

# 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.

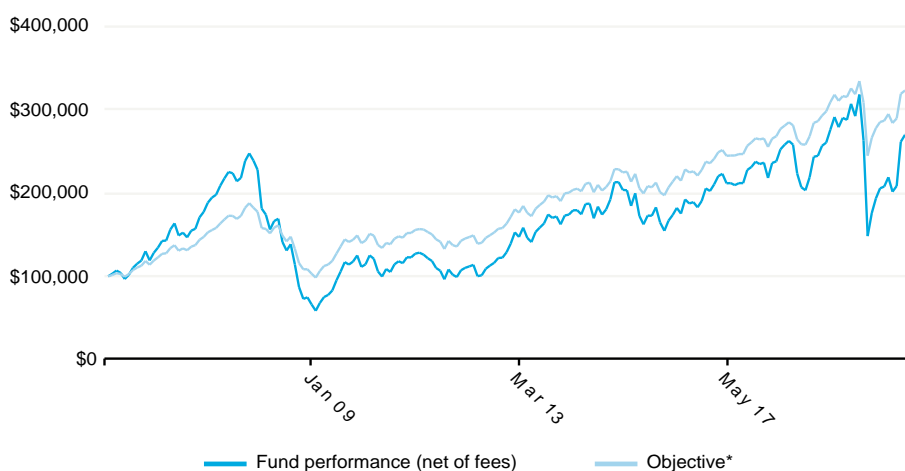
## Performance as at 30 June 2021

%	1 MTH	3 MTH	1 YR	3 YRS	5YRS	7YRS	SINCE INCEPT
Total Return - Net of Fees	4.11	16.09	69.38	11.35	14.72	10.38	7.84
Objective*	2.26	8.29	27.80	9.59	11.16	8.79	8.14
Excess return	1.85	7.81	41.58	1.76	3.57	1.59	-0.30

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

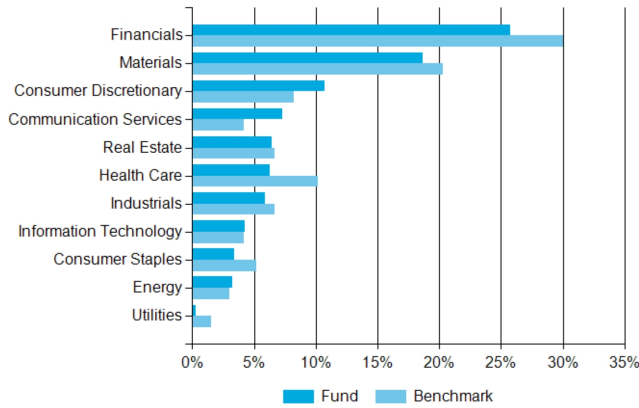
APIR	AMP0969AU
Inception date	30 December 2004
Fund Size	\$380,717,703
Management costs*	2.31% p.a.
Buy/Sell spread*	+0.35%/-0.35%
Distribution frequency	Yearly
Minimum investment	\$500,000
Minimum suggested time frame	7 years

\*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](http://www.ampcapital.com)

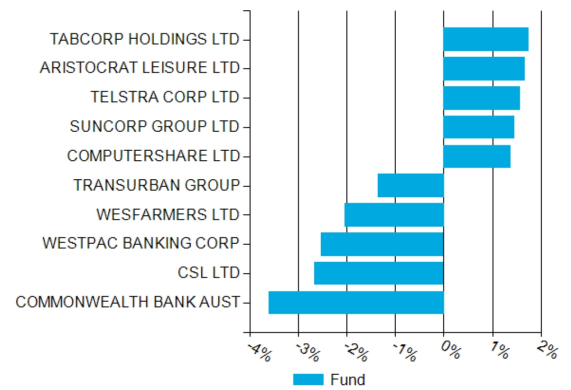
## What happened last period

- In line with bullish international markets, Australian shares rose strongly over the June quarter.
- The Fund posted a very strong positive return and significantly outperformed its benchmark over the period (before fees).
- The Fund's gearing contributed strongly to the outperformance.
- All of the Fund's three underlying managers posted strong positive absolute returns, and Vinva and DNR outperformed the benchmark.
- Both stock selection and sector allocation contributed positively to relative returns.
- The largest individual contributors to relative returns were overweight positions in ALS, Aristocrat Leisure and Iress.

## Sector allocation (%)



## Top/Bottom Excess Weights



## Fund Performance

The Fund posted a very strong positive return and significantly outperformed its benchmark over the June quarter. The Fund's gearing contributed strongly to the outperformance. All of the Fund's three underlying managers posted strong positive absolute returns, and Vinva and DNR outperformed the benchmark. The Fund continues to significantly outperform over the long term including over 1, 2, 3, 5 years and since inception (all returns before fees).

Both stock selection and sector allocation contributed positively to relative returns. Regarding sector allocation, the main contributors were an underweight exposure to utilities, and overweight exposures to consumer discretionary and communication services. The main detractor by far was a holding of cash, as the market rose strongly. Regarding stock selection, the main positive contributors were positions in industrials, consumer discretionary and communication services stocks, while the main detractors were positions in real estate, financials and energy stocks.

The largest individual contributors to relative returns were overweight positions in ALS, Aristocrat Leisure and Iress. Laboratory testing and certification solutions provider ALS shot higher (+36.3%) after reporting strong, better-than-expected full-year results, after previously announcing it had refinanced its bank debt, providing more liquidity. Gaming company Aristocrat Leisure continued climbing (+25.9%) as the business experienced exceptional product performance and customer engagement, and delivered strong, better-than-expected half-year results. In addition, financial services software company Iress also shot higher (+40.6%) after rumours emerged that it was the target of an acquisition, which it denied and subsequently announced that it had implemented several changes to enhance shareholder value.

The largest individual detractors from relative returns were overweight positions in Lendlease and Beach Energy, and an underweight position in Commonwealth Bank. Property group Lendlease fell (-11.3%) due to increasing concerns about

project delays that could result in softer-than-expected earnings in the second half of the financial year. Oil and gas explorer Beach Energy sunk (-27.7%) after revealing it was downgrading reserves and production from its 'Western Flank' oil and gas assets. Meanwhile, one of the 'big-four banks' Commonwealth Bank climbed (+16.0%), closing above \$100 for the first time during the period, as the recovering economy and soaring house prices support its operations, and investors expect it to pay higher dividends.

## Market review

In line with bullish international markets, Australian shares rose strongly over the June quarter, with the S&P/ASX 200 index closing the period 8.29% higher, on a total return basis. While the global recovery was the prime driver, the Reserve Bank of Australia (RBA) continued to play its part, as it again reiterated its commitment to low cash rates for as long as necessary. Domestic economic indicators, such as jobs figures, also remained strong, leading to rising speculation towards the end of the quarter on the timing of future rate hikes. Growth segments of the market generally did well over the quarter as the global economic recovery continued. At a sector level, information technology shares were the strongest performers over the quarter amid stabilising bond yields as well as further merger and acquisition activity. Communications services and consumer discretionary stocks also did well, while the energy and the utilities sectors meanwhile posted negative returns for the period. The market's focus is now clearly on the RBA showing any sign of changing its timeline for rate rises, as well as any tapering of its bond purchases.

## Outlook

Australian equities continue to be strongly influenced by global markets and events. The economic backdrop is complicated by shifting policy on vaccine rollout by the Federal Government, most recently by a pivot in rollout emphasis from the AstraZeneca to the Pfizer option, which will push out the herd immunity date as further Pfizer

supplies need to be sourced. The risk is that a prolonged rollout period could dent business and consumer confidence which could feed into equity prices in the short term.

Despite this, Australia's greater degree of government stimulus relative to other countries, low COVID-19 cases from an international perspective, and a supportive commodities backdrop do look to be aiding the recovery process. The effect of the wind-down in government support programmes has proved so far to be relatively benign. Although large equity price rises have increased the risk of a correction, 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](http://www.ampcapital.com/specialist-g geared-australian-share-fund)

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



INSIGHTS  
IDEAS  
RESULTS

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