

Specialist Australian Small Companies 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.

How we manage your money

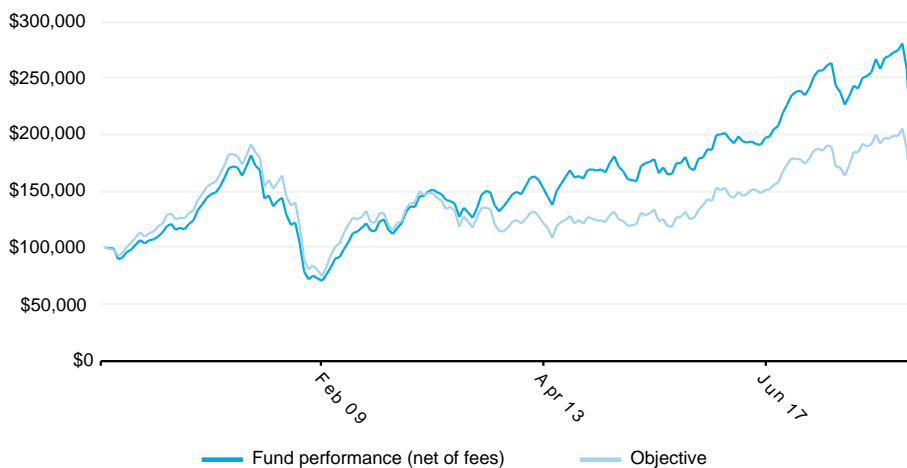
The Fund diversifies manager risk across a range of investment managers by using a multi-manager approach. Exposures are to managers who demonstrate competitive advantages within the various investment styles that are used when investing in the Australian equity market.

Performance as at 30 September 2020

%	1 MTH	3 MTH	1 YR	3 YRS	5YRS	7YRS	SINCE INCEPT
Total Return - Net of Fees	-1.58	12.04	2.19	9.64	10.62	7.72	6.77
Objective	-2.82	5.67	-3.33	6.52	9.96	6.24	4.37
Excess return	1.24	6.37	5.52	3.12	0.66	1.47	2.41

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

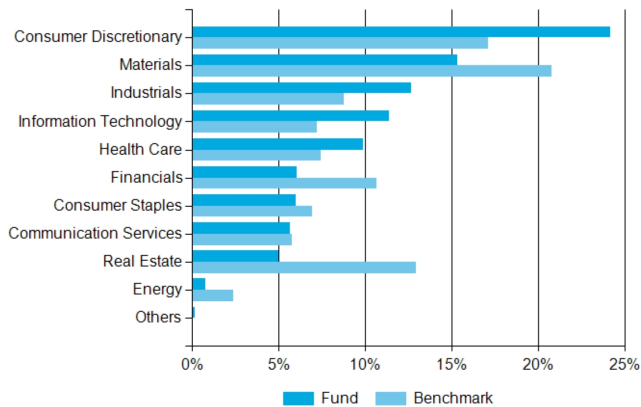
APIR	AMP0973AU
Inception date	10 January 2005
Fund Size	\$293,581,694
Management costs*	1.59% p.a.
Buy/Sell spread*	+0.30%/-0.30%
Distribution frequency	Half Yearly
Minimum investment	\$500,000
Minimum suggested time frame	7 years

*Fee information is accurate as at 30 June 2019, figures are updated bi-annually. The Fund PDS outlines the latest management costs and other relevant components, as well as other fees and costs that may apply to your investment. You can review the PDS at www.ampcapital.com

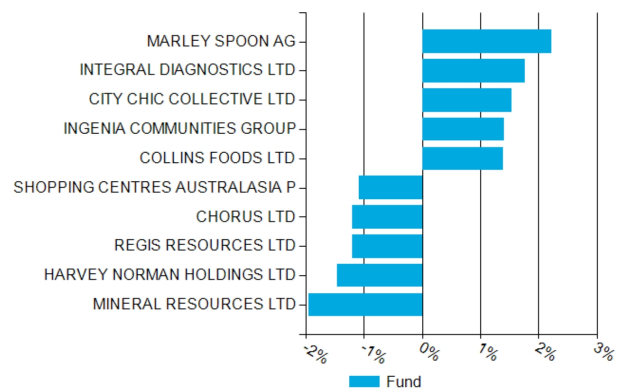
What happened last period

- Australian shares initially rose in July and August, before pulling back in September to end the quarter down.
- The Fund posted a very strong positive absolute return and outperformed its benchmark over the September quarter (before fees).
- All four of the Fund's underlying managers posted strong positive absolute returns and outperformed the benchmark by wide margins.
- Stock selection was the main driver of the outperformance and sector allocation also contributed positively.
- The largest individual contributor to relative performance was an overweight position food delivery service Marley Spoon, which rallied strongly after providing a healthy quarterly update.

Sector allocation (%)



Top/Bottom Excess Weights



Fund Performance

The Fund posted a very strong positive absolute return and outperformed its benchmark over the September quarter. All four of the Fund's underlying managers posted strong positive absolute returns and outperformed the benchmark by wide margins. The Fund continues to outperform its benchmark over the longer term, including over 1, 2, 3 and 5 years, and since inception (annualised). (All returns are before fees.)

Stock selection was the main driver of the outperformance and sector allocation also contributed positively. Regarding sector allocation, the main contributors to relative returns were an overweight exposure to consumer discretionary, and underweight exposures to energy, real estate and financials. The main detractor was an overweight exposure to industrials.

Regarding stock selection, the main contributors to relative returns were positions in information technology, industrials, health care consumer discretionary and financial stocks, while the only detractor was positions in communication services stocks.

The largest individual contributor to relative performance was an overweight position in Marley Spoon. The food delivery service rallied strongly (+50.3%) after providing a healthy quarterly update, with revenue, active customers and total orders more than doubling compared to the same period last year. Other positive contributors included overweight positions in homewares retailer Adairs which continued to rally strongly (+46.2%) and Corporate Travel Management which soared (+80.6%) over the period.

The largest individual detractor from relative performance was an overweight position in ADBRI. The cement manufacturer, previously known as Adelaide Brighton, dropped (-8.9%) after announcing that aluminium producer Alcoa would not be renewing its lime supply contract when it expires next June. Other detractors included underweight positions in regenerative medicine company Mesoblast which made strong gains (+56.3%) and wealth platform provider HUB24

which rocketed higher (+99.3%) over the period.

Market review

Australian shares initially rose in July and August, before pulling back in September to end the quarter down by 0.44% as measured by the S&P/ASX 200 index, on a total return basis. Early to mid-quarter, Australian shares were driven by rising global markets, amid broader global optimism and the continued presence of massive levels of economic stimulus, with central banks (including the RBA) continuing to indicate they will do whatever is necessary to support economies. The August reporting season then saw the market rise further, with many companies beating unsurprisingly low consensus forecasts. Given the unique COVID-19 backdrop, as expected results were variable from business to business and across sectors. Information technology, healthcare, some of the miners, gold producers and even some consumer discretionary stocks reported relatively strong results, given the circumstances. Retailers focussed on e-commerce, rather than traditional bricks and mortar, also reported strong results. Meanwhile, airlines, other travel-related businesses and financials generally struggled. Late in the quarter, Australian shares fell alongside global markets, as concerns rose around continued and further lockdowns, such as those being experienced in Melbourne, which have now lasted longer than Wuhan's, where the virus originated.

Outlook

Australian shares will likely continue to be primarily driven by global markets. Like its international peers, Australia's economic growth has slumped, though evidence of a bounce-back has emerged in some sectors, supported by Chinese demand. Australia's greater degree of government stimulus (relative to other countries) should help support Australian shares, though there are some near-term risks, such as soured trade relations with China and a continued lack of medium-term earnings visibility for many companies. Given large price rises since the March lows, there may be an increased risk of corrections, though we believe the longer-term

trend is likely to remain positive. We continue to believe investors should be selective and, as always, maintain a longer-term perspective.

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**



INSIGHTS
IDEAS
RESULTS

AMP Capital Funds Management Limited (ABN 15 159 557 721, AFSL 426455) is the responsible entity (Responsible Entity) of the Specialist Australian Small Companies Fund - On-platform Class A (Fund) and the issuer of the units in the Fund. To invest in the Fund, investors will need to obtain the current Product Disclosure Statement (PDS) from AMP Capital Investors Limited (ABN 59 001 777 591, AFSL 232 497) (AMP Capital). The PDS contains important information about investing in the Fund and it is important that investors read the PDS before making an investment decision about the Fund. Neither AMP Capital, the Responsible Entity, nor any other company in the AMP Group guarantees the repayment of capital or the performance of any product or any particular rate of return referred to in this document. While every care has been taken in the preparation of this document, AMP Capital makes no representation or warranty as to the accuracy or completeness of any statement in it including without limitation, any forecasts. This document has been prepared for the purpose of providing general information, without taking account of any particular investor's objectives, financial situation or needs. Investors should consider the appropriateness of the information in this document, and seek professional advice, having regard to their objectives, financial situation and needs. This document should not be reproduced in whole or in part without the express written consent of AMP Capital.