



AMP Active Balanced

Quarterly Investment Option Update

30 June 2022

Aim and Strategy

To provide a total return (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 this 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 (%)
Global shares	32
Australian shares	27
Australian fixed interest	15
Global fixed interest	10
Listed property	6
Listed infrastructure	5
Cash	5
Defensive alternatives	0
Growth alternatives	0

Actual Allocation	%
International Shares	31.61
Australian Shares	28.90
Listed Property and Infrastructure	10.25
International Fixed Interest	7.54
Australian Fixed Interest	13.83
Cash	7.87

Fund Performance

The Option endured a volatile end to the 2021/22 financial year, generating a negative return in the June quarter and over the year as concerns around inflation, rising interest rates and the conflict in Ukraine weighed on investment markets. Overall, the option performed in line with the neutral benchmark over the quarter and remains ahead over the year. Despite near-term volatility, longer term performance also remains in line with expectations over most key time horizons.

Sentiment deteriorated over the quarter as the increasing chance of recession became the dominant market narrative. Global developed markets retreated -14.4% during the quarter. Emerging market equities also struggled, ending the period -8.1% lower, but outperforming developed markets on the back of easing COVID lockdown restrictions in China. Australian shares fell following the lead from global markets, returning -11.9%. Within the Option, Australian equity and international share exposures slightly underperformed markets, while the overweight position to Australian equities was broadly neutral. Exposures to listed real assets were also constrained as concerns surrounding economic growth outlook limited upside.

Fixed income markets, both government bonds and credit markets, continued to struggle as bond yields shifted higher following interest rate hikes from central banks to combat inflation. Underlying fixed income manager performance was broadly in line with market benchmarks. Weaker performances in listed markets were partially offset by allocations to alternatives and direct assets. Unlisted assets, particularly private equity, remained relatively stable amid market volatility generating a positive return over the quarter. Absolute return strategies were more mixed but still broadly outperformed equity markets.

Looking ahead, markets are likely to remain volatile as concerns around the Ukraine crisis, inflation and tightening monetary policy remain. Despite the potential for short-term fluctuations, there are some green shoots of easing inflationary pressures which may be well received by investors. In this environment, we believe maintaining an active, well-diversified asset exposure in addition to a long-term perspective on performance is important, particularly after a very strong 2021 for the investors.

Availability

Product Name	APIR
SignatureSuper	AMP1936AU*
SignatureSuper - Allocated Pension	AMP1985AU*

*Closed to new investors

Contact Details

Web: www.amp.com.au

Email: askamp@amp.com.au

Phone: 131 267



What you need to know

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