

AMP CAPITAL AUSTRALIAN EMERGING COMPANIES FUND - ON-PLATFORM CLASS A

Investment Objective

The Fund aims to outperform the S&P/ASX Small Ordinaries Accumulation Index over rolling 5-year periods.

Investor Benefits

Boutique strategy

Specialist small-caps expertise with the backing of a large investment house and access to its research and investment platform.

Sustainability

Integral to the investment process, we believe sustainability influences a company's long-term risk-adjusted performance.

Medium term focus

We focus on a company's medium-term earnings delivery as it's a significant driver of share price performance.

How We Manage Your Money

The investment approach is designed to outperform in most market environments and we believe undervalued companies can be discovered across the market cycle.

Performance as at 31 December 2021

%	1 MTH	3 MTH	1 YR	3 YRS	5 YRS	SINCE INCEPT
Class A ¹	4.47	6.72	19.75	24.90	n/a	16.04
Class A – Composite Adjusted ²	n/a	n/a	n/a	n/a	16.34	14.12
Benchmark return	1.41	2.03	16.90	15.71	11.17	9.87
Excess return	3.06	4.69	2.85	9.19	5.17	6.18

Past performance is not a reliable indicator of future performance.

¹ Class A has been operating since September 2018 and actual returns are shown.

² To give a longer-term view of performance of the Fund, the returns for Class C are shown, which has been operating since July 2014. Class C has identical investments to Class A. We have adjusted the returns of Class C to reflect the fees applicable to Class A (including a 0.85% Management Fee and 17.5% Performance Fee) in the period prior to September 2018. 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 and assume all distributions are reinvested. Further details on the Performance Fee calculation is in the Product Disclosure Statement offering Class A units available www.ampcapital.com.

It is important to note that the Fund's A Class has a \$10 million assets under management threshold before a performance fee calculation will be applied. To provide investors with a more appropriate long-term understanding of the impact of the fee structure on their performance, the performance fee calculation has been applied from the C-Class's inception on 10 July 2014. Further details on the Performance Fee calculation is in the Product Disclosure Statement offering Class A units available at www.ampcapital.com.

The Fund employs a disciplined fundamental research process to identify undervalued companies where we have conviction in medium-term earnings delivery and are supported by sustainable business models.

FUND FACTS

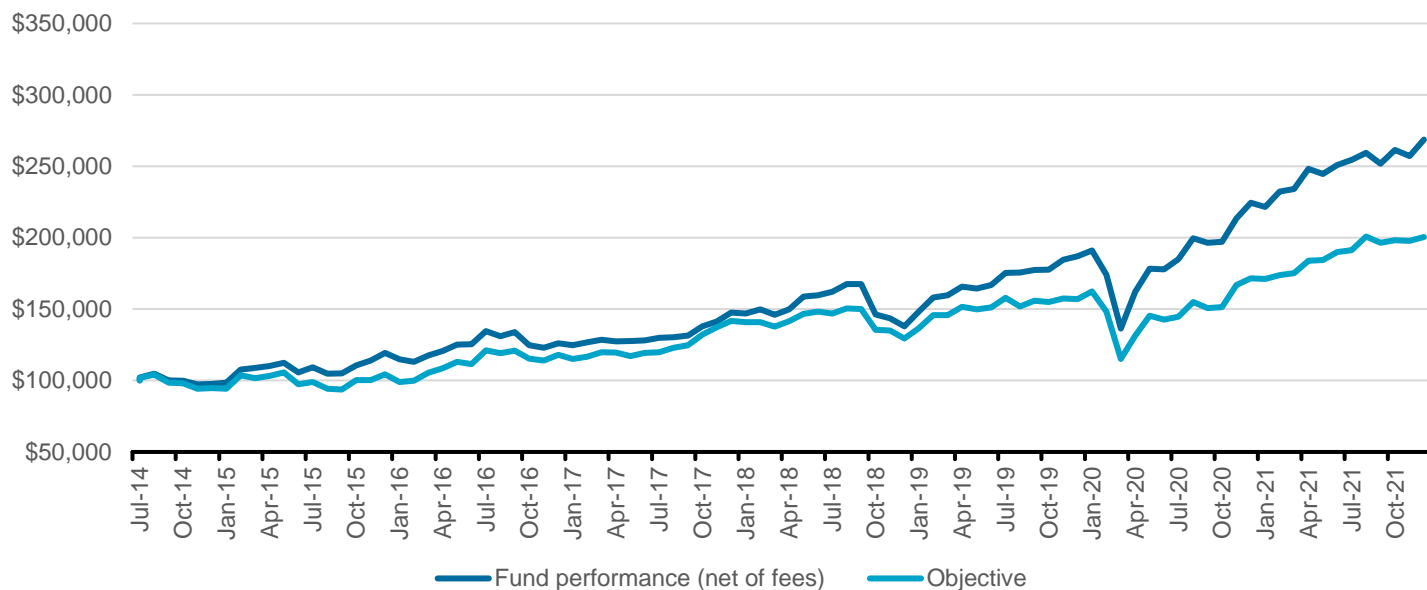
APIR	AMP6265AU
Inception date	19 September 2018
Fund Size	\$12.2 million
Management costs*	0.86% p.a.
Buy/sell spread*	+0.30/-0.30
Distribution frequency	Quarterly
Minimum investment	\$500,000
Minimum suggested timeframe	5 years

*The Fund PDS outlines management costs components, as well as other fees and costs that may apply to your investment. You can review the PDS at www.ampcapital.com.

What Happened Last Period

- The S&P/ASX Small Ordinaries Index rose 1.4% in December, underperforming the ASX200 by 1.2%
- Despite a broad-based rally during the month in which ~80% of stocks in the index ended higher, there were pockets of larger gains and losses
- Iron ore stocks bounced strongly after a weak few months as the iron ore price rebounded, while Buy-Now-Pay-Later and unprofitable tech stocks continued to struggle
- The benchmark ended the year up 16.9%, with resources leading the way and industrials lagging. Small caps slightly underperformed the ASX200 by 0.3%

\$100,000 invested since inception



Past performance is not a reliable indicator of future performance. Please see notes under performance table in relation to the use of Class C returns.

Fund Performance

The AMP Capital Australian Emerging Companies Fund rose 4.5% in December, outperforming the benchmark by 3.1%. The Fund's long-term performance remains strong, outperforming the benchmark over multiple time periods, including delivering outperformance of 6.2% pa since inception.

Portfolio Positioning

Over the month, the top stock contributors included Syrah Resources, Pilbara Minerals and Metals X. Syrah signed an offtake agreement for 80% of its downstream battery anode production with Tesla Inc, a strong validation of the company's US plans and natural graphite battery anode product. Pilbara rose strongly on the back of surging lithium prices, despite the company downgrading production forecasts during the month. Metals X continued its rally as the tin price held at around record levels, with a slight delay to the spin-off of the company's nickel asset. Detractors included Life360, Keypath Education and Copper Mountain Mining Corp. Life360 continued to fall alongside other non-profitable tech names. We are slightly wary of the Tile acquisition and have reduced our position in the stock. Keypath Education is another non profitable tech name that continues to fall, however we remain attracted to the medium-term growth outlook and believe the inflection point for profitability to be only a year away. Copper Mountain advised the market of a 6 month delay to final investment decision on its Eva project, along with a significant capex rise. Despite this the project is expected to be strongly profitable and clear return hurdles given the high copper price.

Market Review

The world continues to struggle with supply chain issues and materials shortages which is leading to higher costs. This is very positive for producers of these materials (such as Syrah and Pilbara) despite their own supply challenges, given prices are rising so fast. We continue to believe that companies without pricing power will struggle to maintain margins in this environment, and we have seen a number of downgrades in this area of the market in recent months.

The fund has been 'high graded' over the past month, with a few new quality names entering the portfolio after a mild pullback in some stocks. We are happy to pay reasonable valuations for these stocks where we see greater earnings certainty and high sustainability scores.

Outlook

Supply chain and cost pressures, coupled with Omicron led labour shortages, make it likely that we are in for a weaker than usual reporting season in February. Trading updates and outlook statements have the potential to be worse than expected, and the short-term risk factor in our process has led to the exit of stocks with a high risk of short-term disappointment.

Portfolio risk can often be overlooked in a strong return environment, however this always remains a clear focus for the team. The fund's volatility has continued to fall over recent months, and now sits at its lowest level since the onset of COVID-19 in March 2020. We believe this to be a prudent position – this is despite the fund exhibiting far superior expected earnings growth than the benchmark.

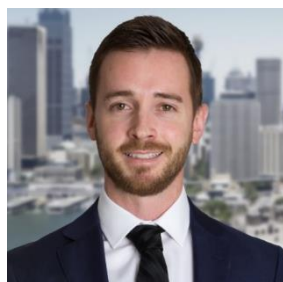
PORTFOLIO MANAGERS



Phillip Hudak

Phillip Hudak is Co-Portfolio Manager for the AMP Capital Australian Emerging Companies Fund. Phillip joined AMP Capital in January 2012 and has over 19 years' investment experience. He was previously a small companies analyst at ING Investment Management and prior to this spent three years at MIR Investment Management and six years as an investment consultant with Russell Investment Group.

Phillip holds a Bachelor of Business from the University of Technology, Sydney and is a CFA® Charterholder.



Matt Griffin

Matt Griffin is Co-Portfolio Manager for the AMP Capital Australian Emerging Companies Fund. Matt has over 12 years' investment experience and was previously at IFM Investors where he was integral to the launch of the IFM Australian small caps strategy, and later becoming Co-Portfolio Manager of a successful microcap fund. Prior to this, Matt spent 3 years at Macquarie Funds Group as a small companies analyst. He holds a Bachelor of Commerce (Finance & Econometrics majors) from the University of Sydney.

CONTACT DETAILS

For more information on the Fund including fees, product features, benefits and risks talk to your adviser or call us on 1800 658 404 or visit ampcapital.com.au

INSIGHTS
IDEAS
RESULTS

AMP Capital Funds Management Limited (ABN 15 159 557 721, AFSL 426455) is the responsible entity (Responsible Entity) of the (AMP Capital Australian Emerging Companies Fund) (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.