

# 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.

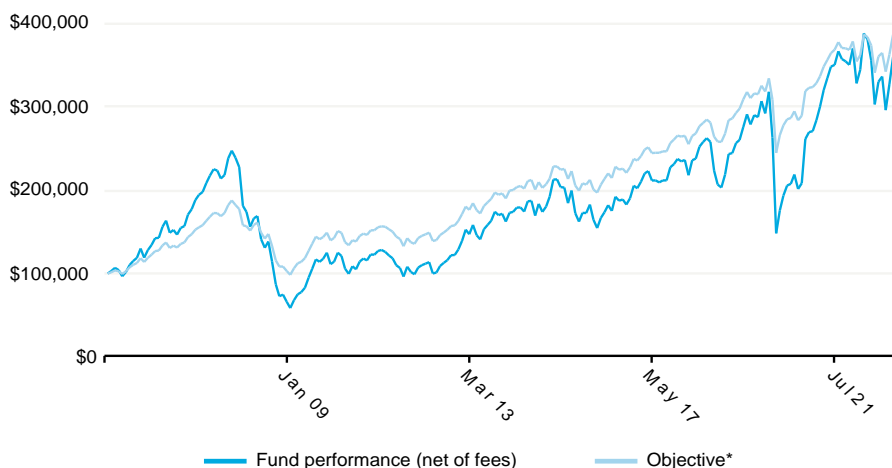
### Performance as at 31 December 2022

%	1 MTH	3 MTH	1 YR	3 YRS	5YRS	7YRS	SINCE INCEPT
Total Return - Net of Fees	-6.59	13.57	-9.13	4.79	7.19	9.10	6.95
Objective*	-3.21	9.40	-1.08	5.55	7.11	8.43	7.59
Excess return	-3.38	4.17	-8.05	-0.75	0.08	0.67	-0.64

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

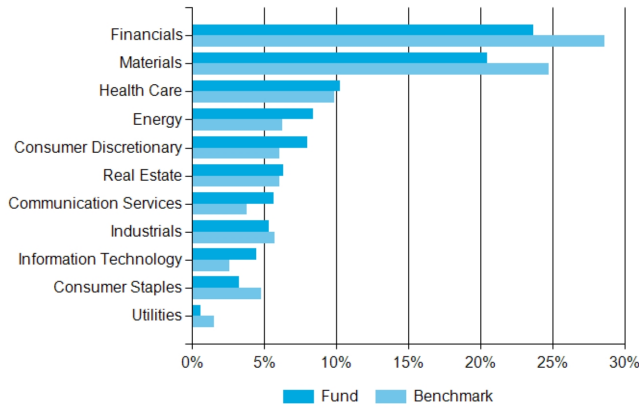
APIR	AMP0969AU
Inception date	30 December 2004
Fund Size	\$320,715,334
Total ongoing annual fees and cost*	2.89% p.a.
Buy/Sell spread*	+0.30%/-0.30%
Distribution frequency	Yearly
Minimum investment	\$500,000
Minimum suggested time frame	7 years

\*Fee information is correct as of 30 June 2022 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](http://www.amp.com.au/investments) for the latest ongoing annual fees and costs as well as member activity-related fees and costs (if applicable).

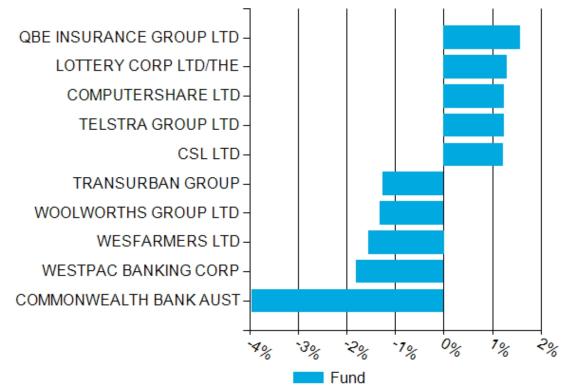
### What happened last period

- Australian shares rose strongly in the December quarter, on optimism that inflation may be pulling back overseas, particularly in the US, while many central banks reduced the increments of monetary tightening.
- The Fund posted a positive return and comfortably outperformed its benchmark, driven by gearing.
- The Fund's three underlying managers gained ground, with DNR Capital outperforming the benchmark.
- Stock selection contributed whereas sector allocation detracted from relative returns.

## Sector allocation (%)



## Top/Bottom Excess Weights



## Fund Performance

The Fund posted a positive return and comfortably outperformed its benchmark over the December quarter, driven by gearing. The Fund's three underlying managers gained ground, with DNR Capital outperforming the benchmark whilst Macquarie and Vinva lagged on a relative basis.

Sector allocation detracted from relative returns, outweighing the value added by stock selection. Regarding sector allocation, the main detractors were underweight exposures to materials and utilities while an underweight exposure to consumer staples added most to performance. Regarding stock selection, the Fund's positions in industrials and consumer discretionary contributed the most, while real estate was the main sector that held back performance.

The largest individual contributor to relative returns was an overweight position in Domino's Pizza (+29%), which rebounded after company management provided updates to the market after their AGM (in the previous quarter). The company highlighted efforts to continue to manage ongoing pressures in Europe in the higher inflationary environment. Other major contributors included the underweight exposure to retailer Woolworths (-1%) and an overweight position in testing and analysis company ALS Ltd (+23%).

The largest individual detractor was an overweight position in property developer Lend Lease (-12%), which suffered after announcing weaker than expected guidance for its outlook for the current fiscal year. Other major detractors included the underweight exposures to Commonwealth Bank (+13%) and Westpac Banking Corp (+16%), which were buoyed earlier in the period by higher interest rates which will feed through to better margins in the short term.

strongly over the December quarter, finishing the period up by 9.4%. The bulk of the gains were made in October and November, as markets rose on optimism that inflation may be pulling back overseas, particularly in the US, while many central banks, including the RBA, reduced the increments of monetary tightening. December however saw some falls, as markets appeared to have become perhaps a little ahead of themselves with regard an improving inflationary outlook, amid a realisation that interest rates may still be higher for some time yet. Australia appears to be around 6 months behind the US with regard to the path of inflation, though of course, there is no guarantee how closely this path will be followed. The domestic earnings season also featured during the quarter, and while current period profits were generally reasonable, a number of companies lowered their earnings forecasts amid rising costs. Regarding specific sector returns, utilities and materials were the strongest performers, though all sectors produced positive returns for the period.

## 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 are generally being passed onto customers. Similar to overseas markets, inflation remains a prime concern, as consumers' ability to spend is being crimped amid continued rate hikes. The RBA however has slowed the pace of hikes, and current inflation and wage growth pressures are less prominent in Australia compared to other developed markets. Over the long-term, we believe Australian shares will continue to rise, with volatility in the shorter-term likely to provide more opportunities.

## Market Review

Similar to global peers, Australian shares rose

## 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](http://www.amp.com.au/investments)

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

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