

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

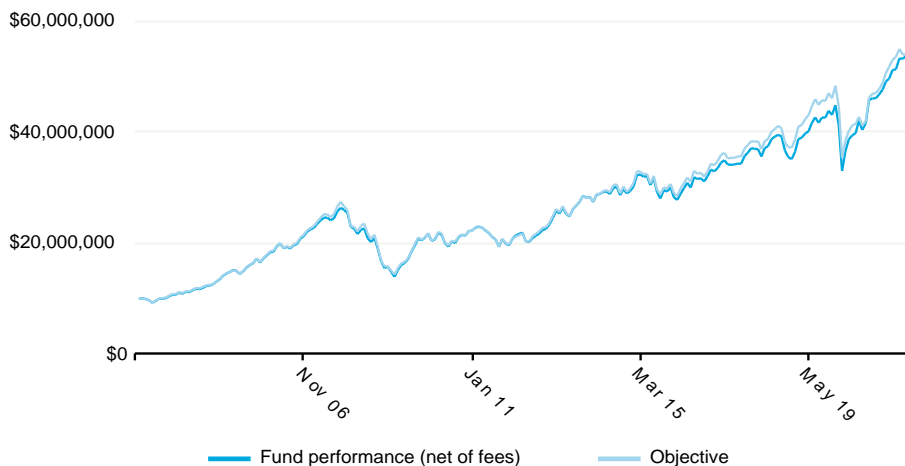
The Fund diversifies manager risk across a range of investment managers by using a multi-manager approach. Exposures are to managers who demonstrate competitive advantages within the various investment styles that are used when investing in the Australian equity market.

Performance as at 30 June 2022

%	1 MTH	3 MTH	1 YR	3 YRS	5YRS	7YRS	SINCE INCEPT
Total Return - Gross of Fees	-8.58	-13.61	-7.27	5.05	7.41	7.15	9.19
Total Return - Net of Fees	-8.64	-13.80	-8.02	4.17	6.65	6.40	8.38
Objective	-8.97	-12.22	-6.78	3.44	6.90	6.98	8.67
Excess return	0.32	-1.58	-1.24	0.74	-0.26	-0.57	-0.29

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	\$641,840,132
Buy/Sell spread*	+0.20%/-0.20%
Distribution frequency	Half-yearly
Minimum investment	\$500,000
Minimum suggested time frame	5 years

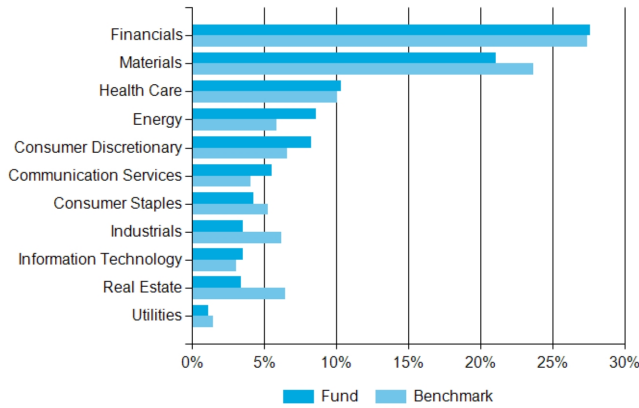
*Fee information is accurate as at 30 June 2021, and is updated bi-annually. The Fund PDS outlines the latest ongoing annual fees and cost as well as any member activity-related fees and costs (if applicable) that may apply to your investment. You can review the PDS at www.ampcapital.com

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.

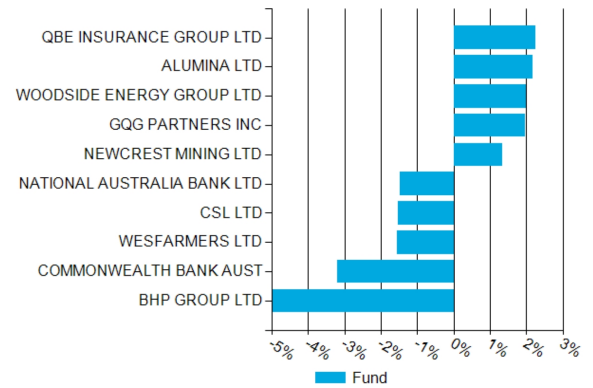
What happened last period

- The Fund was negative and underperformed the benchmark (before fees)
- Australian shares fell significantly, driven by broader global falls on the back of continued inflation and recessionary concerns
- Underlying manager performance was mixed
- Stock selection was the prime driver of the underperformance

Sector allocation (%)



Top/Bottom Excess Weights



Fund Performance

The Fund posted a negative return in the June quarter, underperforming the benchmark (before fees). Our underlying managers' performance was mixed in relative terms, though all struggled in absolute terms amid broad market falls. Alphinity and Macquarie (formerly managed by AMP Capital) outperformed, while Allan Gray and ECP underperformed. Overall, the Fund continues to outperform its benchmark over the longer term, including over 2, 3 and 5 years, and since inception (all returns before fees).

Stock selection was negative for the quarter, though allocation was positive. An overweight to energy stocks aided the relative return as the sector outperformed on the back of strong price rises.

Significant contributions to relative return came from overweight holdings in QBE, Woodside Energy and Worley. QBE shares rose (+6%) over the period, as insurance rate increases continued to flow through to earnings despite increased broader economic uncertainty. Woodside Energy shares closed the quarter slightly lower (-1%), though significantly outperformed the broader market, buoyed by sentiment towards the energy sector. Worley shares meanwhile gained (+10%) over the quarter, helped by the announcements of new contracts and agreements. The portfolio's small cash allocation also contributed positively amid falling markets.

Significant detractors from the relative return included overweights to Sims, Alumina and Megaport. Shares in scrap metal recycler Sims fell heavily (-36%), with the business announcing later in the period it was settling a class action, alleging a breach of the Corporations Act in prior years, with a payment of \$29.5 million. Alumina shares fell steadily through the period (-27%) amid declining material prices. Megaport shares plunged (-61%) over the quarter, with the company releasing a disappointing quarterly report in April.

Market review

Australian shares fell significantly over the June quarter on the back of broader global falls, with the S&P/ASX 200 index returning -11.9% (on a total return basis) for the period. Similar to international shares, Australian share prices continued to be driven by rising interest rates, higher inflation and fears of recession. Australian corporate earnings, which are weighted towards financials largely on the back of residential property, also added to concern as the housing sector came under further pressure amid the rising rate environment. A number of major home builders also experienced financial strife during the period, further impacting confidence. On the positive side, Australia's economy continues to reap benefits from high commodity prices, particularly coal, which recently overtook iron ore as our largest export. However, a turbulent, struggling energy market, not helped by the war in eastern Europe, impacted energy stocks over the period. At a sector level, information technology (IT) was the weakest performer as the segment continued its global correction which began in 2021. Real estate and financials also struggled over the quarter. Relatively better performance meanwhile was seen in more defensive sectors, such as utilities and healthcare.

Outlook

Corporate earnings growth in Australia remains reasonably strong, with earnings and dividends still growing, though at a slightly reduced rate. Cost pressures however are impacting businesses and, in many cases, are being passed onto the customer. The broader economy exhibits strong employment levels and terms of trade, however consumers' ability to spend is falling as interest rates rise. Like overseas markets, inflation remains a prime concern, reflected by a hawkish RBA. The downturn in housing is also a concern for equity

markets as interest rates rise. Longer-term, we believe the market will continue its upwards path, with volatility in the shorter-term likely to provide opportunities along the way.

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**

The logo consists of the words "INSIGHTS", "IDEAS", and "RESULTS" stacked vertically in a blue, sans-serif font. To the left of the text is a stylized blue graphic element resembling a curved arrow or a drop shape pointing downwards and to the right.

INSIGHTS
IDEAS
RESULTS

AMP Capital Funds Management Limited (ABN 15 159 557 721, AFSL 426455) is the responsible entity (Responsible Entity) of the Specialist Australian Share Fund - Wholesale (Fund) and the issuer of the units in the Fund. To invest in the Fund, investors will need to obtain the current Product Disclosure Statement (PDS) from AMP Capital Investors Limited (ABN 59 001 777 591, AFSL 232 497) (AMP Capital). The PDS contains important information about investing in the Fund and it is important that investors read the PDS before making an investment decision about the Fund. A target market determination has been made in respect of the Fund and is available at www.ampcapital.com/TMD. Neither AMP Capital, the Responsible Entity, nor any other company in the AMP Group guarantees the repayment of capital or the performance of any product or any particular rate of return referred to in this document. While every care has been taken in the preparation of this document, AMP Capital makes no representation or warranty as to the accuracy or completeness of any statement in it including without limitation, any forecasts. This document has been prepared for the purpose of providing general information, without taking account of any particular investor's objectives, financial situation or needs. Investors should consider the appropriateness of the information in this document, and seek professional advice, having regard to their objectives, financial situation and needs. This document should not be reproduced in whole or in part without the express written consent of AMP Capital.