



# AMP Equity Fund

## Quarterly Investment Option Update

31 December 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](http://www.amp.com.au/performance)

### Investment Option Overview

<b>Investment category</b>	Australian Shares
<b>Suggested minimum investment timeframe</b>	7 years
<b>Standard Risk Measure</b>	7/Very High
<b>Investment style</b>	Active
<b>Manager style</b>	Single

<b>Asset Allocation</b>	<b>Benchmark (%)</b>
Australian shares	100
Cash	0

<b>Actual Allocation</b>	<b>%</b>
Australian Shares	86.30
Property	8.48
Global Shares	3.84
Cash	1.38

<b>Sector Allocation</b>	<b>%</b>
Financials	33.91
Materials	18.69
Health Care	9.41
Industrials	7.50
Consumer Discretionary	7.46
Real Estate	6.89
Energy	3.71
Communication Services	3.53
Consumer Staples	3.29
Information Technology	3.16
Cash	1.38
Utilities	1.07
Futures	-0.02

Top Holdings	%
Commonwealth Bank of Australia	10.36
BHP Group Ltd	8.20
CSL Ltd	5.55
Westpac Banking Corp	4.62
National Australia Bank Ltd	4.57
Australia & New Zealand Banking Group Ltd	3.63
Wesfarmers Ltd	3.22
Macquarie Group Ltd	3.09
Goodman Group	2.80
TELSTRA GROUP LTD	1.95

## Fund Performance

After a very strong year to date, the Fund produced a small negative return for the quarter, though outperformed the benchmark.

Key contributors to performance for the quarter included an underweight position in BHP Group (BHP) and overweight positions in Block (SQ2) and Insignia Financial (IFL). Financial services technology company, Block, continued to outperform, enjoying strong operating momentum and a positive 2025 growth outlook amongst brokers.

The key detractors from relative performance included underweight positions in Commonwealth Bank (CBA) and De Grey Mining (DEG), and an overweight position in Ventia Services (VNT). Ventia Services fell sharply after the ACCC commenced legal proceedings against the company, alleging contraventions of Australian competition law.

## Market Review

Australian shares closed the December quarter down by 0.8%, as measured by the ASX200 total return index, lagging international counterparts. Market sentiment oscillated throughout the period, with shares initially pulling back in October driven by a weak global lead and falls in key commodities, before rising strongly in November on the back of the US election results, then retreating again in December amid continued weak economic growth and sticky domestic inflation. Materials and real estate were the weakest performing sectors, while financials and industrials outperformed. The Australian economy has been somewhat behind the ball relative to many developed peers, with interest rates having not been cut in 2024 due to comparatively higher underlying inflation and despite lacklustre GDP growth - particularly on a per capita basis. Signs inflation is finally approaching target levels however are now emerging.

## Outlook

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

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## 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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