

AMP Balanced Growth

Quarterly Investment Option Update

31 December 2023

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

Investment Option Overview

Investment category	Multi-Sector
Suggested minimum investment timeframe	5 years
Standard Risk Measure	6/High
Investment style	Active
Manager style	Multi-manager

Asset Allocation	Benchmark (%)
Australian shares	29
Global Shares	33
Property	5
Infrastructure	5
Alternatives	0
Fixed Income	20
Cash	8

Actual Allocation	%
Global Shares	33.26
Fixed Income	20.30
Australian Shares	29.43
Property	5.04
Infrastructure	4.97
Cash	7.00
Alternatives	0.00

Fund Performance

Despite some bumps along the road, 2023 ended on a positive note, with both share and bond markets generating strong returns as inflation fell and markets anticipated lower interest rates. This translated well for the Fund, with both Q4 and one-year time periods generating positive returns. The Fund's performance remains in line to slightly ahead of benchmark over the medium and longer-term, despite a slightly constrained end to 2023 versus benchmark.

The run into year-end saw share markets rally on positive sentiment, after the Fed reflected on inflation slowing faster than anticipated and stronger than expected economic growth following continued resilience in the global economy. In this environment, Australian and global shares gained 8.4% and 9.9% respectively for the quarter. All sharemarket sectors, including listed real assets, saw strong gains over the period but growth-focussed technology stocks again stood out as the major market mover. The quarter also saw bonds mirror share market movements, supported by the more dovish anticipated path for interest rates. Credit markets, both investment grade and high yield, also benefited in this environment as spreads tightened.

Over the period, the Fund underperformed the neutral benchmark on a gross basis, though it remains broadly in line and ahead over longer periods. Active stock selection from our underlying managers in Australian and International shares limited relative performance, as they underperformed their respective benchmarks.

Looking ahead, we anticipate 2024 to be a broadly positive year for markets, helped by peaking and eventually falling interest rates - but it is not without risks. The timing of interest rate cuts remains uncertain as central banks continue to monitor the economy and inflation, with a considerable risk to markets that rate cuts may come later than expected. Recessionary risks also remain, given tighter lending standards and stalling consumer spending globally. In this environment, we remain highly diversified across asset classes and strategies and have shifted to a broadly neutral position across most asset classes, limiting active risk across the portfolio.

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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