

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

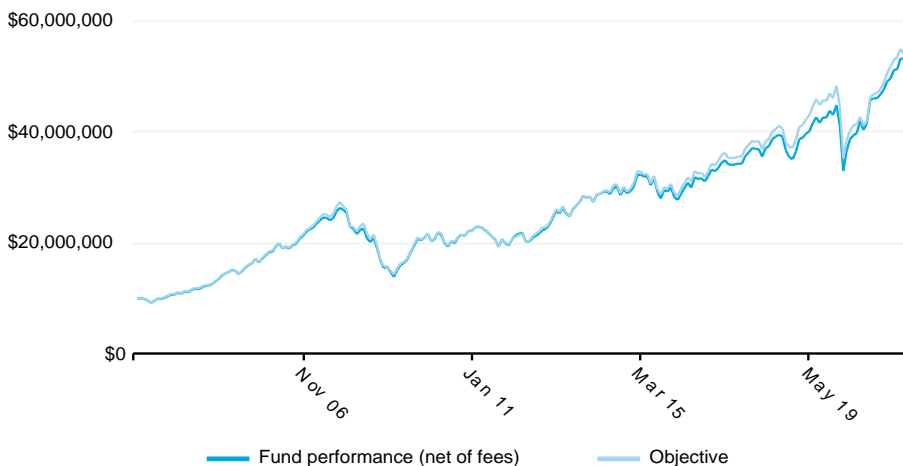
The Fund diversifies manager risk across a range of investment managers by using a multi-manager approach. Exposures are to managers who demonstrate competitive advantages within the various investment styles that are used when investing in the Australian equity market.

Performance as at 31 March 2022

%	1 MTH	3 MTH	1 YR	3 YRS	5YRS	7YRS	SINCE INCEPT
Total Return - Gross of Fees	5.75	2.29	15.58	12.76	10.39	8.47	10.14
Total Return - Net of Fees	5.68	2.06	14.66	11.85	9.62	7.74	9.33
Objective	6.90	2.08	15.21	10.85	9.38	7.95	9.52
Excess return	-1.21	-0.03	-0.54	1.00	0.24	-0.21	-0.19

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	\$766,309,353
Buy/Sell spread*	+0.20%/-0.20%
Distribution frequency	Half-yearly
Minimum investment	\$500,000
Minimum suggested time frame	5 years

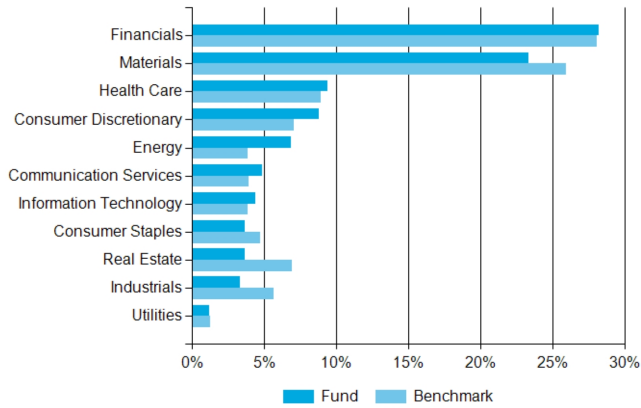
*Fee information is accurate as at 30 June 2021, and is updated bi-annually. The Fund PDS outlines the latest ongoing annual fees and cost as well as any member activity-related fees and costs (if applicable) that may apply to your investment. You can review the PDS at www.ampcapital.com

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.

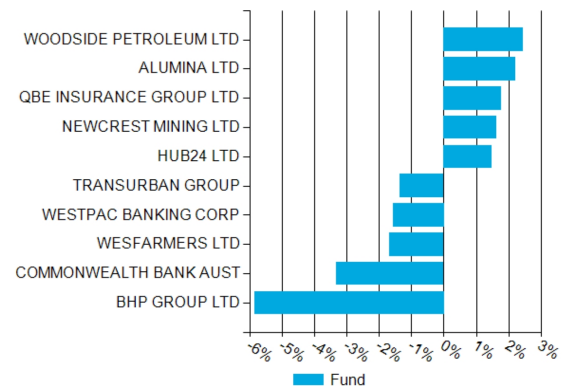
What happened last period

- Against the global trend Australian shares rose in the March quarter, aided by rising commodity prices
- The Fund posted a positive return and outperformed the benchmark (before fees)
- Underlying manager performance was generally solid
- Sector allocation was the prime driver of the outperformance

Sector allocation (%)



Top/Bottom Excess Weights



Fund Performance

The Fund posted a positive return in the March quarter and outperformed the benchmark (before fees). Our underlying managers generally posted solid performance, with Allan Gray again being the standout performer. Overall, 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).

Sector allocation was the prime driver of the outperformance, while stock selection was negative. Selection was strong in the energy sector, though weak in financials. An overweight exposure to energy was the largest contributor to the outperformance.

The top individual contributors to the relative return were overweight exposures to Woodside Petroleum and Sims. Shares in petroleum explorer and producer, Woodside, soared over the quarter (+54.0%), as the oil price reached multi-year highs on the back of the Russia-Ukraine conflict. Global recycling company Sims' shares meanwhile spiked (+37.1%) on the release of a stellar earnings report mid quarter, indicating strong cash flow and net profit growth.

Top detractors from the relative return included an underweight exposure to BHP Group and an overweight holding in Megaport. Mining giant BHP was up strongly over the quarter (+30.5%) on the back of strong commodity prices, though was held at an underweight by our underlying managers, leading to a negative impact on overall relative return. Shares in software-based elastic connectivity provider, Megaport, fell significantly over the period (-25.1%) after the release of an earnings update earlier in the quarter which, while showing some revenue growth, disappointed the market overall.

Market review

Australian shares bucked global falls to post a gain of 2.24% in the March quarter, as measured by the S&P/ASX 200 index on a total return basis. The relative optimism in Australia reflects several factors at play. Inflation, whilst a real and growing issue in Australia, remains somewhat lower relative to global levels, with the RBA accordingly not as hawkish as many global central banks. Geographic isolation and lack of any significant economic ties to Russia was also a prime differentiator to global markets, with Australia benefitting from continued strong commodity prices by way of a strengthening terms of trade. The quarter also saw Australia begin to catch up to many global peers on further easing of COVID restrictions, though we remain behind most of Europe and the US in this regard. Domestic corporate earnings reports were also generally strong, as reflected in the February reporting season, with dividends remaining strong and outlook statements becoming clearer. At a sector level, energy was by far the standout performer, returning a remarkable 28.55% for the period as commodity prices surged. Defensive sectors, as well as those businesses seen as more sensitive to interest rates, were generally the weaker performers.

Outlook

Corporate earnings growth in Australia remains quite solid, with earnings and dividends still growing, though at a slightly reduced rate relative to the bounce-back in 2021. The broader economy also remains generally solid, with strong employment levels and terms of trade. The COVID pandemic meanwhile appears to be finally moving into a phase of being treated as an endemic issue, rather than a continued emergency requiring ongoing restrictions. Similar to other countries, domestic inflation remains a prime concern, with the RBA likely to cautiously raise rates over the medium-term, as it keeps a close eye on wages growth and the jobs market. Longer-term, we believe the market will ultimately continue to rise,

with corrections and volatility on the way likely to provide opportunities.

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**



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