

AMP Equity Fund

Quarterly Investment Option Update

30 September 2024

Aim and Strategy

To provide high returns over the long term while accepting high levels of volatility in returns, by investing in a portfolio of shares listed or about to be listed on the Australian Securities Exchange. The portfolio aims to provide returns, after costs and before tax, above the S&P/ASX 200 Accumulation Index on a rolling 3-year basis. Investment is diversified across a range of industries and sectors, with a focus on the largest 200 companies. In constructing the portfolio, the investment manager employs a systematic rules-based approach where no individual stock fundamental analysis is conducted and the investment team use large sets of data to analyse stocks through intelligent screening methods. Passive, enhanced index and smart beta are examples of systematic approaches.

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	7 years
Standard Risk Measure	7/Very High
Investment style	Active
Manager style	Single

Asset Allocation	Benchmark (%)
Australian shares	100
Cash	0

Actual Allocation	%
Australian Shares	86.97
Property	6.31
Global Shares	4.04
Cash	2.67

Sector Allocation	%
Financials	31.47
Materials	19.69
Health Care	8.99
Consumer Discretionary	7.24
Industrials	7.01
Real Estate	6.31
Consumer Staples	3.79
Energy	3.79
Communication Services	2.91
Information Technology	2.68
Cash	2.67
Futures	2.31
Utilities	1.13

Top Holdings	%
BHP Group Ltd	9.10
Commonwealth Bank of Australia	9.02
CSL Ltd	5.46
National Australia Bank Ltd	4.61
Westpac Banking Corp	4.30
Australia & New Zealand Banking Group Ltd	3.81
Wesfarmers Ltd	3.33
Macquarie Group Ltd	3.22
Goodman Group	2.47
Rio Tinto Ltd	2.07

Fund Performance

The Fund produced a very strong absolute return for the quarter, close to the benchmark.

Key contributors to performance for the period included underweight positions in Alumina and CSL, as well as an overweight position in Super Retail Group (SUL).

The main detractors from relative performance included overweight positions in Tabcorp and Whitehaven Coal, as well as an underweight position in Wisetech Global. Wisetech Global delivered one of the best results of reporting season, with the logistics software company flagging ongoing earnings growth as new customers were onboarded and additional products rolled out.

Market Review

Australian shares rose strongly in the September quarter, closing up by around 7.8%, as measured by the ASX200 total return index and outperforming international counterparts. Gains were driven by broader global markets, on the back of optimism around a global soft landing scenario. Australia however remained behind many other developed economies' interest rate easing cycles, with relatively higher domestic inflation keeping any potential easing at bay, as at the quarter's end. In regard to sector-specific performance, IT, real estate, materials and consumer discretionary all did well, whilst energy was the main laggard.

Outlook

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

Availability

Product Name	APIR
Flexible Lifetime - Investments (Series 1)	AMP0018AU**
Flexible Lifetime - Investments (Series 2)	AMP1394AU**

**Closed to new and existing investors

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