

Specialist Australian Share Fund - Wholesale

Investment objective

To provide a total return (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

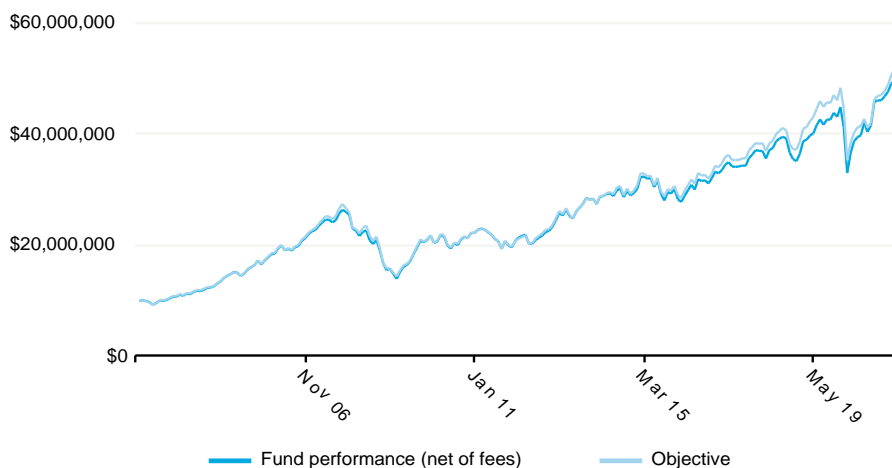
The Fund diversifies manager risk across a range of investment managers by using a multi-manager approach. Exposures are to managers who demonstrate competitive advantages within the various investment styles that are used when investing in the Australian equity market.

Performance as at 30 June 2021

%	1 MTH	3 MTH	1 YR	3 YRS	5YRS	7YRS	SINCE INCEPT
Total Return - Gross of Fees	3.18	7.67	31.01	10.55	11.99	9.19	10.15
Total Return - Net of Fees	3.11	7.45	29.69	9.73	11.25	8.52	9.34
Objective	2.25	8.48	28.49	9.77	11.26	8.90	9.57
Excess return	0.86	-1.03	1.20	-0.04	-0.01	-0.38	-0.23

Past performance is not a reliable indicator of future performance. Performance shown is for O Class and the inception date is 09 Oct 2002. 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 O Class fees and costs and assume all distributions are reinvested.

\$10,000,000 invested since inception



FUND FACTS

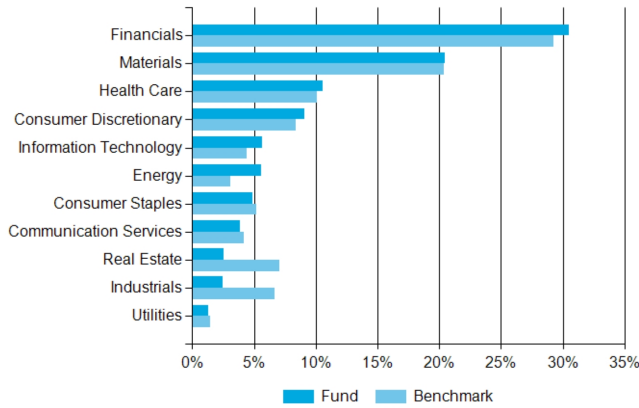
APIR	AMP0681AU
Inception date	09 October 2002
Fund Size	\$799,609,132
Buy/Sell spread*	+0.20%/-0.20%
Distribution frequency	Half-yearly
Minimum investment	\$500,000
Minimum suggested time frame	5 years

*Fee information is accurate as at 30 June 2020, 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.amppcapital.com

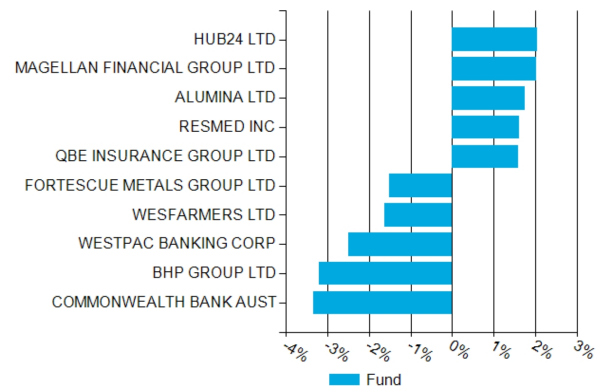
What happened last period

- In line with bullish international markets, Australian shares rose strongly over the June quarter.
- The Fund posted a strong positive return but underperformed its benchmark over the period (before fees).
- Underlying managers ECP, Alphinity and AMP Capital outperformed their respective benchmarks.
- Both stock selection and sector allocation detracted modestly from relative returns.
- The largest individual detractors from relative returns were overweight positions in Nuix, Costa Group and Incitec Pivot, while the largest individual contributors to relative returns were overweight positions in HUB24, Altium and Megaport.

Sector allocation (%)



Top/Bottom Excess Weights



Fund Performance

The Fund posted a strong positive return but underperformed its benchmark over the June quarter. All of the Fund's four underlying managers posted positive returns, and ECP, Alphinity and AMP Capital outperformed their respective benchmarks. The Fund continues to outperform its benchmark over the longer term, including over 1, 2, 3 and 5 years and since inception (all returns before fees).

Both stock selection and sector allocation detracted modestly from relative returns. Regarding sector allocation, the main detractors were a holding of cash, as the market rose strongly, and an overweight exposure to energy. These were partially mitigated by the main positive contributors which were underweight exposures to industrials and utilities.

Regarding stock selection, by far the main detractors were positions in materials and consumer staples stocks, while the main positive contributors were positions in financials, health care and information technology stocks.

The largest individual detractors from relative returns were overweight positions in Nuix, Costa Group and Incitec Pivot. Investigative analytics and intelligence software company Nuix continued its descent (-57.2%) after downgrading its earnings guidance twice, the exit of several executives and news of a criminal investigation into insider trading allegations against its former chief financial officer. Australia's largest horticultural company Costa Group fell sharply (-28.9%) after it released a disappointing trading update at its annual general meeting, noting that 1H 2021 performance is expected to only marginally improve compared to the same period last year, and fertiliser supplier Incitec Pivot retreated (-17.9%) after revealing its Waggaman ammonia operation will recommence production later than previously expected.

The largest individual contributors to relative returns were overweight positions in HUB24, Altium and Megaport. Wealth platform provider HUB24 rallied (+37.3%) after reporting a significant increase in cash flow over Q1 2021 and revealing several

acquisitions and new licence agreements which will support further growth over the medium term. Electronics design software provider Altium shot higher (+38.6%) after receiving a takeover offer from US-software giant Autodesk, and connectivity software provider Megaport soared (+66.2%), after delivering strong results and operations updates as it continues to benefit from the rapid growth of cloud computing.

Market review

In line with bullish international markets, Australian shares rose strongly over the June quarter, with the S&P/ASX 200 index closing the period 8.29% higher, on a total return basis. While the global recovery was the prime driver, the Reserve Bank of Australia (RBA) continued to play its part, as it again reiterated its commitment to low cash rates for as long as necessary. Domestic economic indicators, such as jobs figures, also remained strong, leading to rising speculation towards the end of the quarter on the timing of future rate hikes. Growth segments of the market generally did well over the quarter as the global economic recovery continued. At a sector level, information technology shares were the strongest performers over the quarter amid stabilising bond yields as well as further merger and acquisition activity. Communications services and consumer discretionary stocks also did well, while the energy and the utilities sectors meanwhile posted negative returns for the period. The market's focus is now clearly on the RBA showing any sign of changing its timeline for rate rises, as well as any tapering of its bond purchases.

Outlook

Australian equities continue to be strongly influenced by global markets and events. The economic backdrop is complicated by shifting policy on vaccine rollout by the Federal Government, most recently by a pivot in rollout emphasis from the AstraZeneca to the Pfizer option, which will push out the herd immunity date as further Pfizer supplies need to be sourced. The risk is that a prolonged rollout period could dent business and

consumer confidence which could feed into equity prices in the short term.

Despite this, Australia's greater degree of government stimulus relative to other countries, low COVID-19 cases from an international perspective, and a supportive commodities backdrop do look to be aiding the recovery process. The effect of the wind-down in government support programmes has proved so far to be relatively benign. Although large equity price rises have increased the risk of a correction, we believe the longer-term trend is likely to remain positive. 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-australian-share-fund

You can also call us on **1800 658 404**

INSIGHTS
IDEAS
RESULTS

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