

Specialist Geared Australian Share Fund - On-platform Class A

Investment objective

To provide high returns over the long term through geared exposure to securities listed on the Australian Securities Exchange. The objective of the Fund's portfolio before gearing is applied is to provide total returns (income and capital growth) after costs and before tax, above the S&P/ASX 200 Accumulation Index on a rolling 3 year basis.

How we manage your money

The Fund normally invests in shares listed or about to be listed on the Australian Securities Exchange.

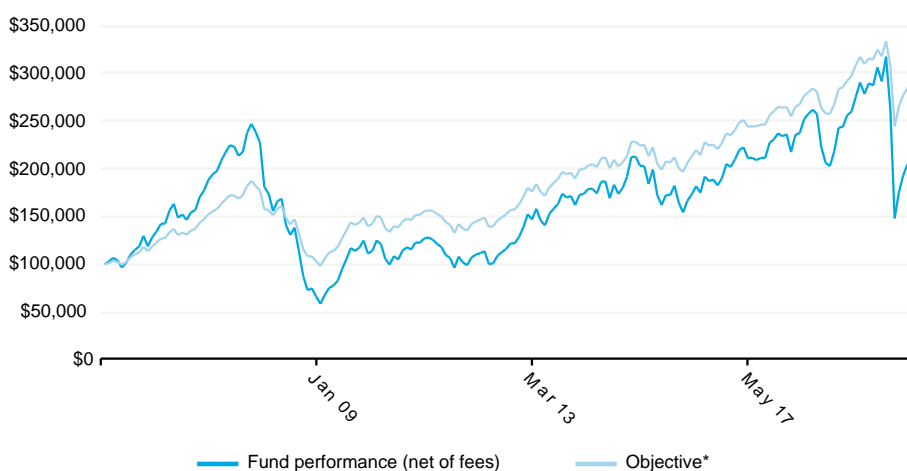
Performance as at 31 December 2020

%	1 MTH	3 MTH	1 YR	3 YRS	5YRS	7YRS	SINCE INCEPT
Total Return - Net of Fees	3.13	33.80	-7.70	4.31	8.09	6.64	6.38
Objective*	1.21	13.70	1.40	6.73	8.73	7.38	7.58
Excess return	1.92	20.10	-9.10	-2.42	-0.64	-0.73	-1.20

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 S&P/ASX 200 Accumulation Index to the S&P/ASX 300 Accumulation Index on 23 March 2007 and from the S&P/ASX 300 Accumulation Index to the S&P/ASX 200 Accumulation Index on 24 May 2011. Past performance of this Fund is reported using the S&P/ASX 200 Accumulation Index up to 22 March 2007 and the S&P/ASX 300 Accumulation Index between 23 March 2007 and 23 May 2011. Performance reported after 24 May 2011 uses the current benchmark, the S&P/ASX 200 Accumulation Index.

\$100,000 invested since inception



FUND FACTS

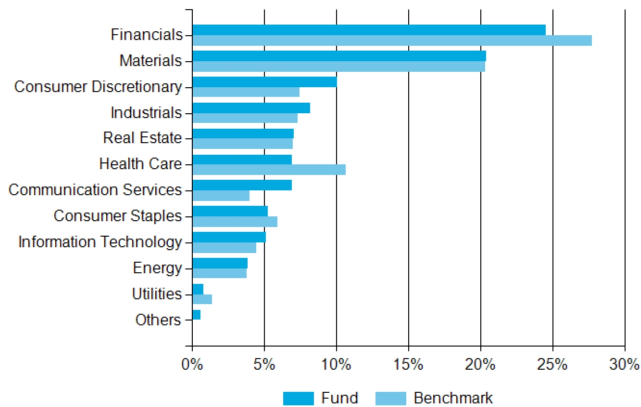
APIR	AMP0969AU
Inception date	30 December 2004
Fund Size	\$317,784,138
Management costs*	2.31% p.a.
Buy/Sell spread*	+0.35%/-0.35%
Distribution frequency	Yearly
Minimum investment	\$500,000
Minimum suggested time frame	7 years

*Fee information is accurate as at 30 June 2020, 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

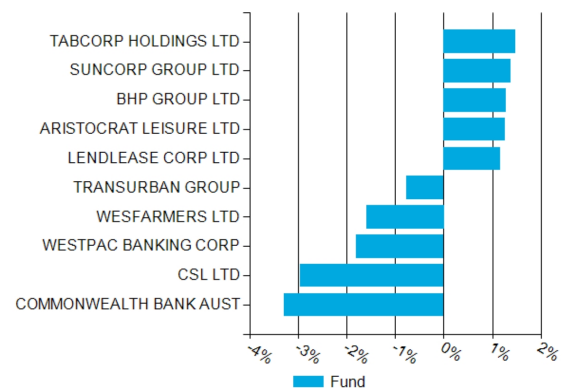
What happened last period

- Australian shares had an extremely strong December quarter, broadly reflecting the optimistic sentiment around the globe.
- The Fund posted a strong positive absolute return and outperformed its benchmark (before fees).
- The Fund's gearing increased the magnitude of the outperformance.
- Stock selection was the key driver of the Fund's outperformance, while sector allocation modestly detracted from relative returns.
- The largest positive contributors to relative returns were an underweight position in CSL, and overweight positions in REA Group and Virgin Money.

Sector allocation (%)



Top/Bottom Excess Weights



Fund Performance

The Fund posted a strong positive absolute return and outperformed its benchmark over the December quarter (before fees). The Fund's gearing increased the magnitude of the outperformance. All of the Fund's three underlying managers posted positive absolute returns, and DNR and Vinva outperformed the benchmark. The Fund continues to outperform over the long term including over 2, 3, 5 years and since inception.

Stock selection was the key driver of the Fund's outperformance, while sector allocation modestly detracted from relative returns. Regarding sector allocation, the main detractors from relative returns were an underweight exposure to financials and a cash holding as the share market rallied. Meanwhile, the main contributors to relative returns were underweight exposures to health care and utilities, and an overweight exposure to information technology.

Regarding stock selection, the main contributors to relative returns were positions in communication services, financials, materials, real estate and industrials, while the main detractors were positions in information technology.

The largest positive contributors to relative returns were an underweight position in CSL, and overweight positions in REA Group and Virgin Money UK. Global biotechnology company CSL waned (-1.3%) after announcing it would abandon the next phase of trials for its COVID-19 vaccine, which was being developed by the University of Queensland. Meanwhile, global online real estate advertising company REA Group rose to record highs (+35.4%) after reporting better-than-expected first quarter results and financial services provider Virgin Money UK shot higher (+83.0%) mainly due to optimism around the availability of vaccines.

The largest individual detractors from relative returns were underweight positions Commonwealth Bank, Afterpay and ANZ Banking Group. Commonwealth Bank rallied (+29.1%) after reporting solid first quarter results, with its home loan growth rate twice as high as the wider banking system. 'Buy now, pay later' financial company

Afterpay rose to record highs (+47.5%) after reporting very strong first quarter results and ANZ Banking Group gained (+34.2%) after reporting soft, but better-than-expected first quarter results.

Market review

Australian shares had an extremely strong December quarter, rising by 13.70%, as measured by the S&P/ASX 200 index on a total return basis. Moves in the Australian share market broadly reflected optimistic sentiment around the globe. In October, stocks rose amid improving domestic economic indicators, as well as further stimulus measures introduced in the Australian Federal Budget. Victoria also announced its intention to "reopen" its economy after one of the harshest lockdowns so far seen. An RBA rate cut, combined with a quantitative easing programme announcement in the first week of November further spurred stocks, although the real booster came shortly after multiple successful vaccine trials were announced overseas, causing markets to surge. Victoria also continued to emerge from its second wave of COVID-19 cases, with the virus apparently all but eliminated across the state by the end of November. Towards the quarter's end, news-flow continued to centre around the rollout of COVID-19 vaccines, though continued solid economic indicators in the US and a Brexit deal finally being reached in the UK added further support. The Australian economy meanwhile moved out of recession and this, combined with improving consumer confidence, continued ultra-low interest rates and continued RBA quantitative easing, all helped push markets higher, even despite a new COVID-19 outbreak emerging in Sydney around Christmas time.

Outlook

Australian shares will likely continue to be strongly influenced by global markets and events. Like its international peers, Australia's economic growth has slumped, though evidence of a bounce-back has emerged in some sectors as borders are opened, pandemic restrictions wound down, and GDP returns to some form of normalcy. Australia's

greater degree of government stimulus (relative to other countries) and low COVID-19 cases from an international perspective should help support domestic shares, though there are continuing issues, such as soured trade relations with China and a continued lack of medium-term earnings visibility for many companies. Given the large price rises through most of 2020, 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



Duy To

Duy joined AMP Capital in October 2007 as the portfolio manager of domestic and international equity funds. He is a member of global emerging market equities workgroup, where he contributes to manager research, manager selection and portfolio construction. Prior to joining AMP Capital, Duy worked for AMP Financial Services as an Actuarial Analyst for the Wealth Management business.

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-g geared-australian-share-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 that resembles a curved arrow or a partial circle pointing towards the text.

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