

AMP Capital Multi Asset

Quarterly Investment Option Update

31 March 2021

Aim and Strategy

To provide a total return (income and capital growth) before costs and tax of 5.5% pa above the trimmed mean Consumer Price Index (CPI) on a rolling five-year basis by investing in a diversified portfolio with broad asset allocation ranges. The portfolio invests across a range of traditional asset classes such as shares, credit, cash, fixed income and property, and is further diversified by investment in alternative assets, such as infrastructure and absolute return strategies, which are generally more illiquid. Exposure to a broad range of asset classes is achieved either through investment in underlying investments or direct investment into an asset. Set within a dynamic asset allocation framework, the portfolio's asset classes and asset allocation ranges are determined with reference to the portfolio's risk and liquidity guidelines. Asset class allocation and ranges may vary at any stage of the investment cycle. There is no guarantee that the asset allocation strategy will provide positive returns at all stages of the investment cycle. Throughout the investment cycle, when necessary, the portfolio will be rebalanced with the aim of ensuring that exposure to illiquid assets is no greater than 20% of the portfolio. The portfolio may also have exposure to currencies through both actively-managed investment strategies and risk management processes. International investments may be partially or fully hedged back to Australian dollars. The portfolio and its underlying managers or direct investments may use derivatives such as options, futures, forwards and swaps. The investment manager imposes restrictions on the use of derivatives within the portfolio and monitors the

implementation of these restrictions in accordance with their risk management processes on the use of derivatives. Underlying managers or strategies in which the portfolio invests may use short selling.

Investment Option Performance

To view the latest investment performances for each product, please visit www.amp.com.au/performance

Investment Option Overview

Investment category	Multi-Sector
Suggested minimum investment timeframe	5 years
Relative risk rating	Medium to High
Investment style	Active
Manager style	Multi-manager

Asset Allocation	Benchmark (%)
Australian Shares	N/A
Cash	N/A
Defensive Alternatives	N/A
Growth Alternatives	N/A
International Fixed Interest	N/A
International shares	N/A
Listed Property and Infrastructure	N/A
Unlisted Property and Infrastructure	N/A

Actual Allocation	%
International Equities	26.17
Cash	17.07
Australian Equities	14.24
Fixed Income and Credit	9.78
Direct Assets	7.99
Defensive Alternatives	7.70
High Yield Credit	7.54
Listed Real Assets	7.37
Growth Alternatives	4.47

Fund Performance

The Fund produced a positive return over the March quarter. First quarter return contributors were broad-based across the portfolio with notable gains through developed market equities, alternatives and listed real assets. Government and inflation-linked bonds detracted as yields rose sharply through the latter half of the period, reflecting the view that progressive vaccine distribution is conducive to resurgent economic growth which, in turn, leads to higher inflation and correspondingly higher bond yields.

Market Review

Share markets were volatile over the March quarter overall as uncertainty increased around the potential effect of upward pressure on bond rates, evidenced toward the tail-end of the quarter, nascent inflationary pressures, and how central banks will react in the current environment. There were also some concerns over the pace of vaccine rollout in some countries, supply bottlenecks, and the general pace of economic recovery. However, countering this, global share markets saw some support in the period from improving visibility developing around these areas. Despite this, technology stocks continue to exhibit some risk-on / risk-off vacillation around potentially excessive valuations and the ongoing rotation bias from growth into value.

In the US, the US\$1.9 trillion support programme was passed in an attempt to provide further stimulus to the economy and make good an initial election promise to reduce some economic inequality. Markets are hoping the programme will be able to stimulate activity without stoking inflation. The passing of the bill has imparted some confidence to the new administration and Joe Biden gave his first press conference, albeit somewhat later than expected, with optimism.

Outlook

Over the medium term, our outlook remains bullish given very strong stimulus progress, supportive policy via low rates, and ultimately vaccine success. The Fund's equity exposure remains slightly above its longer-term history, and our forward-looking risk measures are above neutral, in alignment with our positive outlook. We believe the environment presents significant opportunities which will benefit active strategies with well-defined processes and flexibility over those that are more passive or market-following. We expect active strategies within the equities and alternative components of the portfolio to continue to contribute strongly to returns.

Availability

Product Name	APIR
AMP Flexible Super - Retirement	AMP1768AU
AMP Flexible Super - Super	AMP1756AU
CustomSuper	AMP1709AU
Flexible Lifetime - Allocated Pension	AMP1717AU
Flexible Lifetime - Super	AMP1709AU
SignatureSuper	AMP1734AU
SignatureSuper - Allocated Pension	AMP1743AU
SignatureSuper Select	AMP1734AU

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