

Future Directions High Growth

Quarterly Investment Option Update

31 December 2023

Aim and Strategy

The strategy aims to achieve a rate of return of 4% pa above the inflation rate (measured by the Consumer Price Index) after fees and superannuation tax, over a 10-year timeframe. Using a multi-manager approach, it provides investors access to a diversified portfolio that primarily invests in growth assets (shares and property). This is a multi-manager option which diversifies at asset and manager level.

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	10 years
Standard Risk Measure	6/High
Investment style	Active
Manager style	Multi-manager

Asset Allocation	Benchmark (%)
Australian shares	42
Global Shares	48
Property	3
Infrastructure	4
Alternatives	1
Fixed Income	0
Cash	2

Actual Allocation	%
Global Shares	48.24
Australian Shares	42.68
Infrastructure	3.69
Property	2.83
Alternatives	1.54
Cash	0.97
Fixed Income	0.07

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 a positive return. Additionally, the Fund outperformed its CPI objective but underperformed its strategic objectives both for the December quarter and 2023 as a whole.

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 both 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 again growth-focussed technology stocks stood out as the major market mover. The December 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. Unlisted real assets were mixed as revaluations of underlying assets impacted direct property, while infrastructure remained stable.

Strong market gains as well as exposure to a variety of alternative asset classes saw the Fund end 2023 on a high. Relative to the strategic benchmark, returns have been mixed, with near-term performance somewhat challenged, whilst medium-term performance has been more stable. Share market allocations were the key driver of returns, with both Australian and global markets slightly below benchmark as active stock selection from underlying managers was mixed. Diversifying assets, such as unlisted real assets and private equity constrained relative performance as valuation movements underperformed gains in equity markets over the quarter. Performance versus CPI has improved over most time periods. Relative performance over the medium term remains mixed however near and long-term performance is now ahead.

Market Review

The December quarter began with falling financial markets on the back of continued difficult economic conditions. News-flow then promptly gave way to geopolitics, as Israel suffered a mass-scale terrorist attack at the hands of Gaza-based terrorist group, Hamas. Unsurprisingly, this resulted in a swift declaration of war on Hamas, which has sadly led to significant further bloodshed of innocent civilians in and around the Gaza strip. Implications for the global economy were generally not significant over the remainder of the quarter, although threats of further escalation saw a notably increased naval presence to the Mediterranean.

Mid-quarter saw sentiment turn strongly positive, with stocks surging higher and bond yields falling significantly as global inflation resumed its downtrend, economic growth remained positive, and US economic productivity showed significant improvement. Accordingly, most central banks remained on pause with rate-rises. There were also positive developments on the geopolitical front, with US and Chinese Presidents Biden and Xi meeting face to face in California, signalling a will to improve dialogue between the nations.

Markets rallied further throughout December across most regions and asset classes, as falling inflation, particularly in Europe and the US, led to increased expectations of rate cuts in 2024 and the "higher for longer" prognosis beginning to unwind.

Outlook

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
SignatureSuper	AMP0801AU
SignatureSuper - Allocated Pension	AMP1082AU
SignatureSuper Term Pension	AMP1082AU*

*Closed to new investors

Contact Details

Web: www.amp.com.au

Email: askamp@amp.com.au

Phone: 131 267



What you need to know

This publication has been prepared by AWM Services Pty Limited ABN 15 139 353 496, AFSL No. 366121 (AWM Services). The information contained in this publication has been derived from sources believed to be accurate and reliable as at the date of this document. Information provided in this investment option update are views of the underlying investment manager only and not necessarily the views of AMP Limited ABN 49 079 354 519 (AMP Group). No representation is given in relation to the accuracy or completeness of any statement contained in it. Whilst care has been taken in the preparation of this publication, to the extent permitted by law, no liability is accepted for any loss or damage as a result of reliance on this information.

The investment option referred to in this publication is available through products issued by N.M. Superannuation Proprietary Ltd ABN 31 008 428 322, AFSL 234654 (NM Super). Before deciding to invest or make a decision about the investment options, you should read the current Product Disclosure Statement (PDS) for the relevant product, available from the issuer or your financial planner.

Any advice in this document is of a general nature only and does not take into account your financial situation, objectives and needs. Before you make any investment decision based on the information contained in this document you should consider how it applies to your personal objectives, financial situation and needs, or speak to a financial planner. In providing any general advice, AMP Group receives fees and charges and their employees and directors receive salaries, bonuses and other benefits.

Any references to the "Fund", strategies, asset allocations or exposures are references to the underlying managed fund that the investment option either directly or indirectly invests in. The investment option's aim and strategy mirrors the objective and investment approach of the underlying fund. An investment in the investment option is not a direct investment in the underlying fund.

Neither NM Super, AWM Services, any other company in the AMP Group nor the underlying fund manager guarantees the repayment of capital or the performance of any product or particular rate of return referred to in this document, unless expressly stated in the PDS. Past performance is not a reliable indicator of future performance. Any slight asset allocation deviations from 100% may be caused by rounding, asset categorisation and/or hedging.

For notices and disclaimers related to the MSCI Benchmarks within this document, please refer to www.msci.com/notice-and-disclaimer