September 2020

Specialist International Share (Hedged) Fund - On-platform Class A

Investment objective

To provide total returns (income and capital growth) after costs and before tax, above the Fund's performance benchmark on a rolling 3 year basis.

How we manage your money

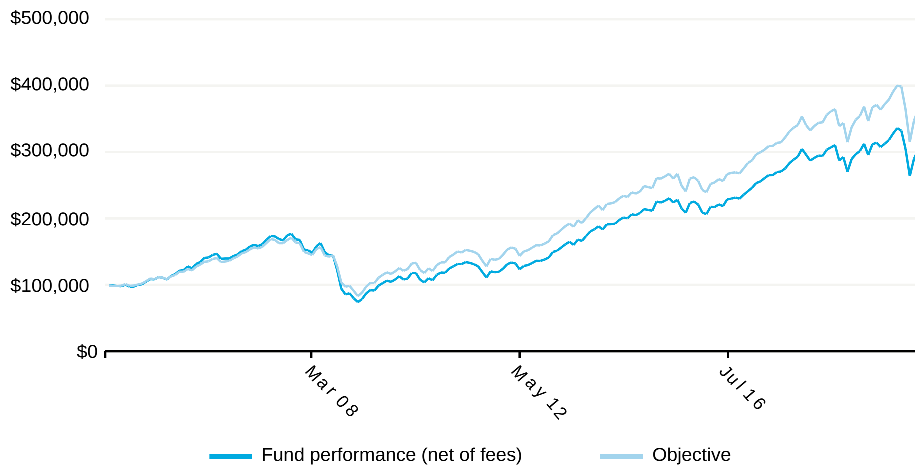
The Fund diversifies manager risk across a range of investment managers by using a multi-manager approach. Exposures are to managers who demonstrate competitive advantages, within the various investment styles that are used when investing in the international equity markets.

Performance as at 30 September 2020

%	1 MTH	3 MTH	1 YR	3 YRS	5YRS	7YRS	SINCE INCEPT
Total Return - Net of Fees	-2.65	4.93	4.58	5.86	9.36	9.41	7.40
Objective	-2.95	6.48	6.44	7.07	10.42	10.14	8.63
Excess return	0.30	-1.55	-1.86	-1.20	-1.06	-0.74	-1.24

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.

$100,000 invested since inception



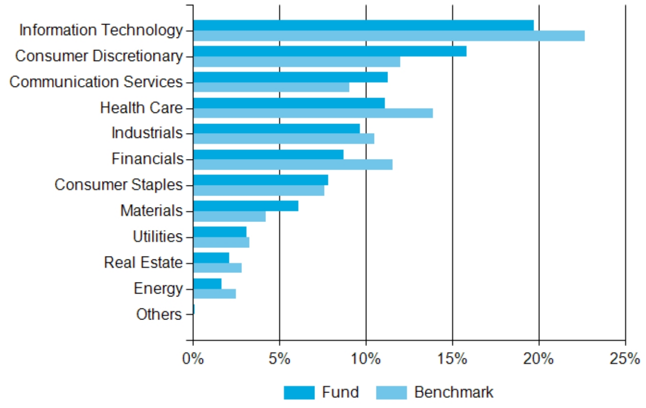
FUND FACTS	
APIR	AMP0825AU
Inception date	18 February 2004
Fund Size	$188,073,337
Management costs*	1.11% p.a.
Buy/Sell spread*	+0.20%/-0.15%
Distribution frequency	Half Yearly
Minimum investment	$500,000
Minimum suggested time frame	5 years

*Fee information is accurate as at 30 June 2019, 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**

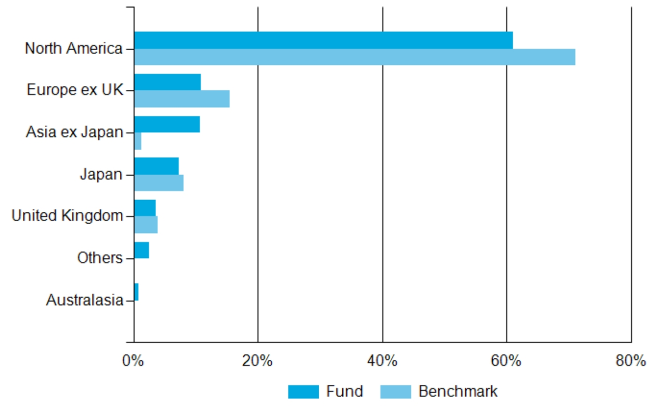
What happened last period

- Global shares rose strongly in the September quarter, buoyed by generally better than expected earnings results in the US, recovering economies and continued global stimulus.
- The Fund posted a positive absolute return, however underperformed its benchmark (before fees) over the period. All underlying managers gained ground.
- Stock selection detracted from relative returns, whereas sector and country allocation added value.

Sector allocation (%)



Regional allocation (%)



Fund Performance

The Fund posted a positive absolute return, however underperformed its benchmark (before fees) during the September quarter. All of the Fund's five underlying managers gained ground. American Century posted the strongest return and along with Magellan these managers outperformed their respective benchmarks. The Fund continues to outperform its benchmark over the long term, including over 3 and 5 years, and since inception (annualised). (All returns are before fees.)

Country allocation was a slight contributor overall to relative performance during the period. The exposures to emerging markets particularly in China added most value, as did underweight allocations to France and Canada which were the main contributors within developed markets. Conversely, the Fund's underweight exposure to the US and its cash position (primarily in US dollars held by Magellan) were the main detractors from the relative return during the period, as share markets generally rose.

Sector allocation added value. Most active positions contributed, with an overweight position in consumer discretionary and underweight exposures to energy and financials contributing most, outweighing the negative effect of an underweight exposure to information technology which was the main detractor.

Stock selection detracted overall from performance and was the main drag on returns. The largest individual detractors were underweight positions in Apple, Tesla and NVIDIA Corporation.

US technology giant Apple (+22%) saw its share price benefit from the announcement of strong results for the June 2020 quarter, with the stock price being further supported by news it may launch discounted video streaming content bundling.

Shares in electric vehicle and clean energy company Tesla (+91%) soared to record highs during August, supported by its Q2 2020 results, which were significantly better than expected, and as investors anticipated smaller share parcels would be in high demand as a result of the company stock split which occurred in August.

US-based graphics processing chip manufacturer company NVIDIA Corporation (+37%) was buoyed after reporting results for the June 2020 quarter which saw record revenues overall, including record revenue for its data centre business which benefited from a recent acquisition.

The largest individual contributors were overweight positions in Alibaba Group and Taiwan Semiconductor Manufacturing, and having no exposure to Exxon Mobil Corporation.

Shares in Chinese e-commerce company Alibaba Group (+31%) rose after it reported surging revenue growth in the June quarter compared to a year earlier, as lockdowns saw consumers shop more online.

Taiwan Semiconductor Manufacturing (+36%) shares soared as the company appears set to benefit from the problems that Intel is facing with the production of its latest generation of semiconductors, which may see Intel outsource production with Taiwan Semiconductor Manufacturing being a strong contender to win this business.

Shares in energy producer Exxon Mobil (-25%) suffered after the company reported results for the June quarter which disappointed investors, with its falling oil and natural gas production reflecting the impacts of lower demand following the COVID-19 pandemic.

The hedged exposure to the Australian dollar had a positive impact on returns, primarily due to the currency's appreciation compared to the US dollar over the period.

Market review

Global share markets rose strongly in the first half of the September quarter, before pulling back somewhat towards the end of the period to finish up by 6.87%, as measured by the MSCI World ex Australia index. Growing confidence around the speed of the global economic recovery, better than expected corporate earnings, improved manufacturing activity data and reasonably strong US jobs figures all contributed to the strong rise. This was despite some renewed fears around further waves of COVID-19 and more specifically, how governments might react to renewed outbreaks. Geopolitical tensions abounded, though this was mostly treated as noise by markets. Towards the end of the quarter, a marked correction in technology stocks occurred, which in turn pulled the broader market down somewhat. Amid a strong Chinese economic recovery and growing demand for commodities, emerging markets also rose over the period, outperforming developed markets and returning 8.65% as measured by the MSCI Emerging Markets index. (All indices quoted in local currency terms and on a total-return basis, unless otherwise stated.)

Outlook

The medium-term outlook for earnings remains generally hard to predict; and varies greatly depending on company specifics. We continue to believe investors should exercise caution, particularly where prices have risen quickly. Amid changing consumer dynamics, many companies will likely struggle for some time, while stronger businesses are likely to emerge from the COVID-19 crisis with gained market share. Although pressure on some global economies has begun to ease, risks of further COVID-19 breakouts; and indeed, the manner in which governments choose to respond, remain a risk. Governments generally continue to implement supportive monetary and fiscal programmes to ease shorter-term burdens and keep economies more resilient, though some concern is growing around the sustainability of some programmes. Despite this, we believe the longer-term market trend will remain to the upside. As always, while the near-term direction of markets is impossible to accurately predict, we believe that those with a diversified portfolio of quality businesses, bought at a reasonable price, are likely to do well over the long term.

Portfolio Manager

Trent Loi

Trent Loi joined AMP Capital in May 2012 as the portfolio manager for the international share and Australian small companies' portfolios within the Specialist, AMP Capital Ethical Leaders, Experts' Choice and ipac ranges of funds. Prior to joining AMP Capital, he was an Associate Consultant at Mercer Investment Consulting. Prior to that, he was an Investment Analyst at Aon Investment Consulting.

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-international-share-hedged-fund
You can also call us on **1800 658 404**

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