



# AMP Capital Balanced Growth

Quarterly Investment Option Update

31 March 2021

## Aim and Strategy

To provide primarily capital growth with some income after costs and before tax, above the strategy's performance benchmark on a rolling 3 year basis, by investing across a range of asset types, with high exposure to growth assets. The strategy aims to provide investors with exposure to a diversified range of Australian and international growth sources across asset classes including shares, Australian listed property trusts, and global listed property securities.

## Investment Option Performance

To view the latest investment performances for each product, please visit [www.amp.com.au/performance](http://www.amp.com.au/performance)

## Investment Option Overview

|   |               |
|---|---------------|
| <b>Investment category</b>                    | Multi-Sector  |
| <b>Suggested minimum investment timeframe</b> | 5 years       |
| <b>Relative risk rating</b>                   | High          |
| <b>Investment style</b>                       | Active        |
| <b>Manager style</b>                          | Multi-manager |

| <b>Asset Allocation</b>            | <b>Benchmark (%)</b> |
|------------------------------------|----------------------|
| International shares               | 32                   |
| Australian Shares                  | 27                   |
| Australian Fixed Interest          | 15                   |
| Listed Property and Infrastructure | 11                   |
| International Fixed Interest       | 10                   |
| Cash                               | 5                    |
| Defensive Alternatives             | 0                    |
| Growth Alternatives                | 0                    |

| <b>Actual Allocation</b>           | <b>%</b> |
|------------------------------------|----------|
| International Shares               | 33.94    |
| Australian Shares                  | 27.49    |
| Listed Property and Infrastructure | 12.81    |
| International Fixed Interest       | 7.52     |
| Australian Fixed Interest          | 14.60    |
| Cash                               | 3.63     |

## Fund Performance

The Option delivered a strong positive return over the March quarter, its fourth consecutive period of positive performance. Growth assets continued to be the key driver of performance, as broad-based optimism drove share markets higher, while more defensive assets weakened over the period. The Option outperformed its neutral benchmark (on a gross basis), largely due to strong performance by underlying managers, and this also positively impacted performance relative to peers. Longer term performance remains robust and largely ahead of peer median.

In share markets, investors reacted positively to the execution of a US\$1.9 trillion US economic stimulus bill, the American Rescue Plan Act, as well as strong progress on the vaccine rollout in the US and UK. Further economic support and the continued inoculation effort are expected to allow global economies to sustainably reopen and realise strong economic growth throughout 2021. Overall, the S&P/ASX 200 index ended the quarter up 4.3% while the MSCI World ex Australia index closed 6.2% higher (in local currency), largely driven by sharp gains in value stocks and commodities. The Australian share allocation performed broadly in line with the market and the international share allocation outperformed due to strong gains in value-led strategies.

In fixed income markets, government bonds and investment-grade credit retraced recent gains as interest rates rose sharply due to increased stimulus and an optimistic outlook. The fixed income allocation was similarly impacted, particularly those underlying managers with longer duration positions. Conversely, the unlisted assets and alternatives allocations, particularly private equity, gained as positive revaluations boosted returns.

Looking ahead, we remain cautiously optimistic for 2021. As the COVID-19 vaccine rollout continues to gain pace globally and the hospitalisation rate continues to trend downward, economies are able to ramp up their re-opening efforts, which could set them up for an economic boom. Against this backdrop, we look favourably upon shares relative to bonds. However, the sharp 'V-shaped' recovery has left markets somewhat susceptible to a correction. Consequently, our positioning has remained unchanged. We continue to maintain an active, well-diversified asset exposure, which should help mitigate volatility should this scenario arise.

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## Availability

| Product Name                               | APIR        |
|--|-------------|
| Flexible Lifetime - Investments (Series 1) | AMP0013AU** |
| Flexible Lifetime - Investments (Series 2) | AMP1391AU** |

\*\*Closed to new and existing investors

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