

Australian Share Index

Quarterly Investment Option Update

30 June 2022

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 this 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	3.80
Australian Shares	86.24
Listed Property and Infrastructure	9.05
Cash	0.91

Sector Allocation	%
Financials	27.20
Materials	23.45
Health Care	9.99
Consumer Discretionary	6.49
Real Estate	6.38
Industrials	6.12
Energy	5.79
Consumer Staples	5.17
Communication Services	4.05
Information Technology	3.02
Utilities	1.43
Futures	0.82
Cash	0.09

Top Holdings	%
BHP Group Ltd	10.37
COMMONWEALTH BANK AUST	7.66
CSL Ltd	6.44
NATIONAL AUSTRALIA BANK	4.39
WESTPAC BANKING CORP	3.38
Australia & New Zealand Banking Group Ltd	3.08
Woodside Energy Group Ltd	2.99
MACQUARIE GROUP LTD	2.95
WESFARMERS LTD	2.36
TELSTRA CORP LTD	2.23

Market Review

Australian shares fell significantly over the June quarter on the back of broader global falls, with the S&P/ASX 200 index returning -11.9% (on a total return basis) for the period. Similar to international shares, Australian share prices continued to be driven by rising interest rates, higher inflation and fears of recession. Australian corporate earnings, which are weighted towards financials largely on the back of residential property, also added to concern as the housing sector came under further pressure amid the rising rate environment. A number of major home builders also experienced financial strife during the period, further impacting confidence. On the positive side, Australia's economy continues to reap benefits from high commodity prices, particularly coal, which recently overtook iron ore as our largest export. However, a turbulent, struggling energy market, not helped by the war in eastern Europe, impacted energy stocks over the period. At a sector level, information technology (IT) was the weakest performer as the segment continued its global correction which began in 2021. Real estate and financials also struggled over the quarter. Relatively better performance meanwhile was seen in more defensive sectors, such as utilities and healthcare.

Outlook

Corporate earnings growth in Australia remains reasonably strong, with earnings and dividends still growing, though at a slightly reduced rate. Cost pressures however are impacting businesses and, in many cases, are being passed onto the customer. The broader economy exhibits strong employment levels and terms of trade, however consumers' ability to spend is falling as interest rates rise. Like overseas markets, inflation remains a prime concern, reflected by a hawkish RBA. The downturn in housing is also a concern for equity markets as interest rates rise. Longer-term, we believe the market will continue its upwards path, with volatility in the shorter-term likely to provide opportunities along the way.

Availability

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

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