

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.

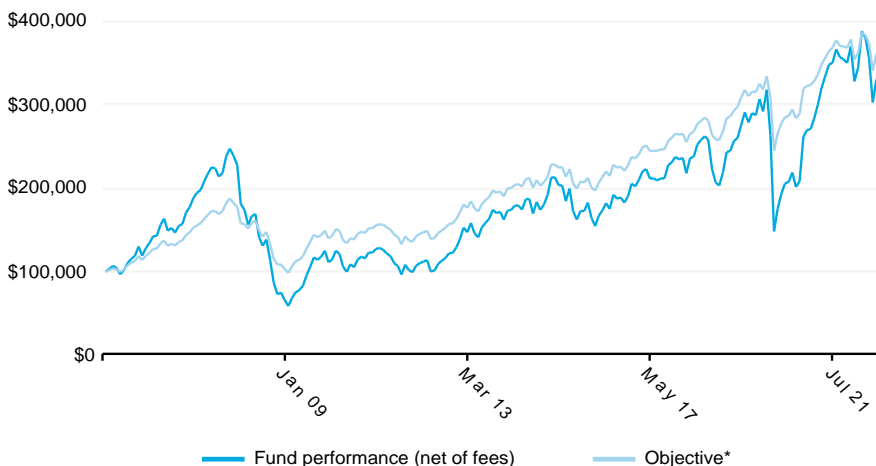
Performance as at 30 September 2022

%	1 MTH	3 MTH	1 YR	3 YRS	5YRS	7YRS	SINCE INCEPT
Total Return - Net of Fees	-12.02	-2.26	-17.16	0.68	6.93	8.96	6.29
Objective*	-6.17	0.39	-7.69	2.67	6.76	8.01	7.16
Excess return	-5.85	-2.64	-9.47	-1.99	0.17	0.95	-0.87

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 300 Accumulation Index to the S&P/ASX 200 Accumulation Index on 26 May 2011. Past performance of this Fund is reported using the S&P/ASX 300 Accumulation Index up to 25 May 2011. Performance reported after 26 May 2011 uses the current benchmark, the S&P/ASX 200 Accumulation Index.

\$100,000 invested since inception



FUND FACTS

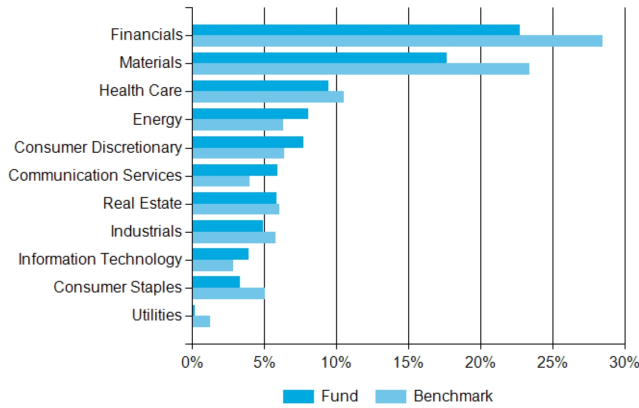
APIR	AMP0969AU
Inception date	30 December 2004
Fund Size	\$288,867,470
Total ongoing annual fees and cost*	3.35% p.a.
Buy/Sell spread*	+0.30%/-0.30%
Distribution frequency	Yearly
Minimum investment	\$500,000
Minimum suggested time frame	7 years

*Fee information is correct as of 30 June 2021 and is updated biannually. Total ongoing annual fees and costs are made up of management fees and costs, performance fees (if applicable) and transaction costs. You should refer to the current PDS or other offer document for the relevant Fund available at www.amp.com.au/investments for the latest ongoing annual fees and costs as well as member activity-related fees and costs (if applicable).

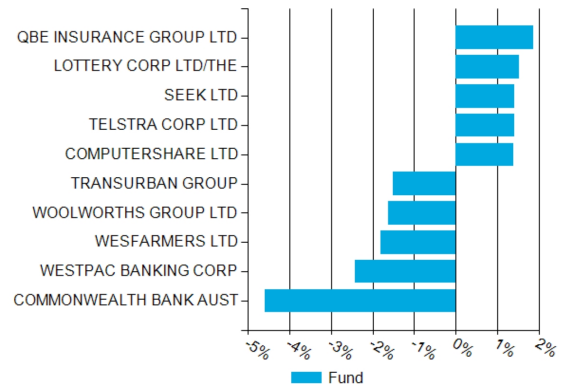
What happened last period

- Australian shares rose through the first half of the September quarter, before pulling back to end the period around where they started.
- The Fund posted a negative return and underperformed its benchmark (before fees), with gearing detracting.
- Two of the Fund's three underlying managers gained ground, with Macquarie outperforming the benchmark.
- Stock selection detracted whereas 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 September quarter. Amid considerable market volatility, two of the Fund's three underlying managers gained ground, with Macquarie outperforming the benchmark. Vinva slightly underperformed, with DNR Capital lagging on a relative basis. The Fund's gearing also detracted. DNR Capital continues to drive the Fund's strong performance compared to the benchmark over the long term, including over 2, 3, 5 years and since inception (all returns before fees).

Stock selection detracted from relative returns, outweighing the value added by sector allocation. Regarding sector allocation, the main contributors were an underweight exposure to utilities and an overweight position in energy. The main detractor was an underweight exposure to materials.

Regarding stock selection, the Fund's positions in financials and consumer discretionary detracted the most, while industrials added most value by sector.

The largest individual contributors to relative returns were underweight positions in toll-road operator Transurban Group (-14%) and hospital and health care group Ramsay Health Care (-21%) and an overweight position in coal, oil and gas operator New Hope Corporation (+82%). Transurban underperformed as 'bond proxy' stocks amid surging bond yields in the latter half of the period. Ramsay Health Care shares suffered after the KKR-led takeover consortium confirmed it would not improve its previous offer, throwing the potential deal into doubt. New Hope soared after Prime Minister Albanese confirmed Australia as an ongoing supplier of gas and coal, which is supported by the global energy crisis.

The largest individual detractors from relative returns were overweight positions in Domino's Pizza (-23%) and financials services and tech provider IRESS (-21%), as well as being underweight lithium and tantalite miner Pilbara Minerals (+99%). Domino's fell amid concerns over its European earnings with inflation and a general deterioration in economic conditions weighed.

IRESS saw a downgrade on the back of a CEO change, with higher \$US-based costs and slowing Australian sales also impacted. Pilbara Minerals rode the wave with other lithium producers as global demand was unabated.

Market Review

Australian shares rose through the first half of the September quarter, before pulling back by the end of the period, to finish up by just 0.4%, as measured by the S&P/ASX 200 index (on a total return basis). Dividends were responsible for the positive return, as on a price basis the market was in the red. Earlier in the quarter, optimism grew on hopes the RBA, along with other central banks, may not have to be quite as hawkish as expected, given some evidence inflation may be near a peak. While earnings reports in August showed reasonable earnings growth, outlooks from companies unsurprisingly called out cost pressures as a headwind in the difficult climate. Sentiment then waned through the latter stages of the quarter, as central banks overseas reaffirmed hawkish stances and resolve to prioritise addressing high inflation. In regard to sector performance, energy was the standout performer amid continued price rises, while the interest rate-sensitive utilities and real estate sectors performed poorly.

Outlook

Corporate earnings growth in Australia remains reasonable, though should be considered in real terms, given the ongoing high levels of inflation. Businesses remain focussed on cost pressures, which in many cases are being passed onto customers. Similar to overseas markets, inflation remains a prime concern, as consumers' ability to spend is gradually coming under more pressure amid continued rate hikes from the Reserve Bank of Australia (RBA). Meanwhile, the sharp downturn in Australian residential housing, where valuations remain very high despite recent falls, may continue for some time yet as interest rates normalise. However, the RBA has started slowing the pace of hikes in the last meeting, and current inflation and wage growth pressures are less prominent in

Australia compared to other developed markets. Over the long-term, we believe the Australian shares will continue to rise, with volatility in the shorter-term likely to provide more opportunities.

Portfolio Manager



Duy To

Duy is the Head of the Public Markets and portfolio manager for the Australian Shares and Emerging Markets sector portfolios. In this role he is responsible for leading investment strategy, portfolio construction and manager selection across the Public Markets team. Duy has over 14 years' experience in investment management specifically focused on managing multi-manager portfolios. He joined AMP Capital in October 2007

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.amp.com.au/investments

You can also call us on **133 267**

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