

# 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

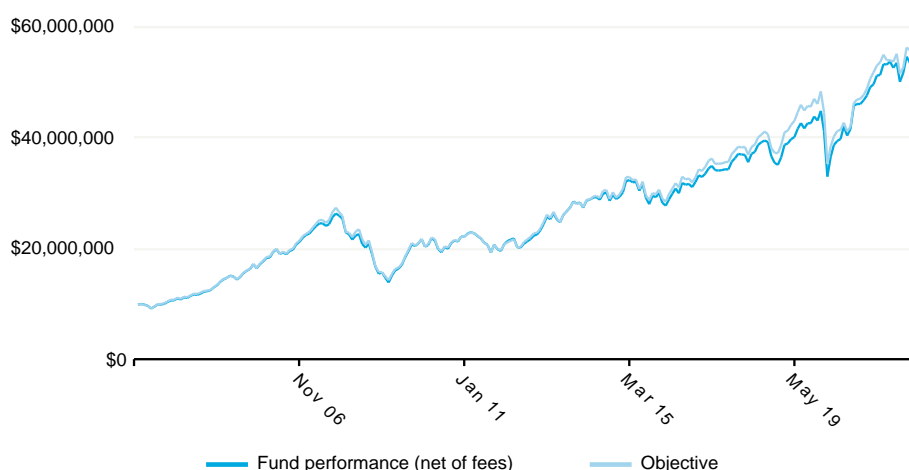
The Fund diversifies manager risk across a range of investment managers by using a multi-manager approach. Exposures are to managers who demonstrate competitive advantages within the various investment styles that are used when investing in the Australian equity market.

### Performance as at 31 December 2022

%	1 MTH	3 MTH	1 YR	3 YRS	5YRS	7YRS	SINCE INCEPT
Total Return - Gross of Fees	-3.39	6.83	-4.65	6.41	7.17	8.46	9.36
Total Return - Net of Fees	-3.46	6.61	-5.35	5.53	6.40	7.71	8.56
Objective	-3.29	9.13	-1.77	5.51	7.10	8.44	8.94
Excess return	-0.16	-2.51	-3.58	0.02	-0.70	-0.73	-0.38

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

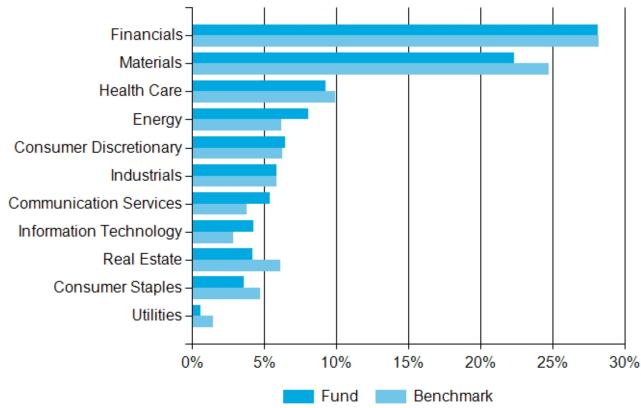
APIR	AMP0681AU
Inception date	09 October 2002
Fund Size	\$2,895,720,687
Buy/Sell spread*	+0.20%/-0.20%
Distribution frequency	Half-yearly
Minimum investment	\$500,000
Minimum suggested time frame	5 years

\*Fee information is correct as of 30 June 2022 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](http://www.amp.com.au/investments) for the latest ongoing annual fees and costs as well as member activity-related fees and costs (if applicable).

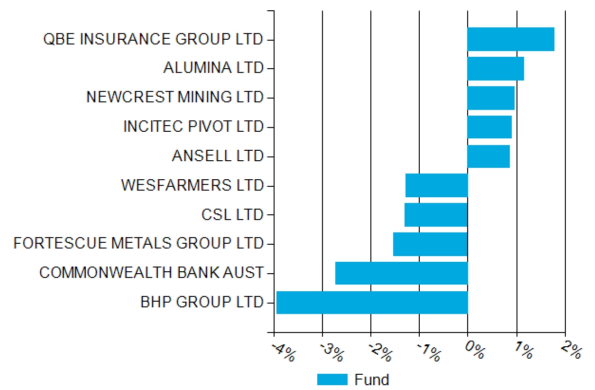
### What happened last period

- The Fund produced a strong positive return for the quarter, though underperformed the benchmark
- Australian shares rallied over the quarter on optimism around global inflation peaking
- Our underlying managers underperformed

## Sector allocation (%)



## Top/Bottom Excess Weights



## Fund Performance

The Fund produced a strong positive return for the quarter, though underperformed the benchmark. Underlying manager returns were mostly strong in absolute terms, though mostly underperformed the market. Allan Gray was the standout best performer. The Fund continues to outperform its benchmark over the longer-term, including over 3 and 5 years, and since inception (all returns before fees).

Stock selection and asset allocation both contributed negatively over the quarter. The portfolio's small cash holding (circa 3%) also slightly reduced the relative performance as stocks rallied over the period.

Significant contributors to the relative return included overweight holdings in Stanmore Resources, Virgin Money UK and QBE Insurance Group. Shares in Coal mining company Stanmore Resources continued to surge over the quarter (+37%) in line with ongoing high coal prices. UK-based financial company Virgin Money UK shares rose (+57%) over the quarter, as the company reported a strong earnings result and a rising profit margin. Shares in Insurance company QBE meanwhile pushed steadily higher (+16%) as gross written premiums increased.

Significant detractors from the relative return included underweight holdings in BHP, Commonwealth Bank and Fortescue Metals. While the portfolio has significant holdings in these stocks, they reduced the relative return, given strong individual price performances. Shares in BHP rose over the quarter (+18%), helped by strength in metal prices as China began to ease its COVID restrictions. Shares in Fortescue Metals (+22%) also benefited from this dynamic over the period. Finally, shares in Commonwealth bank rose over the period (+13%) on optimism around profit margins as interest rates continued to rise.

## Market Review

Similar to global peers, Australian shares rose strongly over the December quarter, finishing the period up by 9.4%. The bulk of the gains were made in October and November, as markets rose on optimism that inflation may be pulling back overseas, particularly in the US, while many central banks, including the RBA, reduced the increments of monetary tightening. December however saw some falls, as markets appeared to have become perhaps a little ahead of themselves with regard an improving inflationary outlook, amid a realisation that interest rates may still be higher for some time yet. Australia appears to be around 6 months behind the US with regard to the path of inflation, though of course, there is no guarantee how closely this path will be followed. The domestic earnings season also featured during the quarter, and while current period profits were generally reasonable, a number of companies lowered their earnings forecasts amid rising costs. Regarding specific sector returns, utilities and materials were the strongest performers, though all sectors produced positive returns for the period.

## 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 are generally being passed onto customers. Similar to overseas markets, inflation remains a prime concern, as consumers' ability to spend is being crimped amid continued rate hikes. The RBA however has slowed the pace of hikes, and current inflation and wage growth pressures are less prominent in Australia compared to other developed markets. Over the long-term, we believe 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](mailto:ampinvestments@amp.com.au)

[www.amp.com.au/investments](http://www.amp.com.au/investments)

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

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