



AMP Capital Balanced Growth

Quarterly Investment Option Update

30 June 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

Investment Option Overview

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

Asset Allocation	Benchmark (%)
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

Actual Allocation	%
International Shares	33.43
Australian Shares	27.57
Listed Property and Infrastructure	12.21
International Fixed Interest	7.43
Australian Fixed Interest	14.00
Cash	5.37

Fund Performance

The Option delivered a positive gain over the June quarter, rounding off an exceptionally strong performance for the 2020-21 financial year. Most asset classes posted positive returns over the quarter, with domestic and international share markets delivering the strongest returns. The Option outperformed relative to its benchmark (before fees), and also performed well compared to its peers over the period.

Share markets moved higher due to supportive monetary and fiscal policy, combined with continued economic recovery, which was enabled by the accelerating inoculation effort across developed countries. Manufacturing and service sector activity rose strongly, and against this backdrop most share market sectors rallied. The S&P/ASX 200 index ended the quarter up 8.3% while the MSCI World ex Australia index closed 7.6% higher (in local currency terms). Listed property and infrastructure sectors made meaningful gains following assurances from the US Federal Reserve that any tightening in the near term is unlikely. Within the Option, broad Australian and international share exposures performed largely in line with markets. However, exposures to more value-driven, yield-sensitive sectors such as listed property and infrastructure outperformed, boosting overall performance.

Fixed income markets, government bonds and investment grade credit moved sideways as yields remained largely range bound. The Option's underlying fixed income managers outperformed the market. Unlisted assets, particularly private equity, as well as alternatives such as 'style premia' strategies, also generated positive returns as revaluations rose alongside listed markets.

Looking ahead, we remain cautiously optimistic about the outlook for markets. As the COVID-19 vaccine rollout continues to gain pace and economic growth follows on the back of the gradual rollback in lockdown measures, we believe the recovery theme remains intact. Against this backdrop, we look favourably upon shares relative to bonds. However, new COVID-19 variants and inflationary concerns has left markets somewhat susceptible to a correction. The Option maintains an active, well-diversified asset exposure which should continue to support return resilience in this environment.

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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