

# Australian Share Index

Quarterly Investment Option Update

31 December 2024

## Aim and Strategy

The strategy aims to provide returns that closely match the S&P/ASX 300 Total Return 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](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>	Index
<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	86.61
Property	8.44
Global Shares	4.65
Cash	0.30

<b>Sector Allocation</b>	<b>%</b>
Financials	32.90
Materials	18.78
Health Care	9.86
Consumer Discretionary	7.83
Industrials	7.27
Real Estate	6.76
Energy	3.96
Communication Services	3.79
Consumer Staples	3.68
Information Technology	3.48
Utilities	1.38
Cash	0.30
Futures	0.00

<b>Top Holdings</b>	<b>%</b>
Commonwealth Bank of Australia	10.23
BHP Group Ltd	8.00
CSL Ltd	5.44
National Australia Bank Ltd	4.55
Westpac Banking Corp	4.43
Australia & New Zealand Banking Group Ltd	3.39
Wesfarmers Ltd	3.24
Macquarie Group Ltd	3.14
Goodman Group	2.72
Woodside Energy Group Ltd	1.87

## Fund Performance

The Investment Option produced a modest positive return in the December quarter, as Australian shares struggled to perform amid weak economic growth and sticky domestic inflation. The one-year return however was strong and into double-digit territory.

## Market Review

Australian shares closed the December quarter down by 0.8%, as measured by the ASX200 total return index, lagging international counterparts. Market sentiment oscillated throughout the period, with shares initially pulling back in October driven by a weak global lead and falls in key commodities, before rising strongly in November on the back of the US election results, then retreating again in December amid continued weak economic growth and sticky domestic inflation. Materials and real estate were the weakest performing sectors, while financials and industrials outperformed. The Australian economy has been somewhat behind the ball relative to many developed peers, with interest rates having not been cut in 2024 due to comparatively higher underlying inflation and despite lacklustre GDP growth - particularly on a per capita basis. Signs inflation is finally approaching target levels however are now emerging.

## Outlook

Corporate earnings in Australia, while still struggling in some areas, have generally shown resilience, though forward looking earnings 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.

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## Availability

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

\*Closed to new investors

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