

Schroder Australian Equities

Quarterly Investment Option Update

31 March 2021

Aim and Strategy

To outperform the S&P/ASX 200 Accumulation Index after fees over the medium to long term by investing in a broad range of companies from Australia and New Zealand. With an established pedigree of investing in Australian equities for over 50 years, the Schroder Australian Equity option is an actively managed core Australian equity portfolio with a focus on investing in quality stocks predominantly in Australia characterised by strong returns on capital with a sustainable competitive advantage. The option draws on Schrodgers' deep research capabilities, with a long term focus on investing, it is suitable as a core portfolio holding over the medium term to long term.

Investment Option Performance

To view the latest investment performances for each product please visit amp.com.au/performance

Investment Option Overview

Investment Category	Australian Shares
Suggested Investment timeframe	3 - 5 years
Relative risk rating	6 / High
Investment style	Core
Manager style	Single Manager

Asset Allocation	Benchmark (%)	Actual (%)
Equities	100	99.27
Cash	0	0.73

Sector Allocation	%
Energy	4.10
Materials	30.98
Industrials	9.54
Consumer Discretionary	2.58
Consumer Staples	8.51
Health Care	5.15
Information Technology	2.00
Communication Services	7.21
Utilities	1.08
REITs	3.67
Financial-X-Property Trusts	24.45
Energy	4.10

Top Holdings	%
BHP Group Ltd	6.3%
Telstra Corporation Limited	5.0%
Commonwealth Bank of Australia	4.7%
South32 Ltd.	4.3%
Westpac Banking Corporation	3.8%
Woolworths Group Ltd	3.7%
National Australia Bank Limited	3.4%
Rio Tinto Limited	3.1%
Brambles Limited	3.0%
ANZ Banking Group Ltd.	3.0%

Portfolio Summary

The S&P / ASX 200 Accumulation Index rose by 4.3%, while the Schroder Wholesale Australian Equity Fund outperformed the index during the quarter (before fees).

Investment Option Commentary

During the quarter, the Fund added value through stock selection. Notably, overweight allocation to stocks within the Materials sector (Incitec Pivot, Fletcher Building and South32) have benefited from strengthening in commodity prices and contributed to the overall Fund performance. Additionally, underweight to both Health Care and Information Technology sectors also added value. Detracting from performance included an underweight allocation to Financials and Consumer Discretionary and overweight positions in the Utilities and Energy sectors.

At a stock level, contributors included underweight positions in CSL and AfterPay, along with the overweight tilts to NewsCorp and Telstra. Detracting from performance were overweight positions in Coles, Deterra Royalties and Contact Energy. The underweight position in the ANZ Bank also detracted from performance.

Over five years, all ASX sectors are up with the exception of Telcos, where Telstra has been the perennial laggard. Over the past Covid year, however, more balance has entered the picture, with IT still being, by far, the dominant sector driving returns but with Materials being the next best performer, dominated by the iron ore names especially Fortescue. Several sectors – Energy, Utilities, Industrials, REITS and Health Care – underperformed. A year ago, was Health Care seen as the obvious underperformer through the course of a pandemic? More broadly, Schrodgers would describe that performance through the last year as less of a value rally than as a balanced market, just as the so-called value rally on the ASX through recent months has been narrowly led by the banks, where lagged performance until the past several months is now starting to mirror the rage arising in the housing market.

Availability

Product Name	APIR Code
AMP Flexible Super - Super	AMP1504AU
AMP Flexible Super - Retirement	AMP1375AU
CustomSuper	AMP0465AU
Flexible Lifetime - Super	AMP0465AU
Flexible Lifetime - Allocated Pension	AMP0636AU
Flexible Lifetime - Term Pension	AMP0944AU
Flexible Lifetime - Investments (Series 1)	AMP0995AU**
Flexible Lifetime - Investments (Series 2)	AMP1438AU**
SignatureSuper	AMP0813AU
SignatureSuper Select	AMP0813AU
SignatureSuper - Allocated Pension	AMP1177AU

**Closed to new and existing investors

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