

Conservative Index

Quarterly Investment Option Update

31 March 2024

Aim and Strategy

The strategy aims to closely match the index returns of the asset classes in which it invests (before fees and taxes). It has a bias towards defensive assets (cash and bonds) but also holds some growth assets (shares and property). Exposure to individual asset classes will be attained through the use of low cost, index-focused investment managers. Global shares may be partially or fully hedged back to Australian dollars.

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	3 years
Standard Risk Measure	4/Medium
Investment style	Index
Manager style	Multi-manager

Asset Allocation	Benchmark (%)
Australian shares	11
Global Shares	13
Property	5
Infrastructure	7
Alternatives	0
Fixed Income	39
Cash	25

Actual Allocation	%
Fixed Income	39.02
Global Shares	13.57
Australian Shares	10.97
Infrastructure	7.02
Property	5.13
Cash	24.28

Fund Performance

The Fund produced a positive return for the December quarter as shares rose, though bonds had a tougher period.

Market Review

The March quarter saw further strong gains in many financial markets. Inflation in the US, while not falling in a straight line, pulled back further, with the CPI shown to be 3.2% yoy as at the end of February, slightly lower than levels shown in the previous quarter, whilst the core PCE (Personal Consumption Expenditure) fell to 2.8% on an annual basis, nearing the Federal Reserve's (Fed) target of 2%. Inflation also generally continued to reduce elsewhere around the globe. The US labour market showed some signs of weakness, with jobless claims rising and average hours worked down and the unemployment rate continuing to slowly rise. US economic growth meanwhile remained positive, though negative GDP growth was experienced in countries such as the UK, Finland, Ireland, Canada and Germany. Markets however generally remained positive, while central banks were mostly slightly dovish, as a soft landing scenario seemed to be playing out in many economies.

Japan remained somewhat of an exception to the global interest rate cycle, as its central bank finally raised rates to positive levels after more than a decade of ultra-aggressive stimulus designed to help reflate its long-time stagnating economy. Along with the rate rise, the country's 'yield curve control' policy was wound back, as was the central bank's purchasing of Japanese equities; a policy which has seen the Bank of Japan (BoJ) buy nearly US\$0.5 trillion worth of Japanese equities over the past 14 years. Elsewhere in Asia, the Chinese economy continued to face ongoing structural challenges of falling economic growth, broad regulatory concern, local government debt issues, financial troubles in the property sector, employment demographic concerns and poor consumer confidence.

On the geopolitical front, the death toll in Eastern Europe continued, as Russia appeared to gain more of an upper hand, capturing further significant Ukrainian territory, including the city of Avdiivka in the Donetsk region. At the same time, the long-term sustainability of international financial support for Ukraine was a growing talking point, with more now questioning the apparent lack of diplomatic effort towards creating a path to peace. The death toll also rose in the Middle East, as the Israel-Hamas war continued, as did skirmishes around Israel's borders with Lebanon and Syria with Iranian-funded Hezbollah, who are considerably better armed than Hamas. Pertinently, the upcoming US election also came further into focus, particularly with regard to its potential impact on these global conflicts.

Outlook

Global bond markets are likely to continue to focus on predicted paths for US interest rates. Large drawdowns in recent years, resulting in bonds being available at significantly cheaper prices, lead us to believe returns going forward will likely be reasonable; perhaps around running yield or a little more, as inflation slows, and central banks cut rates. Furthermore, bonds may serve as a diversifier to growth assets in the event of further economic slowdown. Stickier than expected inflation remains a risk, as this could cause a delay to interest rate cuts.

In regard to global shares, interest rates have begun falling in some countries on the back of significantly decreased levels of inflation and low economic growth, particularly outside of the US. The corporate environment remains tough, though strong businesses, as always, will likely move forward with increased market dominance. We believe a diverse basket of businesses bought at reasonable prices, particularly those with strong competitive advantage that generate high amounts of cash from their shareholders' capital, will serve investors well over the long-term.

Availability

Product Name	APIR
Flexible Lifetime - Investments (Series 1)	AMP1051AU**
Flexible Lifetime - Investments (Series 2)	AMP1393AU**
SignatureSuper	AMP0793AU
SignatureSuper - Allocated Pension	AMP1146AU
SignatureSuper Term Pension	AMP1146AU*

*Closed to new investors

**Closed to new and existing 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) or ipac asset management limited ABN 22 003 257 225, AFSL 234655 (ipac). 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, ipac, 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.