

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.

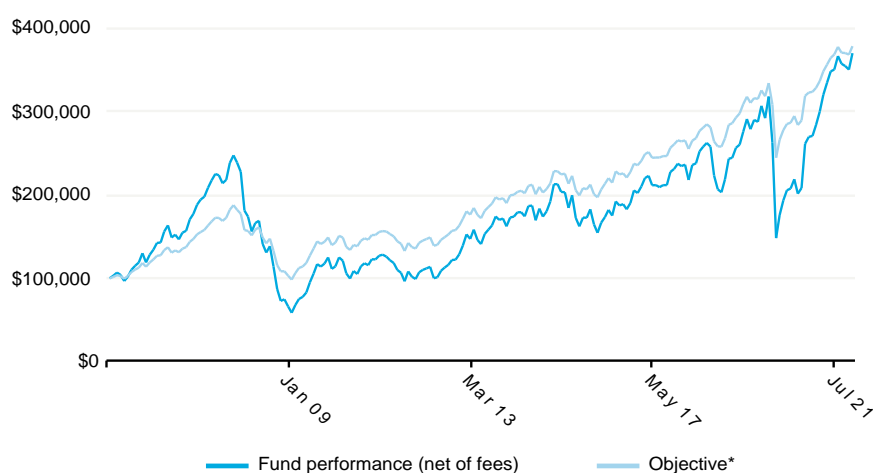
Performance as at 31 December 2021

%	1 MTH	3 MTH	1 YR	3 YRS	5YRS	7YRS	SINCE INCEPT
Total Return - Net of Fees	5.64	3.53	37.21	22.11	12.49	10.80	7.98
Objective*	2.75	2.09	17.23	13.62	9.76	8.99	8.13
Excess return	2.89	1.44	19.98	8.49	2.72	1.81	-0.14

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	\$374,129,491
Total ongoing annual fees and cost*	3.35% p.a.
Buy/Sell spread*	+0.35%/-0.35%
Distribution frequency	Yearly
Minimum investment	\$500,000
Minimum suggested time frame	7 years

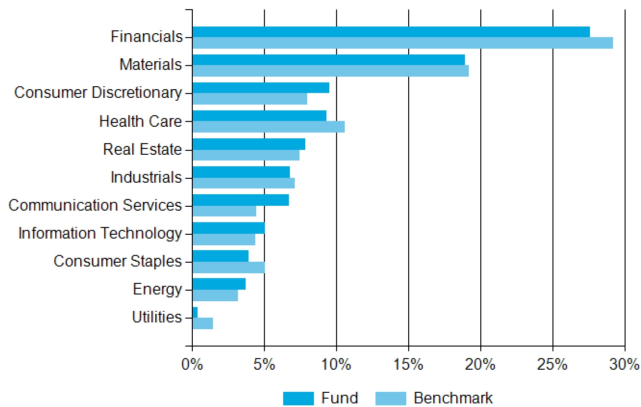
*Fee information is accurate as at 30 June 2021, and is updated bi-annually. The Fund PDS outlines the latest ongoing annual fees and cost as well as any member activity-related fees and costs (if applicable) that may apply to your investment. You can review the PDS at www.ampcapital.com

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.

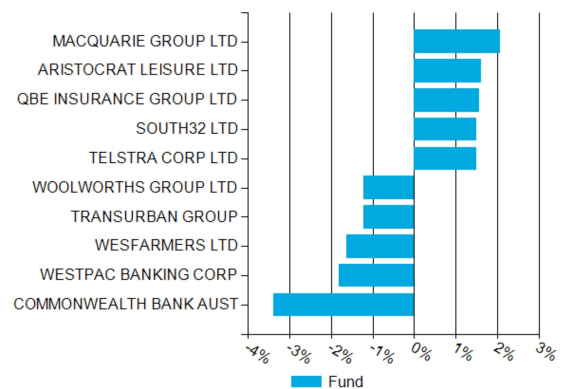
What happened last period

- Australian shares range-traded for much of the December quarter amid mixed sentiment, before a small Santa Claus rally at year-end led the market higher.
- The Fund posted a strong positive return and outperformed its benchmark over the December quarter (before fees).
- The Fund's gearing contributed to the outperformance.
- All of the Fund's three underlying managers posted positive returns, and Vinva outperformed the benchmark.
- Stock selection contributed positively to relative returns, whereas sector allocation detracted.
- The largest individual

Sector allocation (%)



Top/Bottom Excess Weights



Fund Performance

The Fund posted a positive return and outperformed its benchmark over the December quarter. The Fund's gearing contributed to the outperformance. With Vinva the strongest performing underlying manager outperforming the benchmark, all of the Fund's three underlying managers posted positive returns during the period. The Fund continues to significantly outperform over the long term, including over 1, 2, 3, 5 years and since inception (all returns before fees).

Stock selection contributed positively to relative returns, whereas sector allocation detracted. Regarding sector allocation, the main detractors were an underweight exposure to utilities and an overweight position in energy. The main contributors were an underweight exposure to financials and an overweight exposure to communication services.

Regarding stock selection, the standout positive contributors were positions in financials and information technology stocks, while the main detractors were positions in materials, consumer discretionary and industrials stocks.

The largest individual contributors to relative returns were underweight positions in Westpac Banking Corp and Afterpay and an overweight position in Macquarie Group. 'Big four' bank Westpac's share price fell significantly (-16%) on news of falling net interest margins amid tough competition for mortgages, with the bank reporting earnings on a 'core' basis being down for the fiscal year ending 30 September. Shares in 'buy now, pay later' company Afterpay (-32%) suffered as the stock price moved to reflect the price of its acquirer, US-based Block Inc (previously named Square) which was subject to the sell-off in US technology stocks during the period. Global financial services company Macquarie Group (+14%) rose as investors welcomed the company's release of its latest forecasts for medium-term prospects.

The largest individual detractors from relative returns were an underweight position in Fortescue Metals Group and overweight positions in Suncorp Group and Aristocrat Leisure. Iron ore producer

Fortescue Metals Group rose strongly (+28%), as iron ore prices rebounded from their November lows. Shares in financial services provider Suncorp Group experienced some weakness (-12%), despite announcing strong financial-year 2021 results and higher dividends during the period, as the company provided an update to the market of its insurance claim figures since 1 July relating to costs from recent hailstorms which were higher than expected.

Market review

Despite a strong international lead, Australian shares range-traded for much of the December quarter against a backdrop of mixed sentiment, before a small Santa Claus rally at year-end led the S&P/ASX 200 index to finish up by 2.09% on a total return basis. Economic data released throughout the quarter was generally consistent with a strong bounce-back following the removal of various Delta-wave lockdowns and restrictions prior to the period, though inflation continued to rise. The latest new COVID-19 variant, Omicron, meanwhile added uncertainty, though state governments have so far been somewhat more restrained with reintroducing restrictions amid high vaccination rates, as well as growing fatigue towards restrictions in general from the public. Given the global inflationary environment, speculation on future interest rate rises was a theme, which impacted sentiment towards some sectors. At a sector level, materials and utilities were the clear outperformers, likely owing respectively to rising commodity prices and a growing search for shelter from inflation. Energy and information technology (IT) meanwhile pulled back over the period, as some pessimism spilled over from global markets amid ongoing supply constraints as well as some specific overseas IT company issues.

Outlook

With national vaccination levels now high and international borders more open (albeit with some limitations and restrictions), businesses confidence has improved significantly relative to earlier in the pandemic. However, this continues to be

complicated by different attitudes towards reopening between state governments, which will continue to undermine confidence until resolved. Similar to overseas, domestic inflation remains a concern, with the Reserve Bank of Australia (RBA) now subtly suggesting it may raise rates a little earlier than initially expected, though also reiterating it will not be rushed. Corporate earnings and growth, meanwhile, remain generally solid. Stepping back to a longer-term timeframe, we believe the market will ultimately continue to rise, though with some bumps on the way, as is usually the case. 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-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 resembling a curved arrow or a drop shape pointing downwards and to the right.

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