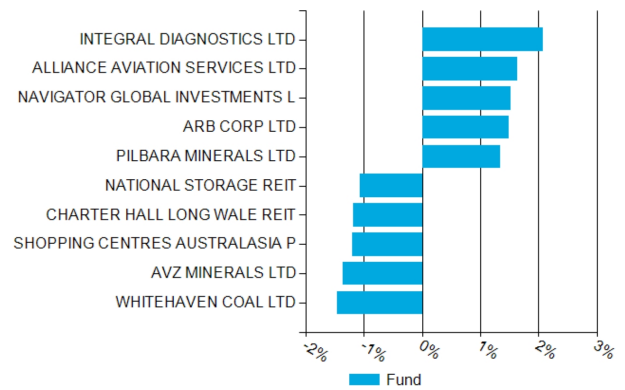
What happened last period

- Whilst Australian shares rose overall in the March quarter, small companies lagged larger companies and lost ground.
- The Fund posted a negative return and underperformed its benchmark (before fees).
- All four of the Fund's underlying managers posted negative returns, with two outperforming the benchmark.
- Sector allocation and stock selection detracted from relative returns.

Sector allocation (%)



Top/Bottom Excess Weights



Fund Performance

The Fund posted a negative return and underperformed its benchmark over the March quarter. All four of the Fund's underlying managers lost ground and two outperformed the benchmark, led by Spheria and Elly Griffiths Group. Eiger Asset Management lagged, following a prolonged period of stellar performance. The Fund continues to significantly outperform its benchmark over the longer term, including over 1, 2, 3 and 5 years, and since inception. (All returns are before fees.)

Sector allocation as well as stock selection detracted from relative returns. Regarding sector allocation, the main detractors from relative returns were underweight exposures to materials and energy (which rallied significantly) and an overweight exposure to consumer discretionary. The main contributors were an underweight exposure to financials and overweight to industrials. Regarding stock selection, the main detractors from relative returns were positions in energy and materials, while the main contributors were positions in health care and financials stocks.

The largest individual detractor from relative performance was the nil position in Whitehaven Coal. The coal miner (+63%) saw its share price soar as stronger commodity prices were underpinned by supply concerns for thermal coal with the imposition of sanctions on Russia after its invasion of Ukraine. Other detractors included overweight positions in apparel retailer City Chic Collective (-38%) and workforce productivity software supplier Nitro Software (-38%) which also fell over the period.

The largest individual contributor to relative performance was the nil position in Zip Co (-66%). Shares in the online buy-now, pay-later (BNPL) provider fell alongside peer technology companies during the period and following the company's deal to take over rival Sezzle, which requires part funding from a share placement (at a discount) and share purchase plan. Other positive contributors included an overweight position in specialist construction, maintenance, and mining services group SRG Global (+30%) and the nil position in

battery materials and technology company NOVONIX (-33%).

Market review

Australian shares bucked global falls to post a gain of 2.24% in the March quarter, as measured by the S&P/ASX 200 index on a total return basis. The relative optimism in Australia reflects several factors at play. Inflation, whilst a real and growing issue in Australia, remains somewhat lower relative to global levels, with the RBA accordingly not as hawkish as many global central banks. Geographic isolation and lack of any significant economic ties to Russia was also a prime differentiator to global markets, with Australia benefitting from continued strong commodity prices by way of a strengthening terms of trade. The quarter also saw Australia begin to catch up to many global peers on further easing of COVID restrictions, though we remain behind most of Europe and the US in this regard. Domestic corporate earnings reports were also generally strong, as reflected in the February reporting season, with dividends remaining strong and outlook statements becoming clearer. At a sector level, energy was by far the standout performer, returning a remarkable 28.55% for the period as commodity prices surged. Defensive sectors, as well as those businesses seen as more sensitive to interest rates, were generally the weaker performers.

Outlook

Corporate earnings growth in Australia remains quite solid, with earnings and dividends still growing, though at a slightly reduced rate relative to the bounce-back in 2021. The broader economy also remains generally solid, with strong employment levels and terms of trade. The COVID pandemic meanwhile appears to be finally moving into a phase of being treated as an endemic issue, rather than a continued emergency requiring

ongoing restrictions. Similar to other countries, domestic inflation remains a prime concern, with the RBA likely to cautiously raise rates over the medium-term, as it keeps a close eye on wages growth and the jobs market. Longer-term, we believe the market will ultimately continue to rise, with corrections and volatility on the way likely to provide opportunities.

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/specialist-australian-small-companies-fund

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

The logo consists of the words "INSIGHTS", "IDEAS", and "RESULTS" stacked vertically in a blue, sans-serif font. To the left of the text is a stylized blue graphic element resembling a curved arrow or a drop shape pointing downwards and to the right.

INSIGHTS
IDEAS
RESULTS

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