



# AMP Equity Fund

## Quarterly Investment Option Update

31 March 2024

### 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](http://www.amp.com.au/performance)

### Investment Option Overview

<b>Investment category</b>	Australian Shares
<b>Suggested minimum investment timeframe</b>	7 years
<b>Standard Risk Measure</b>	7/Very High
<b>Investment style</b>	Active
<b>Manager style</b>	Single

<b>Asset Allocation</b>	<b>Benchmark (%)</b>
Australian shares	100
Cash	0

<b>Actual Allocation</b>	<b>%</b>
Australian Shares	86.98
Property	8.15
Global Shares	4.49
Cash	0.38

<b>Sector Allocation</b>	<b>%</b>
Financials	30.58
Materials	22.15
Health Care	9.01
Consumer Discretionary	7.97
Industrials	7.33
Real Estate	6.49
Energy	4.67
Consumer Staples	3.61
Communication Services	3.39
Information Technology	2.96
Utilities	1.46
Cash	0.38

<b>Top Holdings</b>	<b>%</b>
BHP Group Ltd	9.63
Commonwealth Bank of Australia	8.25
CSL Ltd	5.72
National Australia Bank Ltd	4.47
Australia & New Zealand Banking Group Ltd	3.80
Westpac Banking Corp	3.76
Wesfarmers Ltd	3.36
Macquarie Group Ltd	2.95
Goodman Group	2.34
Woodside Energy Group Ltd	2.29

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## Fund Performance

The Fund produced a strong return over the March quarter and outperformed the benchmark.

The key contributors to relative performance included overweight positions in Megaport, Altium and Arcadium. Altium outperformed after it was reported that Renesas Electronics was to acquire the business and, subject to the satisfaction of a number of conditions, Renesas would acquire all outstanding shares for at a price of A\$68.50.

The key detractors from relative performance included underweight positions in a2 Milk, Alumina and Goodman Group. Goodman Group outperformed as the Australian REIT sector bounced back strongly during the period.

## Market Review

Australian shares reached new highs in the March quarter, closing the period up by 5.3% as measured by the ASX200 total return index. Optimism from international markets drove positive sentiment, particularly the US, where economic growth remained positive and inflation fell further. The February Australian corporate reporting season meanwhile was generally somewhat favourable relative to expectations, with more upside earnings surprises than downside. Key themes included resilient earnings, a continued focus on cost management and cautiously positive outlook statements based on improving economic outlooks. The Australian economy meanwhile continued to show modest GDP growth, albeit falling on a per capita basis due to high levels of immigration. Consumer sentiment remained weak, though employment figures showed signs of improvement.

## Outlook

Corporate earnings in Australia, while still struggling in some areas, have generally shown resilience. Businesses remain focussed on cost pressures, though there are signs the cost-cutting cycle may have peaked. 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.

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## Availability

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

\*\*Closed to new and existing investors

## Contact Details

**Web:** [www.amp.com.au](http://www.amp.com.au)

**Email:** [askamp@amp.com.au](mailto:askamp@amp.com.au)

**Phone:** 131 267



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