

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

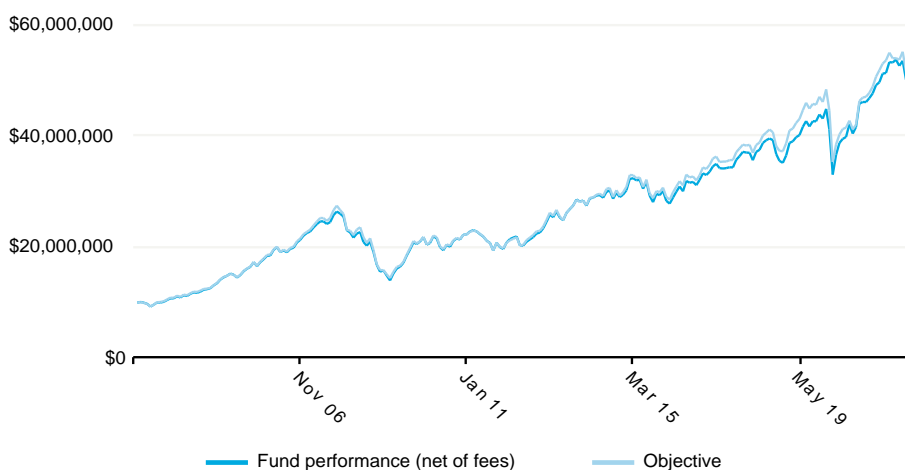
The Fund diversifies manager risk across a range of investment managers by using a multi-manager approach. Exposures are to managers who demonstrate competitive advantages within the various investment styles that are used when investing in the Australian equity market.

Performance as at 30 September 2022

| % | 1 MTH | 3 MTH | 1 YR | 3 YRS | 5YRS | 7YRS | SINCE INCEPT |
|------------------------------|-------|-------|--------|-------|-------|-------|--------------|
| Total Return - Gross of Fees | -6.07 | 1.01 | -10.02 | 4.51 | 7.46 | 8.49 | 9.13 |
| Total Return - Net of Fees | -6.12 | 0.92 | -10.68 | 3.67 | 6.71 | 7.81 | 8.32 |
| Objective | -6.29 | 0.45 | -8.00 | 2.73 | 6.83 | 8.07 | 8.58 |
| Excess return | 0.18 | 0.47 | -2.68 | 0.94 | -0.13 | -0.26 | -0.26 |

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

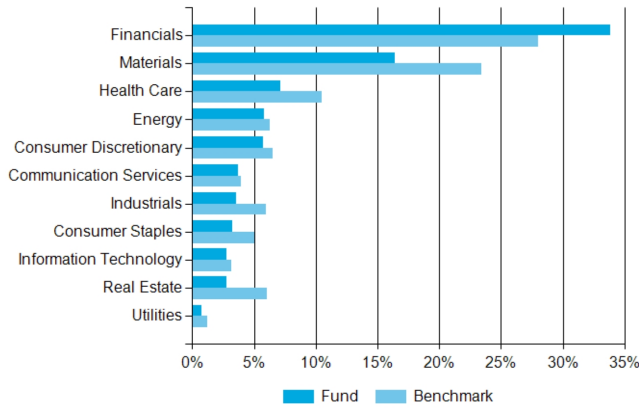
| | |
|------------------------------|-----------------|
| APIR | AMP0681AU |
| Inception date | 09 October 2002 |
| Fund Size | \$2,899,190,707 |
| Buy/Sell spread* | +0.20%/-0.20% |
| Distribution frequency | Half-yearly |
| Minimum investment | \$500,000 |
| Minimum suggested time frame | 5 years |

*Fee information is correct as of 30 June 2021 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 for the latest ongoing annual fees and costs as well as member activity-related fees and costs (if applicable).

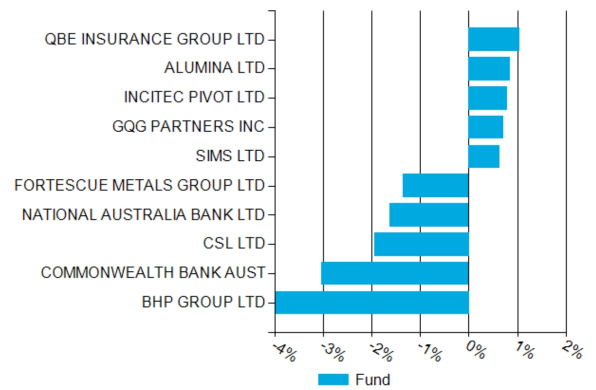
What happened last period

- The Fund produced a positive return for the quarter and outperformed the benchmark (before fees)
- Australian shares eked out a produced a small positive return over the quarter due to dividends
- Underlying manager performance was mixed

Sector allocation (%)



Top/Bottom Excess Weights



Fund Performance

The Fund produced a positive return for the September quarter and outperformed the benchmark (before fees). Underlying manager returns were mixed. ECP and Macquarie solidly outperformed, while Alphinity and Allan Gray produced negative returns. The Fund continues to outperform its benchmark over the longer-term, including over 3 and 5 years, and since inception (all returns before fees).

Asset allocation contributed positively, while overall stock selection detracted. Stock selection in consumer discretionary however was particularly strong and contributed positively, as did the portfolio's small cash holding (circa 6%).

Significant contributions to relative return came from overweight holdings in Lovisa Holdings, Ansell and Megaport. Shares in fashion and jewellery retailer Lovisa rose (+56%) on surging earnings. Industrial and medical glove manufacturer Ansell shares rose (+15%) over the quarter, particularly in the period leading up to their August earnings report, which showed a fall in profit as expected due to falling glove sales as the COVID pandemic faded, though positive signs for the future including rising margins and cash conversion. Shares in technology company Megaport rose significantly (+43%) on the back of strong earnings reported earlier in the period.

Significant detractors from the relative return included overweights to Newcrest Mining, Alumina and Costa Group. Shares in gold miner Newcrest Mining steadily fell over the quarter (-18%), as the gold price fell further despite continued high inflation. Alumina shares also fell (-10%) amid falling commodity prices and rising costs. Horticulture and produce supplier, Costa Group, meanwhile fell (-20%) on the surprise announcement of its CEO's departure in late September.

Market Review

Australian shares rose through the first half of the September quarter, before pulling back by the end of the period, to finish up by just 0.4%, as measured by the S&P/ASX 200 index (on a total return basis). Dividends were responsible for the positive return, as on a price basis the market was in the red. Earlier in the quarter, optimism grew on hopes the RBA, along with other central banks, may not have to be quite as hawkish as expected, given some evidence inflation may be near a peak. While earnings reports in August showed reasonable earnings growth, outlooks from companies unsurprisingly called out cost pressures as a headwind in the difficult climate. Sentiment then waned through the latter stages of the quarter, as central banks overseas reaffirmed hawkish stances and resolve to prioritise addressing high inflation. In regard to sector performance, energy was the standout performer amid continued price rises, while the interest rate-sensitive utilities and real estate sectors performed poorly.

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 in many cases are being passed onto customers. Similar to overseas markets, inflation remains a prime concern, as consumers' ability to spend is gradually coming under more pressure amid continued rate hikes from the Reserve Bank of Australia (RBA). Meanwhile, the sharp downturn in Australian residential housing, where valuations remain very high despite recent falls, may continue for some time yet as interest rates normalise. However, the RBA has started slowing the pace of hikes in the last meeting, and current inflation and wage growth pressures are less prominent in Australia compared to other developed markets. Over the long-term, we believe the Australian shares will continue to rise, with volatility in the shorter-term likely to provide more opportunities.

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 adviser today or read the current information memorandum or other placement memorandum (Offer Document(s)) available by contacting us:

ampinvestments@amp.com.au

www.amp.com.au/investments

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

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