

Specialist Australian Small Companies Fund

On-platform Class A

Investment objective

The Fund aims to provide total returns (income and capital growth) after costs and before tax, above the S&P/ASX Small Ordinaries Accumulation Index on a rolling 3 year basis. The Fund may be suitable for investors who are seeking capital growth through exposure to a portfolio of Australian small companies. Due to the inherent volatility of share prices of listed companies, and particularly the share prices of small company shares, investment returns will fluctuate. The Fund aims to pay distributions half-yearly. You should be aware that although the Fund aims to pay distributions, the amount of each distribution may vary, or no distribution may be payable in a distribution period.

How we manage your money

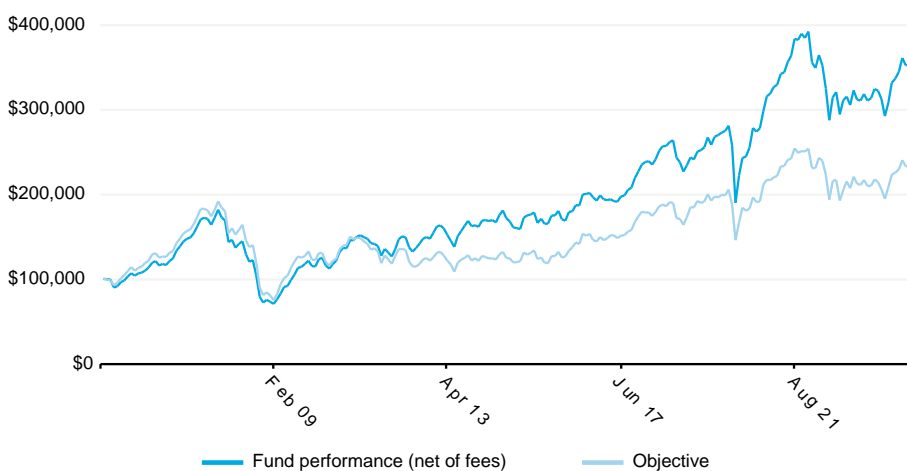
The Fund primarily invests in small companies listed on the Australian Securities Exchange (ASX). Small companies are considered to be those outside the top 100 companies, by market value. The Fund may be invested in unlisted companies that are believed to be likely to be listed in the next 12 months on the ASX. The Fund may also invest up to 10% in cash. However, in certain market conditions the Fund may hold higher levels of cash.

Performance as at 31 December 2024

%	1 MTH	3 MTH	1 YR	3 YRS	5YRS	7YRS	SINCE INCEPT
Total Return - Net of Fees	-2.63	-1.28	9.76	-2.46	5.79	6.45	6.80
Objective	-3.07	-1.01	8.36	-1.57	4.01	4.37	4.66
Excess return	0.45	-0.27	1.40	-0.89	1.77	2.07	2.14

Past performance is not a reliable indicator of future performance. 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 fees and costs and assume all distributions are reinvested.

\$100,000 invested since inception



FUND FACTS

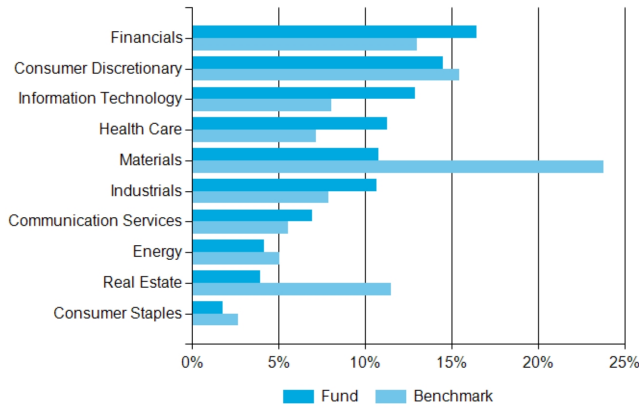
APIR	AMP0973AU
Inception date	10 January 2005
Fund Size	\$151,665,739
Total ongoing annual fees and cost*	1.75% p.a.
Buy/Sell spread*	+0.20%/-0.20%
Distribution frequency	Half-yearly
Minimum investment	\$10,000,000
Minimum suggested time frame	7 years

*Fee information is correct as of 30 June 2024 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).

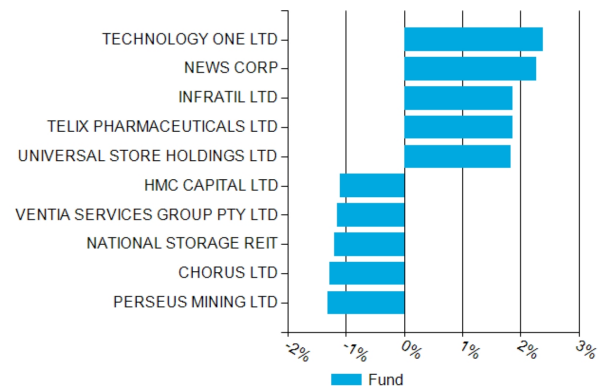
What happened last period

- Australian shares finished lower amid swings in market sentiment during the December quarter, with small companies lagging their larger counterparts overall.
- The Fund also lost ground and underperformed its benchmark.
- One of the Fund's three underlying managers delivered a positive return and two outperformed the benchmark.
- Sector allocation contributed to relative returns, however this was outweighed by stock selection which detracted overall.

Sector allocation (%)



Top/Bottom Excess Weights



Fund Performance

The Fund lost ground and underperformed its benchmark over the December quarter, in a period when small companies lagged their larger counterparts overall. Over longer time periods, the Fund continues to outperform its benchmark, including over 5 years, and since inception. There was significant divergence in underlying managers' returns during the quarter. One of the three managers delivered a positive return, with Sphera and Eiger also outperforming the benchmark.

Sector allocation added value on a relative basis, whereas stock selection detracted overall. The main exposure that contributed to the Fund's returns at a sector level was the large underweight position in real estate, with overweight exposures to health care and IT also benefitting performance. On the flipside, the Fund's overweight position in consumer discretionary was the primary detractor.

Regarding stock selection, positions in health care, financials and IT hampered relative returns the most. This outweighed the performance from the positions in industrials, materials and consumer discretionary which were the primary contributors.

The largest individual contributor to relative performance was the overweight position in specialist business software provider Technology One (+32%), which continued to perform well after delivering solid results underpinned by healthy revenue growth which is supported by its operations in more defensive sectors such as education and government. Other major contributors included overweight positions in wealth management software provider Bravura Solutions (+64%) and biopharmaceutical company Telix Pharmaceuticals (+19%).

The largest individual detractor from relative performance was the nil position in regenerative biotech company Mesoblast (+165%), which recorded the best performance in the small companies index during the quarter and soared

after news it has received approval for Ryoncil, which is a stem cell treatment for rejection following a bone marrow transplant. Other detractors included the nil position in lithium producer Arcadium Lithium (+87%) and the overweight holding in specialist IT solutions company DUG Technology (-45%).

Market Review

Australian shares closed the December quarter down by 0.8%, as measured by the ASX200 total return index, lagging international counterparts. Market sentiment oscillated throughout the period, with shares initially pulling back in October driven by a weak global lead and falls in key commodities, before rising strongly in November on the back of the US election results, then retreating again in December amid continued weak economic growth and sticky domestic inflation. Materials and real estate were the weakest performing sectors, while financials and industrials outperformed. The Australian economy has been somewhat behind the ball relative to many developed peers, with interest rates having not been cut in 2024 due to comparatively higher underlying inflation and despite lacklustre GDP growth - particularly on a per capita basis. Signs inflation is finally approaching target levels however are now emerging.

Outlook

Corporate earnings in Australia, while still struggling in some areas, have generally shown resilience, though forward looking earnings expectations have fallen slightly in recent months. Generally, containing costs remains a priority over more aggressive targeting of top line growth. While the low-growth economic environment remains difficult, the stability of Australian earnings and dividends over the long-term, and their ability to generate a growing, tax-effective income stream should be kept in mind. Over the long-term, we believe Australian shares will continue to rise, with volatility being necessary to provide opportunities for higher

returns.

Portfolio Manager



Trent Loi

Trent Loi is the Portfolio Manager for International Shares and Australian Small Companies. He is responsible for strategy formulation, manager research & selection and multi-manager portfolio construction. He joined AMP Capital in 2012, after working as an investment consultant. Trent holds a Master of Finance (Investment Banking) and a double degree in Commerce and Information Systems. He is a Certified Investment Management Analyst.

Further information

For information about the Fund including fees, features, benefits and risks talk to your financial advisor today or read the product disclosure statement (PDS) which can be found on:

www.amp.com.au/investments

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

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