

# 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.

## How We Manage Your Money

AMP Capital Investors Limited was the investment manager of the Fund until 25 March 2022. On 26 March 2022 Macquarie Investment Management Global Limited (ABN 90 086 159 060, AFSL 237843) became the investment manager of the Fund.

## Performance as at 31 March 2022

%	1 MTH	3 MTH	1 YR	3 YRS	5 YRS	SINCE INCEPT
Class A <sup>1</sup>	5.02	-3.67	10.53	17.48	n/a	13.63
Class A – Composite Adjusted <sup>2</sup>	n/a	n/a	n/a	n/a.	15.04	13.09
Benchmark return	5.26	-4.21	9.68	9.64	9.90	7.82
Excess return	-0.24	0.55	0.85	7.83	5.14	5.81

Past performance is not a reliable indicator of future performance.

<sup>1</sup> Class A has been operating since September 2018 and actual returns are shown.

<sup>2</sup> 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](http://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](http://www.ampcapital.com).

## FUND FACTS

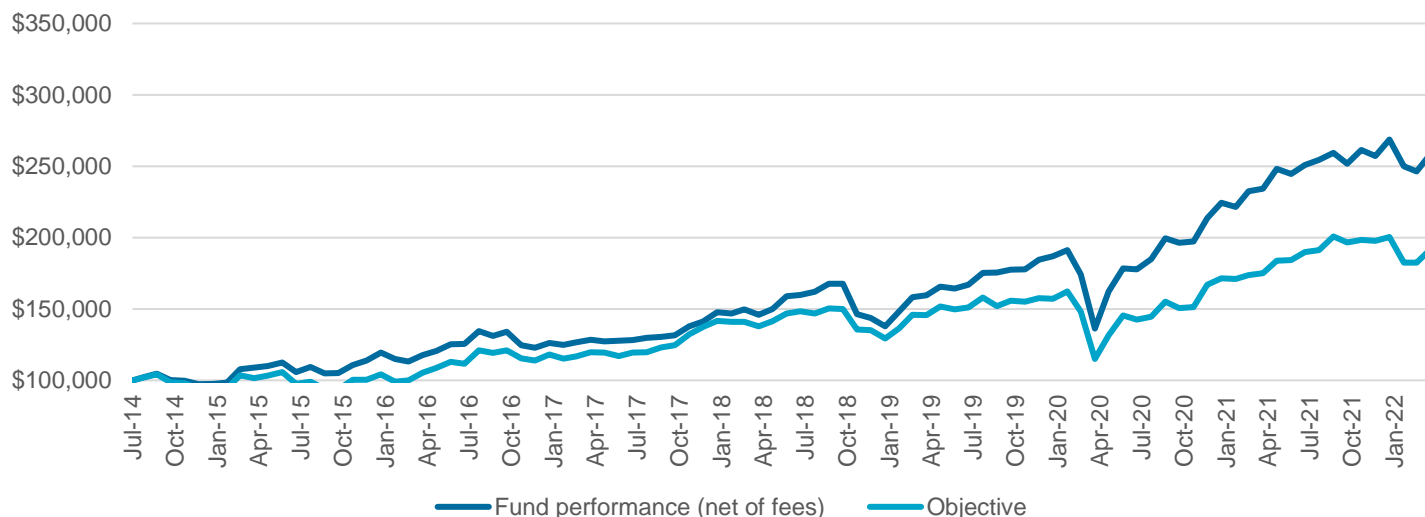
APIR	AMP6265AU
Inception date	19 September 2018
Fund Size	\$11.6 million
Management costs*	0.60% p.a.
Buy/sell spread*	+0.30/-0.30
Distribution frequency	Quarterly
Minimum investment	\$500,000
Minimum suggested timeframe	5 years

\*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](http://www.ampcapital.com). On 26 March 2022 the Management Fee for Class A changed from 0.85% to 0.60% p.a. of the Net Asset Value of the Fund.

## What Happened Last Period

- Macquarie Investment Management Global Limited became investment manager of the Fund on 26 March 2022.
- Global markets rallied on hopes of a resolution to the Russian and Ukraine conflict.
- Small companies underperformed their large cap counterparts, with the S&P/ASX Small Ordinaries Accumulation Index returning 5.26% vs the S&P/ASX 200 Accumulation Index returns of 6.89%.
- Bonds continued their sell off as investors priced in higher inflation and interest rates.

## \$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 Fund returned +5.02% for the month of March, underperforming the benchmark by 0.24%.

The largest contributors to relative performance included overweight positions in Uniti Group (UWL), Pilbara Minerals Ltd (PLS) and Nickel Mines Ltd (NIC).

Uniti Group (UWL) outperformed after the company received two takeover offers in the month. The initial bid was from infrastructure and property-focused asset manager, Morrison & Co. The bid valued the company at A\$3.06bn, a 43% premium on UWL's previous closing price.

Nickel Mines Ltd (NIC) underperformed after there was uncertainty over the potential impact on Tsingshan Holding Co., a joint venture partner of the company, of margin calls on losses from nickel derivatives.

The largest detractors from relative performance included an overweight position in Capitol Health (CAJ), and underweight positions in Lake Resources (LKE) and AVZ Minerals (AVZ).

Underweight holdings in lithium project developers Lake Resources (LKE) and AVZ Minerals (AVZ) detracted from performance. The strong performance in these names was driven by positive investor sentiment for the lithium price.

## Portfolio Positioning

At a sector level, the Fund benefitted from holdings in the Financials and Information Technology sectors. In general, technology stocks outperformed for the month, as investors bought some of the companies that were sold off in January and February. Health Care and Consumer Staples names detracted from performance. These more defensive sectors tend to underperform in stronger markets. An underweight to the Energy sector also detracted from performance for the month as commodity prices rallied on geopolitical concerns.

## Outlook

Over recent months, the Australian equity market has remained resilient despite macroeconomic and geopolitical

## Market Review

It was another strong month for Australian equities, with the S&P/ASX Small Ordinaries Accumulation Index returning +5.26%.

March saw global equity markets rising on hopes of peace talks between Russia and Ukraine. Global investors also appear to remain positive on the economic outlook of developed nations despite high inflation and approaching rate hikes, as geopolitical tensions continue to keep investors wary of Emerging markets. Australian equities outperformed global equities for a second month in a row, driven by strong commodity prices which pushed the Energy and Materials sectors higher. Australian equities have been strong performers since Russia's invasion of Ukraine which has driven a rotation to markets with high commodity exposure and strong governance.

Domestically, Communication Services (+15.4%) was the best performing sector. Energy (+12.2%) and Materials (+11.3%) also outperformed. Consumer Discretionary (-0.4%) and Industrials (+0.9%) underperformed.

Commodity prices continued to rise. Brent oil moved up US\$7 to US\$108/bbl on continuing geopolitical tensions restricting supply. This increase was despite the sharp drop in prices at the end of the month on news that the US government is considering an emergency oil reserve release. Iron ore climbed US\$17 to US\$153/Mt as markets expect robust restocking demand post-COVID. Gold increased 1.7%.

Bonds sold off as investors priced in higher inflation and interest rates, with the Australian 10-year yield increasing 0.69% to 2.83%. US 10-year yields also materially sold off by 0.49% to 2.32%. The AUD appreciated 2.5c in March to US\$0.751. The RBA cash rate remained stable at 0.10%.

The Australian Federal budget for 2022-23 was announced at the end of the month, with ongoing fiscal stimulus measures ahead of the Federal election in May.

related volatility. With the Federal election due in May, short-term government policy is likely to remain supportive for corporate earnings.

Elevated global inflation will continue to be a focus for investors over coming months, as will the ongoing development of the Russia and Ukraine conflict. These are risks that we will continue to monitor closely.

## 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](http://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](http://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.