

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.

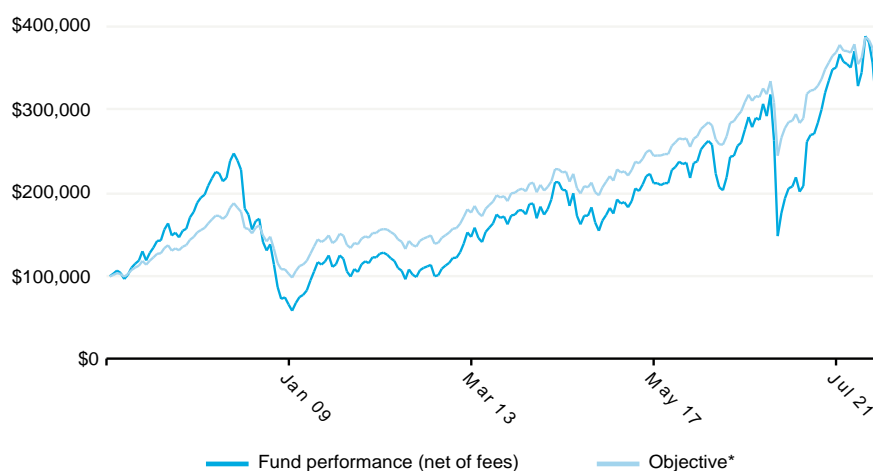
Performance as at 30 June 2022

%	1 MTH	3 MTH	1 YR	3 YRS	5YRS	7YRS	SINCE INCEPT
Total Return - Net of Fees	-14.91	-21.97	-13.03	3.16	7.41	7.34	6.52
Objective*	-8.77	-11.90	-6.47	3.34	6.83	6.91	7.24
Excess return	-6.14	-10.07	-6.57	-0.17	0.58	0.43	-0.72

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	\$303,776,920
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

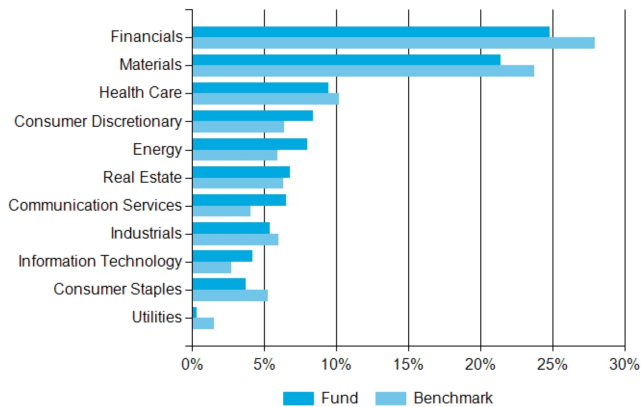
*Fee information is accurate as at 30 June 2021, and is updated bi-annually. The Fund PDS outlines the latest ongoing annual fees and cost as well as any member activity-related fees and costs (if applicable) that may apply to your investment. You can review the PDS at www.ampcapital.com

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.

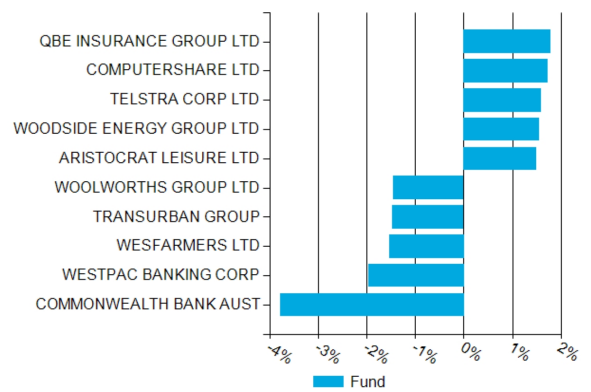
What happened last period

- Australian shares fell significantly over the June quarter on the back of broader global falls.
- The Fund posted a negative return and underperformed its benchmark (before fees), with gearing detracting.
- All of the Fund's three underlying managers lost ground, with DNR Capital outperforming the benchmark.
- Stock selection as well as sector allocation contributed to relative returns.

Sector allocation (%)



Top/Bottom Excess Weights



Fund Performance

The Fund posted a negative return and underperformed its benchmark over the June quarter. The Fund's gearing detracted and was the driver of the Fund's underperformance. Amid considerable market weakness, all of the Fund's three underlying managers lost ground, although DNR Capital was the standout performer on a relative basis as it significantly outperformed the benchmark during the period. The Fund continues to perform strongly compared to the benchmark over the long term, including over 2, 3, 5 years and since inception (all returns before fees).

Stock selection was the primary contributor to relative returns, with sector allocation also adding value. Regarding sector allocation, the main contributors were an underweight exposure to materials and an overweight position in energy. The main detractors were underweight exposures to utilities and health care. The Fund's cash position also enhanced returns as the market fell.

Regarding stock selection, the standout positive contributors were positions in information technology, consumer discretionary and financials stocks, while industrials detracted most by sector.

The largest individual contributors to relative returns were overweight positions in QBE Insurance and Computershare, and an underweight exposure to Block. QBE Insurance (+6%) benefitted from higher bond rates which will provide a boost to earnings, with the company also buoyed by offshore competitors announcing solid results. Share registry operator Computershare (0%) was resilient, as higher interest rates should flow to significantly higher profits. Fintech company Block (-51%) – formerly Square - suffered alongside the broader global IT sector as rising bond yields are seen to dampen higher growth companies with limited profitability.

The largest individual detractors from relative returns were underweight positions in Transurban Group and Ramsay Health Care and an overweight position in Seek. Toll-road operator Transurban Group (+8%) rose as the market recognised the company's substantial protection from rising

inflation through contracted tolling agreements. Online employment company Seek (-30%) fell despite record job ad volumes, as investors favoured defensive exposures. Hospital and health care group Ramsay Health Care (+12%) rallied following a takeover bid from KKR.

Market review

Australian shares fell significantly over the June quarter on the back of broader global falls, with the S&P/ASX 200 index returning -11.9% (on a total return basis) for the period. Similar to international shares, Australian share prices continued to be driven by rising interest rates, higher inflation and fears of recession. Australian corporate earnings, which are weighted towards financials largely on the back of residential property, also added to concern as the housing sector came under further pressure amid the rising rate environment. A number of major home builders also experienced financial strife during the period, further impacting confidence. On the positive side, Australia's economy continues to reap benefits from high commodity prices, particularly coal, which recently overtook iron ore as our largest export. However, a turbulent, struggling energy market, not helped by the war in eastern Europe, impacted energy stocks over the period. At a sector level, information technology (IT) was the weakest performer as the segment continued its global correction which began in 2021. Real estate and financials also struggled over the quarter. Relatively better performance meanwhile was seen in more defensive sectors, such as utilities and healthcare.

Outlook

Corporate earnings growth in Australia remains reasonably strong, with earnings and dividends still growing, though at a slightly reduced rate. Cost pressures however are impacting businesses and, in many cases, are being passed onto the

customer. The broader economy exhibits strong employment levels and terms of trade, however consumers' ability to spend is falling as interest rates rise. Like overseas markets, inflation remains a prime concern, reflected by a hawkish RBA. The downturn in housing is also a concern for equity markets as interest rates rise. Longer-term, we believe the market will continue its upwards path, with volatility in the shorter-term likely to provide opportunities along the way.

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.

INSIGHTS
IDEAS
RESULTS

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