

Australian Share Index

Quarterly Investment Option Update

31 December 2021

Aim and Strategy

The strategy aims to provide returns that closely match the S&P/ASX 300 Accumulation Index with net dividends reinvested before fees and taxes. Exposure to 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	Very High
Investment style	Index
Manager style	Single

Asset Allocation	Benchmark (%)
Australian shares	100
Cash	0

Actual Allocation	%
International Shares	4.51
Australian Shares	83.60
Listed Property and Infrastructure	11.21
Cash	0.68

Sector Allocation	%
Financials	28.22
Materials	19.16
Health Care	10.39
Consumer Discretionary	8.20
Real Estate	7.68
Industrials	7.26
Consumer Staples	4.96
Information Technology	4.55
Communication Services	4.35
Energy	3.20
Utilities	1.35
Futures	0.62
Cash	0.07

Top Holdings	%
COMMONWEALTH BANK AUST	7.79
CSL Ltd	6.28
BHP Group Ltd	5.54
National Australia Bank Ltd	4.29
Westpac Banking Corp	3.54
Australia & New Zealand Banking Group Ltd	3.52
Macquarie Group Ltd	3.29
Wesfarmers Ltd	3.04
Telstra Corp Ltd	2.24
Woolworths Group Ltd	2.08

Market Review

Despite a strong international lead, Australian shares range-traded for much of the December quarter against a backdrop of mixed sentiment, before a small Santa Claus rally at year-end led the S&P/ASX 200 index to finish up by 2.09% on a total return basis. Economic data released throughout the quarter was generally consistent with a strong bounce-back following the removal of various Delta-wave lockdowns and restrictions prior to the period, though inflation continued to rise. The latest new COVID-19 variant, Omicron, meanwhile added uncertainty, though state governments have so far been somewhat more restrained with reintroducing restrictions amid high vaccination rates, as well as growing fatigue towards restrictions in general from the public. Given the global inflationary environment, speculation on future interest rate rises was a theme, which impacted sentiment towards some sectors. At a sector level, materials and utilities were the clear outperformers, likely owing respectively to rising commodity prices and a growing search for shelter from inflation. Energy and information technology (IT) meanwhile pulled back over the period, as some pessimism spilled over from global markets amid ongoing supply constraints as well as some specific overseas IT company issues.

Outlook

With national vaccination levels now high and international borders more open (albeit with some limitations and restrictions), businesses confidence has improved significantly relative to earlier in the pandemic. However, this continues to be complicated by different attitudes towards reopening between state governments, which will continue to undermine confidence until resolved. Similar to overseas, domestic inflation remains a concern, with the Reserve Bank of Australia (RBA) now subtly suggesting it may raise rates a little earlier than initially expected, though also reiterating it will not be rushed. Corporate earnings and growth, meanwhile, remain generally solid. Stepping back to a longer-term timeframe, we believe the market will ultimately continue to rise, though with some bumps on the way, as is usually the case. We continue to believe investors should be selective and, as always, maintain a longer-term perspective.

Availability

Product Name	APIR
SignatureSuper	AMP0782AU
SignatureSuper - Allocated Pension	AMP1136AU
SignatureSuper Term Pension	AMP1136AU

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