

Australian Share Index

Quarterly Investment Option Update

30 September 2021

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/performance

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	4.37
Australian Shares	83.61
Listed Property and Infrastructure	10.77
Cash	1.25

Sector Allocation	%
Financials	29.77
Materials	17.17
Health Care	10.20
Consumer Discretionary	8.32
Industrials	7.26
Real Estate	7.17
Consumer Staples	5.16
Information Technology	4.76
Communication Services	4.22
Energy	3.28
Utilities	1.46
Futures	1.19
Cash	0.04

Top Holdings	%
COMMONWEALTH BANK AUST	8.48
CSL Ltd	6.12
BHP Group Ltd	5.07
WESTPAC BANKING CORP	4.37
National Australia Bank Ltd	4.20
Australia & New Zealand Banking Group Ltd	3.67
Wesfarmers Ltd	2.89
Macquarie Group Ltd	2.87
Woolworths Group Ltd	2.28
Telstra Corp Ltd	2.14

Market Review

Australian shares continued to rise through July and August to new record highs, before pulling back in September in line with global volatility to finish the quarter up by 1.71%, as measured by the S&P/ASX 200 index on a total return basis, with dividends being a major contributor to the index's return. Capital management activity was a feature through the quarter, reflected in announcements of significant dividend increases, buybacks and takeovers. The August reporting season was generally positive, with many companies reporting strong revenue and earnings growth, though outlook statements unsurprisingly remained cloudy in nature as the pandemic continues to play out. Keeping a lid on further optimism however were several lockdowns around the country, which continued to heavily hit employment and growth. During September, share prices were also impacted by broader global concerns such as Chinese growth, volatile commodity prices, solvency concerns for Chinese property developer, China Evergrande Group and US-centred inflationary concerns. On a sector basis performance was quite divergent over the quarter. Energy stocks were strong performers amid soaring energy commodity prices, due to global supply issues. Materials stocks however were weak performers, mainly due to Chinese demand concerns for the medium-term.

Outlook

Australian equities will likely continue to be primarily influenced by global markets, however the economic backdrop is complicated by shifting domestic policy on handling the pandemic amid further lockdowns. While the vaccine rollout has accelerated markedly, Australia remains largely closed-off relative to much of the world and the issue of different attitudes towards reopening between state governments is likely to continue to cause uncertainty.

Despite this, Australia's greater degree of government stimulus relative to other countries and low COVID-19 cases from an international perspective should aid the recovery process, even though it is now taking longer than some originally anticipated. Large equity price rises since the height of the COVID-19 market-panic in early 2020 have likely increased the risk of a correction, though bullish sentiment pulled back somewhat in September, which is positive from a contrarian perspective. Stepping back to a longer-term timeframe, we believe the trend is likely to remain up, though with some bumps on the way, as is usually the case in stock markets. We continue to believe investors should be selective and, as always, maintain a longer-term perspective.

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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