

# AMP Capital Balanced Growth

Quarterly Investment Option Update

30 September 2022

## 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 this 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>	6 / High
<b>Investment style</b>	Active
<b>Manager style</b>	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	28.04
Australian Shares	29.24
Listed Property and Infrastructure	9.53
International Fixed Interest	8.13
Australian Fixed Interest	13.25
Cash	11.81

## Fund Performance

The start to the 2022/2023 financial year saw a continuation of the themes challenging markets over prior months. This led to a negative return in the September quarter for the Option as continued inflationary and economic growth concerns, rising interest rates and geopolitical pressures pushed markets lower. Overall, the Option performed ahead of the neutral benchmark over the quarter and remains comfortably ahead over the year. Despite near-term volatility, longer-term performance also remains in line with expectations over most key time periods.

Investment markets were again under pressure over the quarter. Despite a strong start to the period, markets quickly retreated by quarter end, as global central banks continued to rapidly hike interest rates in an effort to quell high levels of inflation, which in turn stoked investor apprehension that a recession will become increasingly difficult to avoid. Against this backdrop, global developed markets retreated -5% during the quarter. Emerging market equities also struggled, ending the period -8% lower, with China concerns a key catalyst. In contrast, Australian shares outperformed, eking out a small gain as bank and mining stocks supported the market. Within the Option, both, Australian and international share exposures slightly underperformed markets largely due to weaker stock selection by underlying managers. Listed real assets underperformed broader equities as economic growth concerns weighed heavily on the sector, particularly real estate.

In fixed income markets, both government bonds and credit markets continued to struggle as bond yields shifted higher. Underlying fixed income manager performance was mixed, with Australian fixed income outperforming whilst international fixed income was challenged. This underperformance in the listed portion of the Option was largely offset by strong gains in unlisted assets and alternatives. 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 performed well relative to equities and fixed income.

As we move towards year end, we believe markets are likely to remain volatile as the Ukraine crisis, inflation and monetary tightening remain constant threats. Despite the potential for short-term fluctuations, there are some green shoots of easing inflationary pressures which are likely to be well received by investors and central banks. Additionally, equity and bond valuations are beginning to move to more reasonable levels. On balance however, we remain cautious on the near-term outlook for markets and continue to maintain an active and well diversified portfolio exposure.

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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

## Contact Details

**Web:** [www.amp.com.au](http://www.amp.com.au)

**Email:** [askamp@amp.com.au](mailto:askamp@amp.com.au)

**Phone:** 131 267



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