

# Perpetual Industrial Share

## Quarterly Investment Option Update

30 June 2022

### Aim and Strategy

To provide investors with long term capital growth and regular income through investment in quality industrial shares. The strategy aims to outperform the S&P/ASX 300 Industrials Accumulation Index (before fees and taxes) over rolling 3-year periods.. The investment manager's priority is to select those companies that represent the best investment quality and are appropriately priced. In determining investment quality, investments are carefully selected on the basis of 4 key investment criteria: conservative debt levels; sound management; quality business; and recurring earnings. Derivatives may be used in managing the portfolio.

### Investment Option Performance

To view the latest investment performances for each product please visit [amp.com.au/performance](https://amp.com.au/performance)

### Investment Option Overview

<b>Investment Category</b>	Australian Shares
<b>Suggested Investment timeframe</b>	5+ years
<b>Relative risk rating</b>	7 / Very High
<b>Investment style</b>	Value
<b>Manager style</b>	Single Manager

Asset Allocation	Actual (%)	Benchmark (%)
Industrial shares*	94.8	n/a
Cash	5.2	n/a

Sector Allocation	%
Cash	5.2
Consumer Discretionary	17.2
Consumer Staples	7.1
Energy	0.3
Financials ex Property Trusts	29.0
Health Care	12.0
Industrials	10.8
Information Technology	0.1
Materials	6.2
Real Estate	4.1
Telecommunication Services	7.9
Utilities	0.1

Top Holdings	%
National Australia Bank Limited	8.4
CSL Limited	8.3
Commonwealth Bank of Australia	7.7
Incitec Pivot Limited	5.0
Suncorp Group Limited	4.9
Flutter Entertainment Plc	4.6
Testra Corporation Limited	3.9
Qantas Airways Limited	3.8
Ramsay Health Care Ltd	3.1
Event Hospitality and Entertainment Ltd	3.1

## Market Commentary

The Australian equity market declined over the June quarter as inflation and interest rate news dominated headlines. The market retreated following the consecutive interest rate rises in May and June, which saw the cash rate climb a total of 75 basis points to 0.85%, prompted by a significant increase in inflation and expectations of its continued upward trajectory.

Equities started the quarter on a positive note, with performance underpinned by continued strength in mining and energy stocks as commodity prices remained elevated by the fallout from Russia's invasion. Rising volatility, however, saw the market hand back its earlier gains. The spike in gas and electricity prices contributed to near-term inflation expectations. At the same time, consumer confidence fell to its lowest level since Sep-2020 amid concerns over the Ukrainian war, east coast flooding, and cost pressures. Fuel and food prices compounded inflationary pressures from supply and labour shortages and strong consumer demand. Consumer Discretionary stocks, however, were adversely affected as the aggressive RBA tightening cycle clouded corporate earnings outlooks. Confidence deteriorated with indebted Australians facing cost-of-living headwinds, which prompted warnings of a pullback in discretionary spending. Consumer staples similarly lost ground amid concerns of cost inflation and pervasive supply chain constraints.

The latest bond yield backup coincided with steep falls in high-growth pockets of the market, particularly across tech stocks, which took a beating over the quarter. Commodity producers also sustained significant losses following the reimposition of Covid restrictions in China. The banks took a steep dive later in the quarter after executives and regulatory officials flagged challenges related to the housing market / construction sector and warned of likely stresses on borrowers from rising rates. The Energy sector, however, finished ahead, supported by rallying crude oil prices. Market sentiment, nevertheless, remained fraught as the increasingly hawkish central bank policy pivot continued to drive concerns of an economic hard landing.

## Availability

Product name	APIR
SignatureSuper*	AMP0811AU
SignatureSuper Allocated Pension*	AMP1368AU
SignatureSuper Term Pension*	AMP1368AU
Flexible Lifetime Investment (Series 1)**	AMP0853AU
Flexible Lifetime Investment (Series 2)**	AMP1431AU

\* Closed to new investors

\*\* 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



### What you need to know

This publication has been prepared by AWM Services Pty Limited ABN 15 139 353 496, AFSL No. 366121 (AWM Services). The information contained in this publication has been derived from sources believed to be accurate and reliable as at the date of this document. Information provided in this investment option update are views of the underlying investment manager only and not necessarily the views of AMP Limited ABN 49 079 354 519 (AMP Group). No representation is given in relation to the accuracy or completeness of any statement contained in it. Whilst care has been taken in the preparation of this publication, to the extent permitted by law, no liability is accepted for any loss or damage as a result of reliance on this information.

The investment option referred to in this publication is available through products issued by N.M. Superannuation Proprietary Ltd ABN 31 008 428 322, AFSL 234654 (NM Super), AMP Capital Funds Management Limited ABN 15 159 557 721, AFSL 426455 (AMPCFM) and/or ipac asset management limited ABN 22 003 257 225, AFSL 234655 (ipac). Before deciding to invest or make a decision about the investment options, you should read the current Product Disclosure Statement (PDS) for the relevant product, available from the issuer or your financial planner.

Any advice in this document is of a general nature only and does not take into account your financial situation, objectives and needs. Before you make any investment decision based on the information contained in this document you should consider how it applies to your personal objectives, financial situation and needs, or speak to a financial planner. In providing any general advice, AMP Group receives fees and charges and their employees and directors receive salaries, bonuses and other benefits.

Any references to the "Fund", strategies, asset allocations or exposures are references to the underlying managed fund that the investment option either directly or indirectly invests in. The investment option's aim and strategy mirrors the objective and investment approach of the underlying fund. An investment in the investment option is not a direct investment in the underlying fund.

Neither NM Super, AMPCFM, ipac, AWM Services, any other company in the AMP Group nor the underlying fund manager guarantees the repayment of capital or the performance of any product or particular rate of return referred to in this document, unless expressly stated in the PDS. Past performance is not a reliable indicator of future performance. Any slight asset allocation deviations from 100% may be caused by rounding, asset categorisation and/or hedging.