



AMP Equity Fund

Quarterly Investment Option Update

31 December 2023

Aim and Strategy

To provide high returns over the long term while accepting high levels of volatility in returns, by investing in a portfolio of shares listed or about to be listed on the Australian Securities Exchange. The portfolio aims to provide returns, after costs and before tax, above the S&P/ASX 200 Accumulation Index on a rolling 3-year basis. Investment is diversified across a range of industries and sectors, with a focus on the largest 200 companies. In constructing the portfolio, the investment manager employs a systematic rules-based approach where no individual stock fundamental analysis is conducted and the investment team use large sets of data to analyse stocks through intelligent screening methods. Passive, enhanced index and smart beta are examples of systematic approaches.

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	Active
Manager style	Single

Asset Allocation	Benchmark (%)
Australian shares	100
Cash	0

Actual Allocation	%
Australian Shares	87.39
Property	7.49
Global Shares	4.76
Cash	0.36

Sector Allocation	%
Financials	29.34
Materials	24.97
Health Care	9.13
Consumer Discretionary	7.10
Industrials	6.93
Real Estate	5.66
Energy	4.97
Consumer Staples	3.91
Communication Services	3.56
Information Technology	2.71
Utilities	1.36
Cash	0.36

Top Holdings	%
BHP Group Ltd	11.31
Commonwealth Bank of Australia	8.19
CSL Ltd	5.96
National Australia Bank Ltd	4.22
Australia & New Zealand Banking Group Ltd	3.52
Westpac Banking Corp	3.50
Macquarie Group Ltd	2.87
Wesfarmers Ltd	2.82
Woodside Energy Group Ltd	2.64
Rio Tinto Ltd	2.27

Fund Performance

The Fund produced a very strong return over the December quarter, though slightly underperformed the benchmark.

Key contributors to relative performance included underweight positions in Liontown Resources, IGO and New Hope Corporation. New Hope Corporation underperformed as oil prices were weak during the period.

Key detractors from relative performance included overweight positions in AMP Group and Megaport, and an underweight position in Neuren Pharmaceutical. Neuren Pharmaceuticals was one of the strongest performers in 2023, up 214%. In December, the company announced positive results from its Phase 2 clinical trials for children with Phelan-McDermid Syndrome (PMS). PMS is a rare genetic disorder that can cause medical, intellectual, and behavioural concerns.

Market Review

Driven by a surge in global equities on the back of normalising inflation levels in Europe and the US, Australian shares finished the December quarter up by 8.4%, as measured by the ASX200 total return index. Market sentiment took a pronounced positive turn mid-quarter, as Australian equities began to price in a global soft-landing scenario, along with expectations for falling global interest rates in the coming months. This was despite continued weak domestic economic indicators, such as low levels of disposable income, poor consumer confidence, negative economic growth per-capita and moderately rising unemployment.

Outlook

Corporate earnings in Australia remain reasonable, though should be considered in real terms, given ongoing inflation. Businesses remain focussed on cost pressures, which are generally being passed onto customers. While the economic climate 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 greater returns.

Availability

Product Name	APIR
Flexible Lifetime - Investments (Series 1)	AMP0018AU**
Flexible Lifetime - Investments (Series 2)	AMP1394AU**

**Closed to new and existing investors

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