

Specialist Australian Share

Quarterly Investment Option Update

30 September 2024

Aim and Strategy

The strategy aims to provide total returns (income and capital growth) after investment fees and before tax, above the S&P/ASX 300 Total Return Index on a rolling 3-year basis by using a multi-manager approach. The portfolio primarily invests in shares listed on the Australian Securities Exchange (ASX). The portfolio may also hold up to 5% in international shares, where those securities are also listed on the ASX. Any currency exposure will be hedged back to Australian dollar using derivatives, and they may also be used to gain equity market exposure. The portfolio may also short sell securities.

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	Multi-manager

Asset Allocation	Benchmark (%)
Australian shares	100
Cash	0

Actual Allocation	%
Global Shares	12.67
Australian Shares	81.55
Property	4.45
Cash	1.33
Fixed Income	0.00

Sector Allocation	%
Financials	24.57
Materials	22.31
Health Care	11.18
Consumer Discretionary	7.81
Industrials	6.86
Information Technology	6.03
Communication Services	4.86
Energy	4.58
Real Estate	4.44
Consumer Staples	2.96
Futures	1.99
Cash	1.33
Utilities	1.09

Top Holdings	%
BHP Group Ltd	5.04
Commonwealth Bank of Australia	4.52
CSL Ltd	3.76
Australia & New Zealand Banking Group Ltd	2.83
Woodside Energy Group Ltd	2.78
Westpac Banking Corp	2.61
National Australia Bank Ltd	2.25
Newmont Corp	1.97
Alcoa Corp	1.91
Macquarie Group Ltd	1.90

Fund Performance

The Investment Option produced a strong positive return for the quarter and outperformed its benchmark.

Over the quarter, our underlying managers produced strong absolute returns, with Allan Gray and ECP comfortably outperforming the benchmark. Stock selection contributed positively over the quarter, particularly within healthcare. Asset allocation also contributed positively, with a slight overweight to the IT sector aiding returns.

An overweight holding in biopharmaceutical company, Opthea, was the largest individual stock contributor to the relative return. Opthea's shares surged over the quarter (+121%) amid progress in trials of its potential treatment for wet age-related macular degeneration, Sozinibercept. Other significant individual contributors for the quarter included overweight holdings in materials company, Newmont Mining and analytics and intelligence software provider, Nuix.

An underweight holding in mining company, BHP, was the largest individual stock detractor from the relative return. The company's shares rose strongly over the quarter (+11%.) on the announcement towards the end of September of upcoming economic stimulus for the Chinese economy. Other significant detractors for the quarter came from an underweight position in Commonwealth Bank of Australia and overweight in Alumina.

Market Review

Australian shares rose strongly in the September quarter, closing up by around 7.8%, as measured by the ASX200 total return index and outperforming international counterparts. Gains were driven by broader global markets, on the back of optimism around a global soft landing scenario. Australia however remained behind many other developed economies' interest rate easing cycles, with relatively higher domestic inflation keeping any potential easing at bay, as at the quarter's end. In regard to sector-specific performance, IT, real estate, materials and consumer discretionary all did well, whilst energy was the main laggard.

Outlook

Corporate earnings in Australia, while still struggling in some areas, have generally shown resilience, though forward looking earnings growth expectations have fallen slightly in recent months. Generally, containing costs remains a priority over more aggressive targeting of top line growth. 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.

Availability

Product Name	APIR
Flexible Lifetime - Investments (Series 1)	AMP0854AU**
Flexible Lifetime - Investments (Series 2)	AMP1410AU**
SignatureSuper	AMP0797AU
SignatureSuper - Allocated Pension	AMP1150AU
SignatureSuper - Term Pension	AMP1150AU*

*Closed to new investors

**Closed to new and existing investors

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