



# Core Retirement Fund

Quarterly Communication — Platform

December 2024



The Fund aims to provide smooth and steady returns by investing in a portfolio of assets spread across different classes, sectors and geographies.

The Fund is actively managed and has the ability to change the portfolio's asset mix in order to navigate the ups and downs of the investment cycle. It also uses risk management strategies to help protect savings from market falls which is important for investors who will be drawing down on their savings to fund their retirement.



## This quarter in brief

### Fund performance & markets

The Fund produced a negative return for the December quarter. Global shares rose further over the period, buoyed by optimism around market-friendly policies of the incoming US administration, such as potential tax cuts and deregulation.

Australian shares however lagged, falling slightly on the back of continued domestic economic weakness. Global bonds meanwhile saw some negative total returns, as yields rose amid fluctuating rhetoric from central banks on the path of global interest rates.

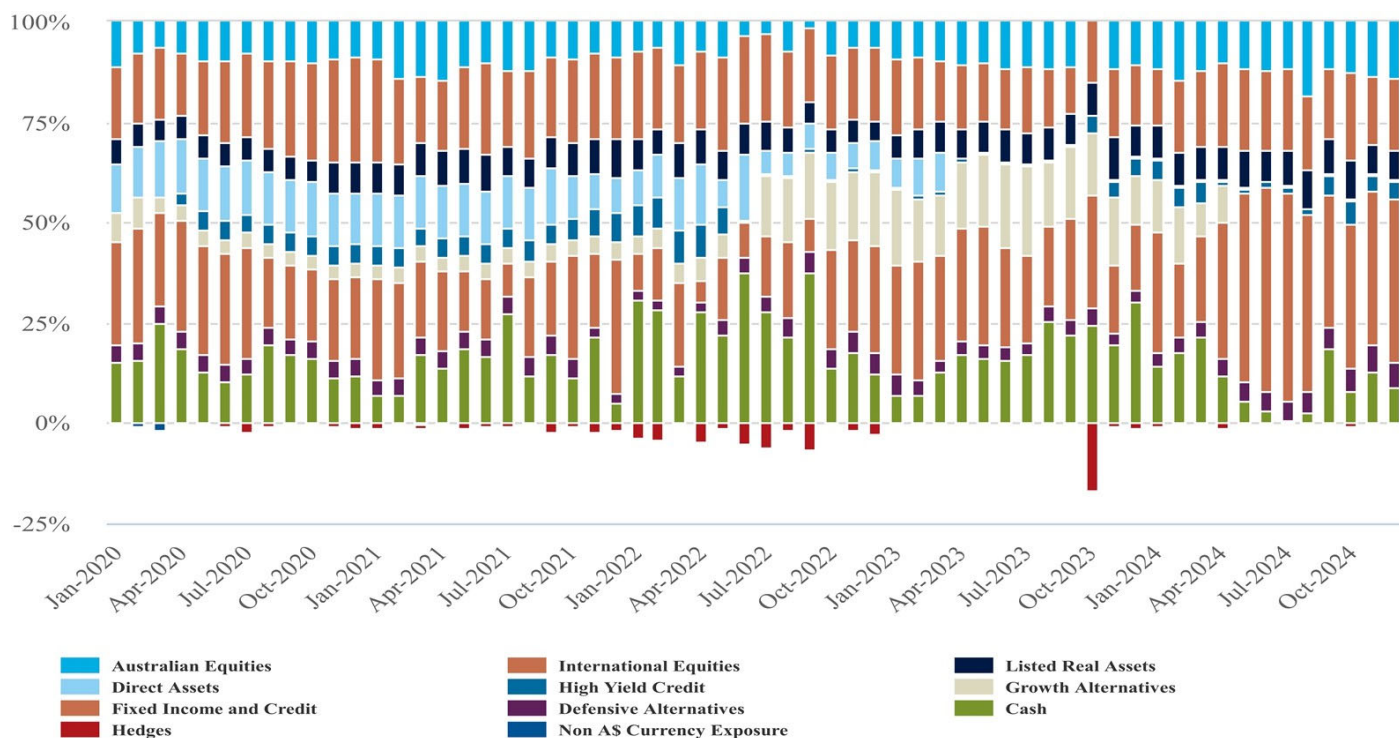
### Portfolio activity:

Active tilts in the portfolio added value over the quarter, primarily driven by a long position in bitcoin futures and active trading in VIX futures. The fund was overweight equities during most of November and December, while gradually turning from being long on bonds to a holding short position over the quarter.

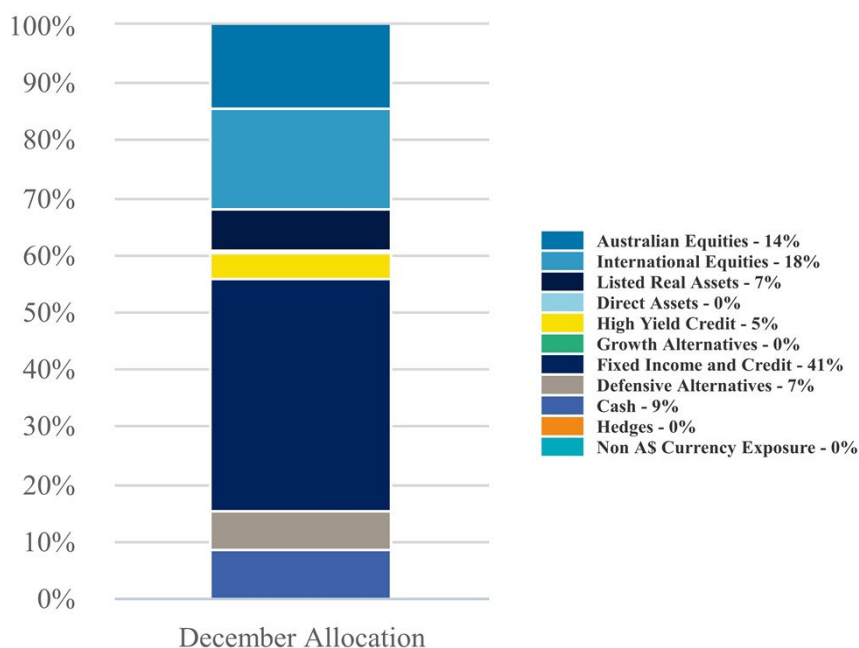
### Outlook

We are positive on our outlook for economies and markets, but do expect higher volatility going forward due to US policy pronouncements. Should a meaningful sell-off occur, we would view this as an attractive buying opportunity. The future appears bright as AI adoption improves productivity, but given market valuations remain high in the US - in equities and notably in credit, this creates a degree of market fragility, which may become evident should a negative shock occur.

# Flexible allocations to navigate market movements



A mix of assets to manage risk



## Here's how the fund performed

|  | 1mth % | 3mth % | 1yr % | 2yr % | 3yr % | 5yr % | Since Inception %* |
|--|--------|--------|-------|-------|-------|-------|--------------------|
| <b>Total return (before fees &amp; incl. franking credits)</b> | -1.70  | -1.85  | 3.44  | 3.19  | 0.57  | 1.52  | 2.92               |
| <b>CPI + 3.5% (gross of fee objective)</b>                     | 0.36   | 1.09   | 6.01  | 6.84  | 8.40  | 7.33  | 6.57               |
| <b>Excess return above objective</b>                           | -2.07  | -2.94  | -2.57 | -3.65 | -7.83 | -5.81 | -3.65              |
| <b>Total return (after fees &amp; incl. franking credits)</b>  | -1.70  | -1.82  | 3.74  | 3.50  | 0.99  | 1.93  | 3.33               |

\* Past performance is not a reliable indicator of future performance. The inception date for unit Class A is 21 July 2016. Performance is annualised for periods greater than one year. Total returns are calculated using the unit price which uses the net asset values for the relevant month end. This price may differ from the actual unit price for an investor applying for or redeeming an investment. Actual unit prices will be confirmed following any transaction by an investor. Returns quoted are before tax, after Class A fees and costs, and assume all distributions are reinvested.

| FUND DETAILS                           |   |
|--|---|
| Inception date                         | 21 July 2016  |
| Fund size                              | \$36.02 million   |
| Distribution frequency                 | Quarterly   |
| APIR code                              | AMP2087AU   |
| Suggested minimum investment timeframe | 5 years   |
| Investment objective                   | The Fund aims to deliver returns of CPI + 3.5% (before fees, inclusive of franking credits) over rolling five years. This return objective is based on modelling by AMPI to test income volatility at various levels of risk which concluded this to be the level suitable for retirees drawing down capital. The Fund is managed to a targeted absolute volatility range of 3 - 7% over five years. These return objective and risk management parameters are internal targets only, and do not form part of the externally disclosed investment objective for the post-retirement Funds. The performance benchmark of the Fund is CPI + 3.5% before fees and inclusive of franking credits. |

\*Inflation means the Reserve Bank of Australia inflation rate (Consumer Price Index) – trimmed mean (published on rba.gov.au).

## Portfolio Managers



**Stuart Eliot,**  
Head of Portfolio Management

Stuart brings more than 30 years of diverse financial markets experience to the stewardship of our client's funds. Before joining AMP in April 2022 he spent 12 years with Pandal Group where he was Senior Portfolio Manager, Multi-Asset Investments since 2016, and previously Portfolio Manager, Diversified Funds since 2009. Prior to joining Pandal, he held senior investment banking, trading and quantitative research roles, encompassing multiple asset classes, at several leading investment banks. Stuart holds a BCom (Actuarial Studies) from Macquarie University.



**Jeronimo Harrison,**  
Senior Portfolio Manager

Jeronimo joined AMP in 2016. His responsibilities include research, risk management, portfolio construction and generating trade recommendations. Prior to joining AMP, Jeronimo was an Investment Analyst within the AMP Group corporate venture capital fund. Jeronimo holds a double degree in Commerce (Finance) and Mechanical Engineering (Hons. Class 1) from the University of Sydney and is a CFA Charterholder.

## CONTACT DETAILS

For more information on the Fund including fees, product features, benefits and risks, talk to your adviser or call us on 133 267 or visit [www.amp.com.au/investments](http://www.amp.com.au/investments)

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