

Australian Share Index

Quarterly Investment Option Update

30 June 2020

Aim and Strategy

The strategy aims to provide returns that track the S&P/ASX 300 Accumulation Index with net dividends reinvested. Investments into the Australian shares asset class will be attained through the use of low cost index-focused investment managers.

Investment Option Performance

To view the latest investment performances for each product, please visit www.amp.com.au

Investment Option Overview

Investment category	Australian Shares
Suggested minimum investment timeframe	7 years
Relative risk rating	High
Investment style	Index
Manager style	Single

Asset Allocation	Benchmark (%)
Australian Shares	100
Cash	0

Actual Allocation	%
International Shares	2.93
Australian Shares	86.48
Listed Property and Infrastructure	10.03
Cash	0.56

Sector Allocation	%
Financials	26.77
Materials	19.42
Health Care	12.12
Industrials	7.32
Consumer Discretionary	7.02
Real Estate	6.77
Consumer Staples	6.42
Communication Services	4.12
Energy	3.98
Information Technology	3.62
Utilities	1.86
Cash	0.57

Top Holdings	%
CSL Ltd	7.78
Commonwealth Bank Australia	7.33
BHP Group Ltd	6.29
Westpac Banking Corp	3.86
National Australia Bank Ltd	3.48
Australia & New Zealand Banking Group Ltd	3.17
Wesfarmers Ltd	3.04
Woolworths Group Ltd	2.80
Macquarie Group Ltd	2.32
Transurban Group	2.30

Market Review

In line with broader global markets, Australian shares recorded an extremely strong June quarter, as stocks rebounded from their lows experienced at the height of the COVID-19 related market panic in late March. The market finished the quarter up by 16.5%, as measured by the S&P/ASX 200 index on a total return basis. The relative success of Australia's COVID-19 containment measures, which saw authorities begin lifting mandatory lockdowns, combined with unprecedented fiscal stimulus drove the market's surge. Later in the quarter, economic indicators, such as business confidence, retail sales and trade figures, appeared to confirm the Australian economy was indeed in recovery mode. Amid all the bullishness, concerns of recent months however remained - and in some cases actually grew - such as tensions with China, potential second waves of infections (particularly in Melbourne), a rising Australian dollar and still most pressingly, COVID-19's effect on company earnings. The standout performer at a sector level was information technology (IT), which rose by a remarkable 48.7% during the period. This small, but fast-growing sector of the Australian economy appears to have benefitted in many ways from the COVID-19 crisis, as changing consumer behaviour and a shift towards online activities has led to increasing tailwinds for many IT businesses. Consistent with a rebound in the economy, defensive sectors underperformed.

Outlook

Australian shares will likely continue to be primarily driven by global markets. Like its international peers, Australia's economic growth has slumped, though evidence of a bounce-back is already emerging. Australia's greater degree of government stimulus (relative to other countries) should help support Australian shares, though there are some near-term risks, such as souring trade relations with China and a lack of earnings visibility for many companies. Given large price-rises since the March lows, we believe investors should be selective and, as always, keep an eye on the longer-term.

Availability

Product Name	APIR
CustomSuper	AMP0057AU
Flexible Lifetime - Allocated Pension	AMP0592AU
Flexible Lifetime - Super	AMP0057AU
Flexible Lifetime - Term Pension	AMP0892AU
SignatureSuper	AMP0782AU
SignatureSuper - Allocated Pension	AMP1136AU

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