

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 January 2022

%	1 MTH	3 MTH	1 YR	3 YRS	5 YRS	SINCE INCEPT
Class A ¹	-6.97	-4.36	12.83	19.01	n/a	13.15
Class A – Composite Adjusted ²	n/a	n/a	n/a	n/a.	14.90	12.87
Benchmark return	-9.00	-7.99	6.65	10.13	9.64	6.58
Excess return	2.02	3.63	6.18	8.88	5.26	6.57

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

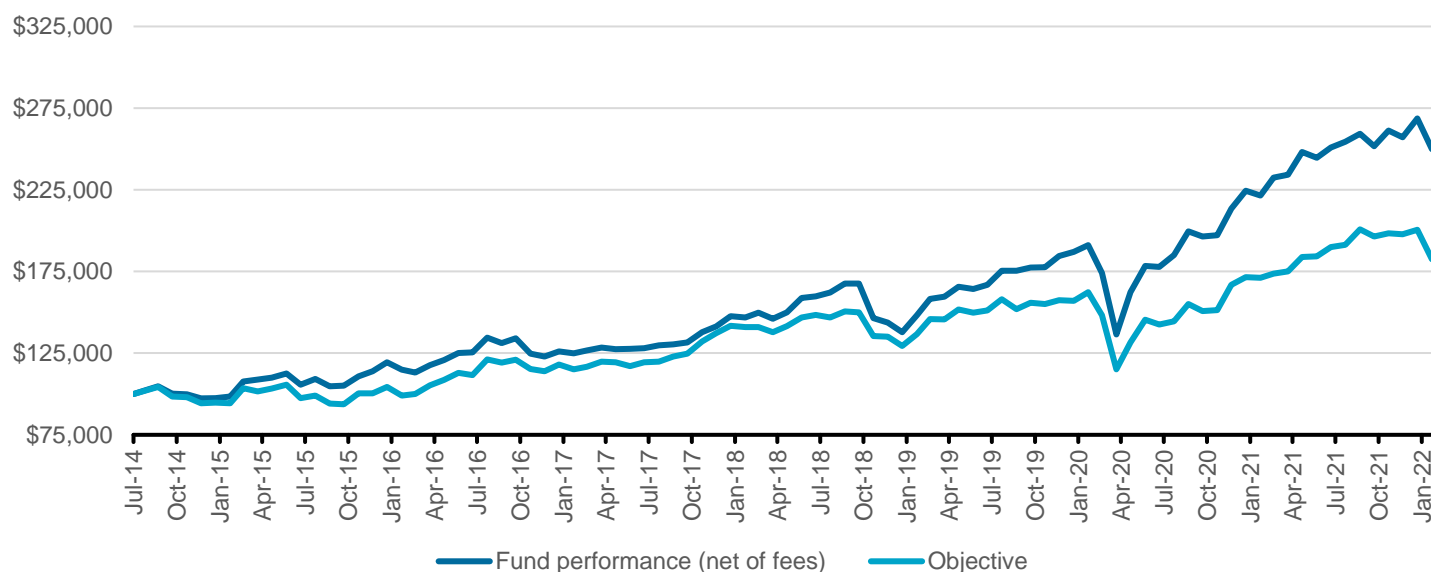
APIR	AMP6265AU
Inception date	19 September 2018
Fund Size	\$11.8 million
Management costs*	0.86% p.a.
Buy/sell spread*	+0.30/-0.30
Distribution frequency	Quarterly
Minimum investment	\$500,000
Minimum suggested timeframe	5 years

*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 declined 9.0% and underperformed the S&P/ASX 200 Index by 2.4% in January
- Global markets recorded a significant correction to start the year given increasing likelihood of tighter monetary conditions (with the US market now pricing in five interest rate hikes during 2022), notably for long-duration assets
- Company trading updates leading into the February reporting season were mixed, with elevated costs as labour and supply chain issues continue, notably in the retail sector

\$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 declined 7.0% in January, outperforming the benchmark by 2.0%. The fund's long-term performance remains strong, outperforming the benchmark over multiple time periods, including delivering an outperformance of 6.6% pa since inception.

Portfolio Positioning

Over the month, the top stock contributors included GUD Holdings, Pilbara Minerals and Copper Mountain Mining Company. GUD performed strongly following the recent acquisition of APG and positive trading commentary from both listed (ARB Corp) and unlisted peers in the aftermarket auto segment. Pilbara continued to outperform due to surging lithium spodumene prices, despite further production challenges emerging. Copper Mountain benefited from a recovery in the copper price and encouraging drilling results. Detractors included BWX, BrainChip Holdings (not held) and Champion Iron (not held). BWX underperformed following the well regarded CEO, Dave Fenlon, announcing his retirement – while disappointing, we believe the strength of the consumer brands and depth of the management team will continue to drive strong earnings growth. BrainChip is an interesting company with the share price more than doubling over the month on the back of Mercedes announcing the use of the company's chip in their new prototype car. Despite a \$2.7bn market capitalisation, the company is early stage, generates minimal revenue and does not fit our investment process. Champion Iron rallied along with the iron ore price, however we are concerned regarding the sustainability of the iron ore price given elevated stockpiles and weakening end-demand indicators.

Market Review

Macroeconomic factors weighed heavily on investment markets, as expectations of more persistent inflation and monetary tightening gained pace in both the US and Australia – this particularly impacted long-duration assets, including growth and technology stocks. COVID-19 led labour shortages and supply chain issues resulted in weak company earnings updates across both the retail and mining sectors.

Last month we highlighted the fund's low volatility relative to the benchmark as being prudent in the current market environment – this strategy paid off over the month with the benchmark declining 9.0% and the fund's beta averaging 0.92, which generated meaningful outperformance for the fund.

Outlook

Macro factors have largely driven the recent equity market decline, however we expect the upcoming February reporting season will be more driven by company specific factors. While we expect revenue growth to remain strong for most sectors, margins will likely come under pressure given persistent cost inflation, price increases being delayed and minimal government stimulus (e.g. JobKeeper) to offset COVID-19 disruptions. The fund has recently positioned for this scenario, including increasing exposure to quality companies that have pricing power and/or greater control on their cost base.

While we don't forecast macroeconomic factors or market direction, fund volatility and beta remain below the benchmark which we believe to be prudent in the current market environment. Fund metrics remain aligned to our investment philosophy across earnings, sustainability and risk metrics.

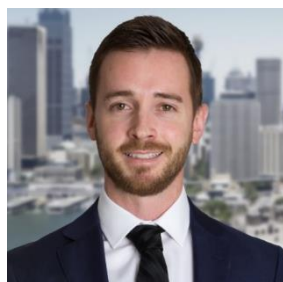
PORTFOLIO MANAGERS



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.