

# AMP Capital Balanced Growth

Quarterly Investment Option Update

30 June 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](http://www.amp.com.au/performance)

## Investment Option Overview

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

Asset Allocation	Benchmark (%)
Australian Shares	28
Global Shares	32
Property	6
Infrastructure	6
Alternatives	0
Fixed Income	20
Cash	8

Actual Allocation	%
Global Shares	31.97
Fixed Income	22.90
Australian Shares	27.29
Infrastructure	5.42
Property	4.67
Cash	7.75
Alternatives	0.00

## Fund Performance

The June quarter saw share markets continue their rally which started during the fourth quarter of 2022. This recovery ultimately resulted in a firmly positive financial year for markets and strong quarterly and financial year performance for the Fund. Overall, the Fund performed behind the neutral benchmark on a gross basis, but remains in line over longer time horizons.

Financial Year 2023 ended on a high as investors continued to favour 'risk-on' investments in the June quarter, despite continued concerns around inflation, rising interest rates and a potential recession. In this environment, both Australian equities and international equities generated positive returns (1.0% and 7.5% respectively). Technology and growth-focussed stocks dominated, with some of these stocks approaching somewhat extreme earnings multiples. Emerging markets underperformed broader global equities, returning 1.7% amid weak Chinese trade and manufacturing data. Bond and credit allocations were close to flat for the quarter, as yields were largely range bound. Listed real assets were constrained relative to broader equities, as elevated interest rates and recessionary concerns hampered the sector.

Underweight allocations to listed real assets in favour of bonds detracted over the quarter, as listed property outperformed bonds. Stock selection was broadly neutral.

Despite recent share market gains, the road ahead for investors remains uncertain and we expect volatility over the next 6-12 months. Share markets appear precariously positioned, as much of the recent rally has largely been driven by gains in the tech sector, thanks to the excitement surrounding Artificial Intelligence. Additionally, we are still yet to see the full effect of rising interest rates on global economic growth, while recessionary fears, particularly in the US and Europe, are a plausible reality. In this environment, we are modestly trimming exposure to equity markets, locking in recent gains in favour of diversifying assets such as fixed income, which should add to the Fund's defensive characteristics.

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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

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