

Super Easy Australian Share

Quarterly Investment Option Update

30 June 2019

Aim and Strategy

The strategy aims to provide returns that track the S&P/ASX 300 Accumulation Index with net dividends reinvested. Investments into the Australian shares asset class will be attained through the use of low cost index-focused investment managers.

Investment Option Performance

To view the latest investment performances for each product, please visit www.amp.com.au

Investment Option Overview

Investment category	Australian Shares
Suggested minimum investment timeframe	7 years
Relative risk rating	High
Investment style	Index
Manager style	Single

Asset Allocation	Benchmark (%)
Australian Shares	100
Cash	0

Actual Allocation	%
International Shares	2.62
Australian Shares	88.24
Listed Property and Infrastructure	7.57
Cash	1.57

Sector Allocation	%
Financials	30.98
Materials	18.59
Health Care	8.45
Industrials	8.05
Real Estate	7.60
Consumer Discretionary	6.18
Consumer Staples	5.36
Energy	5.16
Communication Services	3.80
Information Technology	2.41
Utilities	1.86
Cash	1.58

Top Holdings	%
COMMONWEALTH BANK AUST	7.95
BHP Group Ltd	6.61
Westpac Banking Corp	5.31
CSL Ltd	5.31
Australia & New Zealand Banking Group Ltd	4.46
National Australia Bank Ltd	3.98
Telstra Corp Ltd	2.50
Woolworths Group Ltd	2.38
Wesfarmers Ltd	2.24
Macquarie Group Ltd	2.17

Market Review

Australian equities surged in the June quarter, the S&P/ASX200 total return index finishing up by 7.97%. Speculation of official interest rate cuts drove markets early in the quarter, despite uncertainty around the Federal Election and ongoing housing market falls. In May, the market was pushed higher on the Coalition's "surprise" election victory, which removed risks around changes to the use of franking credits, which are particularly important to many Australian investors. Comments from the RBA continued to grow more dovish, culminating in a rate cut in early June to a historically low 1.25%. This, along with the possibility of further cuts, spurred on Australian markets through the remainder of June. Communication services, financials and health care were top performers over the quarter, while energy and utilities stocks were generally behind the pack.

Outlook

Australian shares remain exposed to global economic uncertainty, despite the greater visibility imparted by the recent return of the Liberal Coalition to government. Much of this uncertainty is outside the Australian government's control.

The Reserve Bank of Australia cut the cash rate to an historically low 1.25% in early June, with communications suggesting further likely reductions, which is positive for equities and should feed into earnings. However, looking ahead, generally higher valuations and increased global economic uncertainty have increased the shorter-term downside risk. However, this does not mean momentum cannot carry the market higher.

In the current environment, investors should benefit by being highly selective and focussing on companies with robust business fundamentals.

Availability

Product Name	APIR
AMP Flexible Super - Retirement account	AMP1618AU
AMP Flexible Super - Super account	AMP1609AU

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