

Future Directions High Growth

Quarterly Investment Option Update

30 September 2024

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	49.65
Australian Shares	42.68
Property	2.31
Infrastructure	2.04
Cash	2.82
Fixed Income	0.48
Alternatives	0.00

Fund Performance

The September quarter was a positive period across all major asset classes, with strong performances in both share and bond markets. This reflected positively on the High Growth Investment Option's performance, with a strong absolute return seen over the third quarter. The Investment Option outperformed its CPI objective for the period, though was slightly behind against its strategic benchmark (after all fees and taxes). Longer-term performance against both the CPI objective and strategic benchmark remains mixed over most time horizons, but is continuing to trend in a positive direction as inflationary levels normalise and manager performance improves.

Investor sentiment was negatively affected mid-quarter due to a combination of weaker US economic indicators and monetary policy tightening in Japan, leading to market volatility. By quarter end however, the long-anticipated start of rate cuts by the Fed in addition to stimulatory measures in China, supported share markets, resulting in a strong outcome by the end of the quarter. Developed markets delivered around 6.5% (in local currency terms), with value stocks and listed real assets proving to be the key drivers over the period. Emerging markets were similarly boosted by optimistic economic developments, particularly in Asia, generating positive performance after a relatively volatile couple of months. Domestically, Australian shares performed similarly over the quarter, with industrial, real estate and IT sectors recording strong gains. Fixed income assets were also supported in the environment, as the global interest rate outlook continues to shift towards further easing into the near future. The performance of Australian and international bond exposures in the Option reflected this change in cycle, boosting overall returns. Credit allocations performed similarly, also generating a positive return. Unlisted real assets and alternatives exposures' performance meanwhile were somewhat constrained over the quarter, amid mixed valuations.

Australian and International share allocations were the key drivers of return, particularly through listed real assets.

Market Review

The September quarter saw gains in most major asset classes as close to half of global central banks, including the US, UK and the Eurozone, began to cut rates. This came on the back of subdued, yet still positive economic growth and consistently falling inflation. With US inflation now close to the Fed's 2% target, an assertive rate cut from the Fed materialised late in the quarter to the tune of 50 basis points, along with firmer expectations of more to come. Monetary easing also continued outside of the US, notably in China, with more aggressive government stimulus expected to be applied in efforts to counter the nation's struggling property market.

War meanwhile unfortunately continued, both in Ukraine and Russia, and in the Middle East where fighting significantly escalated. While causing some volatility in the oil price, as is often the case, there wasn't much significant impact on investment markets.

Focus on the US election also intensified, with immigration, foreign policy (particularly with regard to global wars) and the economy being the major issues, along with two failed assassination attempts on Presidential candidate Trump occurring in July and September.

Outlook

Looking ahead, we anticipate the remainder of 2024 to be a reasonable year for returns, bolstered by easing inflation pressures, central banks moving to cut rates and prospects for stronger growth in 2025-2026. However, there remains a moderate risk of recession, geopolitical risks and possible delays to expected rate cuts. In this environment, we remain highly diversified across asset classes and strategies. We hold a broadly favourable position towards global shares, amid positive momentum, whilst we remain broadly neutral towards other asset classes.

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