



AMP Australian Share Enhanced Index

Quarterly Investment Option Update

30 June 2021

Aim and Strategy

To provide investors with access to a portfolio of shares listed on the Australian Securities Exchange, with diversification achieved primarily through investment across a range of industries and issuers. In identifying share opportunities for the investment option we take an 'enhanced index' approach to investment. This enhanced index approach is tailored to the Australian market and provides greater potential for enhanced, risk-adjusted returns than would be achieved through investment in a pure index investment option.

Investment Option Performance

To view the latest investment performances for each product, please visit www.amp.com.au/performance

Investment Option Overview

Investment category	Australian Shares
Suggested minimum investment timeframe	5 years
Relative risk rating	High
Investment style	Enhanced Index
Manager style	Single

Asset Allocation	Benchmark (%)
Australian Shares	100
Cash	0

Actual Allocation	%
International Shares	3.45
Australian Shares	84.91
Listed Property and Infrastructure	9.53
Cash	2.11

Sector Allocation	%
Financials	29.85
Materials	20.27
Health Care	10.18
Consumer Discretionary	8.29
Industrials	6.60
Real Estate	6.49
Consumer Staples	5.16
Information Technology	4.18
Communication Services	4.13
Energy	3.25
Utilities	1.44
Cash	0.16

Top Holdings	%
Commonwealth Bank of Australia	8.62
BHP Group Ltd	6.75
CSL Ltd	6.19
Westpac Banking Corp	4.45
National Australia Bank Ltd	4.02
Australia & New Zealand Banking Group Ltd	3.76
Wesfarmers Ltd	2.98
Macquarie Group Ltd	2.44
Rio Tinto Ltd	2.30
Woolworths Group Ltd	2.30

Market Review

In line with bullish international markets, Australian shares rose strongly over the June quarter, with the S&P/ASX 200 index closing the period 8.29% higher, on a total return basis. While the global recovery was the prime driver, the Reserve Bank of Australia (RBA) continued to play its part, as it again reiterated its commitment to low cash rates for as long as necessary. Domestic economic indicators, such as jobs figures, also remained strong, leading to rising speculation towards the end of the quarter on the timing of future rate hikes. Growth segments of the market generally did well over the quarter as the global economic recovery continued. At a sector level, information technology shares were the strongest performers over the quarter amid stabilising bond yields as well as further merger and acquisition activity. Communications services and consumer discretionary stocks also did well, while the energy and the utilities sectors meanwhile posted negative returns for the period. The market's focus is now clearly on the RBA showing any sign of changing its timeline for rate rises, as well as any tapering of its bond purchases.

Outlook

Australian equities continue to be strongly influenced by global markets and events. The economic backdrop is complicated by shifting policy on vaccine rollout by the Federal Government, most recently by a pivot in rollout emphasis from the AstraZeneca to the Pfizer option, which will push out the herd immunity date as further Pfizer supplies need to be sourced. The risk is that a prolonged rollout period could dent business and consumer confidence which could feed into equity prices in the short term.

Despite this, Australia's greater degree of government stimulus relative to other countries, low COVID-19 cases from an international perspective, and a supportive commodities backdrop do look to be aiding the recovery process. The effect of the wind-down in government support programmes has proved so far to be relatively benign. Although large equity price rises have increased the risk of a correction, we believe the longer-term trend is likely to remain positive. We continue to believe investors should be selective and, as always, maintain a longer-term perspective.

Availability

Product Name	APIR
Flexible Lifetime - Investments (Series 1)	AMP0828AU**
Flexible Lifetime - Investments (Series 2)	AMP1445AU**

**Closed to new and existing investors

Contact Details

Web: www.amp.com.au

Email: askamp@amp.com.au

Phone: 131 267



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