

Australian Share Index

Quarterly Investment Option Update

31 December 2022

Aim and Strategy

The strategy aims to provide returns that closely match the S&P/ASX 300 Accumulation Index with net dividends reinvested before fees and taxes. Exposure to 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 this product, please visit www.amp.com.au/performance

Investment Option Overview

Investment category	Australian Shares
Suggested minimum investment timeframe	7 years
Standard Risk Measure	7/Very High
Investment style	Index
Manager style	Single

Asset Allocation	Benchmark (%)
Australian shares	100
Cash	0

Actual Allocation	%
Global Shares	3.49
Australian Shares	87.94
Listed Property and Infrastructure	8.31
Cash	0.26

Sector Allocation	%
Financials	28.18
Materials	24.72
Health Care	9.88
Consumer Discretionary	6.26
Energy	6.17
Real Estate	6.10
Industrials	5.83
Consumer Staples	4.67
Communication Services	3.80
Information Technology	2.88
Utilities	1.44
Cash	0.07

Top Holdings	%
BHP Group Ltd	10.77
COMMONWEALTH BANK AUST	8.10
CSL Ltd	6.46
National Australia Bank Ltd	4.43
Westpac Banking Corp	3.81
ANZ Group Holdings Ltd	3.30
Woodside Energy Group Ltd	3.13
Macquarie Group Ltd	2.83
Wesfarmers Ltd	2.43
TELSTRA GROUP LTD	2.15

Fund Performance

The Fund produced a very strong positive return for the December quarter amid rising broader markets.

Market Review

Similar to global peers, Australian shares rose strongly over the December quarter, finishing the period up by 9.4%. The bulk of the gains were made in October and November, as markets rose on optimism that inflation may be pulling back overseas, particularly in the US, while many central banks, including the RBA, reduced the increments of monetary tightening. December however saw some falls, as markets appeared to have become perhaps a little ahead of themselves with regard to an improving inflationary outlook, amid a realisation that interest rates may still be higher for some time yet. Australia appears to be around 6 months behind the US with regard to the path of inflation, though of course, there is no guarantee how closely this path will be followed. The domestic earnings season also featured during the quarter, and while current period profits were generally reasonable, a number of companies lowered their earnings forecasts amid rising costs. Regarding specific sector returns, utilities and materials were the strongest performers, though all sectors produced positive returns for the period.

Outlook

Corporate earnings growth in Australia remains reasonable, though should be considered in real terms, given the ongoing high levels of inflation. Businesses remain focussed on cost pressures, which are generally being passed onto customers. Similar to overseas markets, inflation remains a prime concern, as consumers' ability to spend is being crimped amid continued rate hikes. The RBA however has slowed the pace of hikes, and current inflation and wage growth pressures are less prominent in Australia compared to other developed markets. Over the long-term, we believe Australian shares will continue to rise, with volatility in the shorter-term likely to provide more opportunities.

Availability

Product Name	APIR
SignatureSuper	AMP0782AU
SignatureSuper - Allocated Pension	AMP1136AU
SignatureSuper Term Pension	AMP1136AU

Contact Details

Web: www.amp.com.au

Email: askamp@amp.com.au

Phone: 131 267



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