

AMP Capital Balanced Growth

Quarterly Investment Option Update

30 September 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	33.12
Australian Shares	28.19
Listed Property and Infrastructure	11.40
International Fixed Interest	9.92
Australian Fixed Interest	14.95
Cash	2.43

Fund Performance

The Option delivered a positive gain over the September quarter, despite bouts of volatility throughout the period. Performance was mixed for most asset classes, with share allocations starting off strongly then selling off in September as global sentiment deteriorated. The Option performed broadly in line with the neutral benchmark over the quarter (before fees), as positive underlying manager performance in listed real asset sectors was offset by slight underperformance in broader share and international bond exposures. The Option underperformed against its peers over the period.

July and August saw share markets continue to move higher as a strong earnings season and dovish global central banks buoyed investor sentiment. However, growth and inflationary concerns late in the period saw most global share markets retrace earlier gains. Overall, the S&P/ASX 200 index ended the quarter up 1.7% while the MSCI World ex Australia index closed 0.6% higher (in local currency terms). Emerging market shares ended down 2.8% (in local currency terms) as increased regulations in China as well as the potential default of large Chinese property developer, Evergrande, saw investors rotate out of the region. Listed real assets also started strong but gave up a portion of gains by quarter end as concerns about China increased, and as global economic growth weakened. Within the Option, broad Australian and international share allocations slightly underperformed benchmark, but still generated a positive return. Exposures to inflationary-driven, yield-sensitive sectors, such as property and infrastructure, outperformed and boosted overall Option performance.

In fixed income markets, government bonds and investment grade credit tracked sideways as yields remained largely range bound. Within the Option, underlying fixed income manager performance was mixed as domestic allocations underperformed while international allocations exceeded benchmark. Unlisted assets, particularly private equity, as well as absolute return strategies, also generated small gains in line with listed markets.

Despite increased volatility over the quarter, we remain optimistic about the remainder of 2021. With the global economy on the path to recovery, we continue to look favourably upon shares relative to bonds. However, the impact of the pandemic during the northern hemisphere winter, as well as inflationary concerns and future tightening of monetary policy, has left markets somewhat susceptible to a short-term correction. Maintaining an active, well-diversified asset exposure in addition to a focus on the long term should aid portfolio resilience and performance outcomes.

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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