



Future Directions Australian Share (Original Series)

Quarterly Investment Option Update

31 December 2023

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	5 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	11.86
Australian Shares	81.22
Property	5.08
Cash	1.84
Fixed Income	0.00

Sector Allocation	%
Financials	27.97
Materials	21.52
Health Care	10.27
Consumer Discretionary	7.24
Industrials	6.49
Energy	5.49
Information Technology	5.18
Communication Services	4.79
Real Estate	4.27
Consumer Staples	3.68
Cash	1.84
Utilities	1.27

Top Holdings	%
BHP Group Ltd	7.10
Commonwealth Bank of Australia	5.07
CSL Ltd	4.89
Australia & New Zealand Banking Group Ltd	3.29
Woodside Energy Group Ltd	3.15
Westpac Banking Corp	2.68
National Australia Bank Ltd	2.54
Newmont Corp	2.14
QBE Insurance Group Ltd	2.05
Macquarie Group Ltd	1.93

Fund Performance

The Fund produced a strong return for the quarter, though underperformed its benchmark. Our underlying managers produced some solid absolute returns, though most underperformed the benchmark. The Fund continues to outperform its benchmark over the longer-term, including 5 years and since inception (all returns before fees).

Of the underlying stocks held in our portfolio, strong absolute performers included National Australia Bank and Commonwealth Bank of Australia, which were both driven higher amid broader global optimism around the path of interest rates, as well as BHP, which rose strongly towards quarter-end, on the back of climbing iron ore prices.

Being underweight Whitehaven Coal detracted from the relative return towards year-end, as the mining company's shares rose strongly on the back of the announcement it would acquire metallurgical coal mines Daunia and Blackwater from BHP and Mitsubishi Alliance in a deal worth A\$5 billion.

Market Review

Driven by a surge in global equities on the back of normalising inflation levels in Europe and the US, Australian shares finished the December quarter up by 8.4%, as measured by the ASX200 total return index. Market sentiment took a pronounced positive turn mid-quarter, as Australian equities began to price in a global soft-landing scenario, along with expectations for falling global interest rates in the coming months. This was despite continued weak domestic economic indicators, such as low levels of disposable income, poor consumer confidence, negative economic growth per-capita and moderately rising unemployment.

Outlook

Corporate earnings in Australia remain reasonable, though should be considered in real terms, given ongoing inflation. Businesses remain focussed on cost pressures, which are generally being passed onto customers. While the economic climate 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 greater returns.

Availability

Product Name	APIR
Flexible Lifetime - Investments (Series 1)	AMP0015AU**

**Closed to new and existing investors

Contact Details

Web: www.amp.com.au

Email: askamp@amp.com.au

Phone: 131 267



What you need to know This publication has been prepared by AWM Services Pty Limited ABN 15 139 353 496, AFSL No. 366121 (AWM Services). The information contained in this publication has been derived from sources believed to be accurate and reliable as at the date of this document. Information provided in this investment option update are views of the underlying investment manager only and not necessarily the views of AMP Limited ABN 49 079 354 519 (AMP Group). No representation is given in relation to the accuracy or completeness of any statement contained in it. Whilst care has been taken in the preparation of this publication, to the extent permitted by law, no liability is accepted for any loss or damage as a result of reliance on this information.

The investment option referred to in this publication is available through products issued by ipac asset management limited ABN 22 003 257 225, AFSL 234655 (ipac). Before deciding to invest or make a decision about the investment options, you should read the current Product Disclosure Statement (PDS) for the relevant product, available from the issuer or your financial planner.

Any advice in this document is of a general nature only and does not take into account your financial situation, objectives and needs. Before you make any investment decision based on the information contained in this document you should consider how it applies to your personal objectives, financial situation and needs, or speak to a financial planner. In providing any general advice, AMP Group receives fees and charges and their employees and directors receive salaries, bonuses and other benefits.

Any references to the "Fund", strategies, asset allocations or exposures are references to the underlying managed fund that the investment option either directly or indirectly invests in. The investment option's aim and strategy mirrors the objective and investment approach of the underlying fund. An investment in the investment option is not a direct investment in the underlying fund.

Neither ipac, AWM Services, any other company in the AMP Group nor the underlying fund manager guarantees the repayment of capital or the performance of any product or particular rate of return referred to in this document, unless expressly stated in the PDS. Past performance is not a reliable indicator of future performance. Any slight asset allocation deviations from 100% may be caused by rounding, asset categorisation and/or hedging.