

Macquarie Wholesale Australian Equities

Quarterly Investment Option Update

30 June 2022

Aim and Strategy

The fund aims to outperform the S&P/ASX 300 Accumulation Index over the medium term (before fees). It aims to provide capital growth and some income.

The fund provides exposure to a diversified portfolio of Australian equities through securities listed, or expected to be listed, on the Australian Securities Exchange. The option may also provide exposure to equity issued by Australian entities on offshore exchanges, derivatives (including options, futures, warrants and forwards) and cash.

Investment Option Performance

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

Investment Option Overview

Investment Category	Australian Shares
Suggested Investment timeframe	3-5 years
Relative risk rating	7 / Very High
Investment style	Quantitative
Manager style	Single Manager

Asset Allocation	Benchmark (%)	Actual (%)
Australian Shares	n/a	96.25
Cash	n/a	3.75

Sector Allocation	%
Energy	7.41
Materials	24.79
Industrials	4.98
Consumer Discretionary	7.31
Consumer Staples	6.20
Health Care	7.70
Financials	25.12
Real Estate	3.89
Information Technology	3.32
Communication Services	5.53
Utilities	0.00

Top Holdings	%
Nine Entertainment Co	1.57
Bluescope Steel Limited	1.40
CSR Limited	1.28
Lottery Corporation Ltd	1.27
Computershare Limited	1.27
IGO Ltd	1.26
Transurban Group	1.25
Aristocrat Leisure Limited	1.23
Medibank Private Ltd	1.15
QBE Insurance	1.12

Investment Option Commentary

The biggest contributors to relative performance for the quarter included overweight positions in Whitehaven Coal (WHC), Santos (STO) and New Hope Corporation (NHC).

Oil and gas producer Santos (STO) outperformed off the back of rising oil prices due to global supply concerns as the conflict in Ukraine intensified.

Coal miner Whitehaven (WHC), outperformed during the period as the company benefitted from record coal prices spurred on by the Russia-Ukraine conflict and strong investor sentiment following the release of its Q1 2022 quarterly production report.

The main detractors from relative performance included overweight positions in IGO Ltd (IGO), CSR Limited (CSR) and Northern Star Resources (NST).

After performing strongly in Q1 2022 amid a global resources boom, lithium and nickel producer IGO (IGO) underperformed for the quarter, in line with the broader metals and mining sector. An underwhelming Q1 quarterly production report also contributed to share price weakness.

Building products company CSR (CSR), underperformed on the back of weakened investor sentiment following concerns of rising costs and falling demand due to rising mortgage rates.

As of 30 June 2022, the largest overweight positions in the Fund were Nine Entertainment (NEC), BlueScope Steel (BSC) and CSR Limited (CSR).

Market Commentary

The main contributors to performance were overweight positions in Medibank Private Limited (MPL), Suncorp Group Limited (SUN) and BHP Group Limited (BHP), which outperformed, and underweight positions in Block Inc. (SQ2), Northern Star Resources Limited (NST), Westpac Banking Corporation (WBC) and Mirvac Group (MGR), which underperformed.

Medibank outperformed after the company announced that it was returning an additional \$205 million in COVID-19 permanent net claims savings to customers, as well as a deferral of the 2022 premium increase for a further month. Suncorp outperformed after the company announced that it was reviewing strategic options for its banking business. BHP outperformed as iron prices rose, driven by the easing of COVID-19 restrictions in China.

Block Inc underperformed as sentiment was weaker in the broader technology sector due to rising inflation and rate increases. Northern Star underperformed as gold prices fell, driven by the prospect of continued global interest rate rises. Westpac underperformed after the major banks were negatively impacted by concerns regarding the rising rate and inflation environment, slowing mortgage growth and a potential global recession. Mirvac Group underperformed despite reporting that cash collections for the third quarter of 2022 had improved to 94%.

Outlook

Markets have been weak in recent months, driven predominantly by a de-rating in valuation and tax-loss selling more recently in June. However, to this point, forward earnings estimates have held up reasonably well. As companies head into the August reporting period, investors will be looking for any broad-based negative earnings revisions as this will be an important driver of market direction in the short to medium term.

Availability

Product name	APIR
SignatureSuper*	AMP0957AU

* Closed to new investors

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