



Specialist Australian Share

Quarterly Investment Option Update

30 June 2025

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	7 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	10.68
Australian Shares	82.37
Property	5.48
Cash	1.47

Sector Allocation	%
Financials	25.82
Materials	19.53
Health Care	11.80
Consumer Discretionary	9.14
Industrials	7.41
Information Technology	6.00
Communication Services	5.22
Real Estate	4.63
Consumer Staples	4.48
Energy	3.95
Cash	1.47
Utilities	0.55
Futures	0.00

Top Holdings	%
Commonwealth Bank of Australia	6.16
BHP Group Ltd	4.28
CSL Ltd	3.40
Australia & New Zealand Banking Group Ltd	2.82
Woodside Energy Group Ltd	2.71
TELSTRA GROUP LTD	2.17
National Australia Bank Ltd	2.13
Westpac Banking Corp	2.09
Wesfarmers Ltd	2.01
Macquarie Group Ltd	1.97

Fund Performance

The Investment Option produced a strong absolute return for the quarter, though underperformed its benchmark. The full financial year also saw a strong absolute return. Longer-term performance meanwhile remains solid.

The Investment Option's underlying managers generally underperformed over the quarter, in what was a volatile period as the US tariff situation played out. Stock selection contributed negatively, particularly within the consumer discretionary sector. Asset allocation also detracted from performance, with an underweight to financials impacting the Investment Option's return as the sector rose, driven by broader market optimism and reasonably stable economic data, particularly in the US.

An overweight holding in counter-drone technology company DroneShield (+151%), was the largest individual stock contributor to the relative return. The stock soared over the quarter (+30%) amid growing earnings and further new contract announcements. Overweight positions in digital financial services company Zip Co (+90%) and gold producer Pantoro (+5%) were also among the top contributors.

An overweight holding in student placement provider, IDP Education, was the largest individual detractor from the relative return. The company's shares fell (-61%) due to falling student placements amid a tendency towards stricter immigration policies in many key western countries. Other significant detractions to the relative return for the quarter came from being underweight Commonwealth Bank (+22%) and an overweight holding in personal protective equipment producer Ansell (-10%).

Market Review

Australian shares were largely driven by international market movements in the June quarter, achieving a similar stellar return of 9.5%, as measured by the ASX200 total return index. This was despite significant falls earlier in the period due to fears sparked by the early April US tariff announcements. Over the following weeks however, markets steadily clawed back territory amid progressing global trade dialogue and resilient corporate earnings and economic growth, particularly in the US. Further, with Australian inflation now finally back within the RBA's target band, the central bank made another rate cut in May, while markets subsequently moved to price in several more cuts in 2025 against a backdrop of weak but still-positive domestic economic growth, all of which further boosted Australian shares. Regarding sector-specific returns, IT stocks were the top performers, riding the ongoing wave of global demand for AI and cloud-based solutions. Materials stocks meanwhile showed some weakness, not helped by ongoing Chinese economic issues.

Outlook

Despite the RBA having entered a rate cutting cycle, trepidation remains regarding the speed of domestic economic recovery, the ability of corporates to grow profitability over the near-term, and broader issues such as housing affordability, immigration and energy usage. While the overall economic climate remains difficult, 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 bouts of volatility likely, as always, along the way.

Availability

Product Name	APIR
Flexible Lifetime - Investments (Series 1)	AMP0854AU**
Flexible Lifetime - Investments (Series 2)	AMP1410AU**
SignatureSuper	AMP0797AU
SignatureSuper - Allocated Pension	AMP1150AU
SignatureSuper - Term Pension	AMP1150AU*

*Closed to new investors

**Closed to new and existing investors

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