

Australian Share Index

Quarterly Investment Option Update

31 March 2022

Aim and Strategy

The strategy aims to provide returns that closely match the S&P/ASX 300 Accumulation 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 each product, please visit www.amp.com.au/performance

Investment Option Overview

Investment category	Australian Shares
Suggested minimum investment timeframe	7 years
Relative risk rating	Very High
Investment style	Index
Manager style	Single

Asset Allocation	Benchmark (%)
Australian shares	100
Cash	0

Actual Allocation	%
International Shares	4.32
Australian Shares	84.97
Listed Property and Infrastructure	9.07
Cash	1.64

Sector Allocation	%
Financials	27.58
Materials	25.48
Health Care	8.76
Consumer Discretionary	6.90
Real Estate	6.76
Industrials	5.56
Consumer Staples	4.60
Communication Services	3.86
Energy	3.79
Information Technology	3.76
Futures	1.63
Utilities	1.22
Cash	0.10

Top Holdings	%
BHP Group Ltd	11.21
COMMONWEALTH BANK AUST	7.72
CSL Ltd	5.50
National Australia Bank Ltd	4.50
Westpac Banking Corp	3.63
Australia & New Zealand Banking Group Ltd	3.32
Macquarie Group Ltd	3.13
Wesfarmers Ltd	2.45
Telstra Corp Ltd	2.00
Woolworths Group Ltd	1.93

Market Review

Australian shares bucked global falls to post a gain of 2.24% in the March quarter, as measured by the S&P/ASX 200 index on a total return basis. The relative optimism in Australia reflects several factors at play. Inflation, whilst a real and growing issue in Australia, remains somewhat lower relative to global levels, with the RBA accordingly not as hawkish as many global central banks. Geographic isolation and lack of any significant economic ties to Russia was also a prime differentiator to global markets, with Australia benefitting from continued strong commodity prices by way of a strengthening terms of trade. The quarter also saw Australia begin to catch up to many global peers on further easing of COVID restrictions, though we remain behind most of Europe and the US in this regard. Domestic corporate earnings reports were also generally strong, as reflected in the February reporting season, with dividends remaining strong and outlook statements becoming clearer. At a sector level, energy was by far the standout performer, returning a remarkable 28.55% for the period as commodity prices surged. Defensive sectors, as well as those businesses seen as more sensitive to interest rates, were generally the weaker performers.

Outlook

Corporate earnings growth in Australia remains quite solid, with earnings and dividends still growing, though at a slightly reduced rate relative to the bounce-back in 2021. The broader economy also remains generally solid, with strong employment levels and terms of trade. The COVID pandemic meanwhile appears to be finally moving into a phase of being treated as an endemic issue, rather than a continued emergency requiring ongoing restrictions. Similar to other countries, domestic inflation remains a prime concern, with the RBA likely to cautiously raise rates over the medium-term, as it keeps a close eye on wages growth and the jobs market. Longer-term, we believe the market will ultimately continue to rise, with corrections and volatility on the way likely to provide opportunities.

Availability

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

Contact Details

Web: www.amp.com.au

Email: askamp@amp.com.au

Phone: 131 267



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