



Future Directions Balanced

Quarterly Investment Option Update

31 March 2025

Aim and Strategy

The strategy aims to achieve a rate of return of 3.25% pa above the inflation rate (measured by the Consumer Price Index) after investment fees, costs and superannuation tax, over a 10-year timeframe. Using a multi-manager approach, it provides investors access to a diversified portfolio with a bias towards growth assets (shares and property), with some exposure to defensive assets (bonds and cash). 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	5 years
Standard Risk Measure	6/High
Investment style	Active
Manager style	Multi-manager

Asset Allocation	Benchmark (%)	Actual (%)
Global Shares	37	38
Fixed Income and Cash	23	20
Infrastructure	10	11
Australian Shares	26	26
Property	4	4
Alternatives	0	1

*Allocation data may not add to 100% due to rounding.

Fund Performance

2025 has so far seen increased volatility for investors, as impacts of US trade policy caused some markets to fall towards the end of Q1. Against this backdrop, the Future Directions Balanced Option's performance was subdued for the quarter, due to weakness in share markets. Longer-term performance however remains strong across most key time horizons.

Whilst share markets in 2024 were headlined by tech sector-driven US exceptionalism, elevated uncertainty derived from volatile US trade policy erased much of these gains during the March quarter. US markets bore the brunt of the fallout, declining around -4.0%. Conversely, European markets outperformed on the back of two rate-cuts, commitments to increased fiscal spending and easing of borrowing constraints in Germany. Emerging markets also performed well, ending the quarter with gains. Domestically, Australian shares mirrored global developed markets, relinquishing the year's gains, despite the RBA cutting rates. Amid elevated uncertainty in share markets and concerns surrounding future global economic growth, bond and credit allocations were broadly stronger. Our bond allocations ended the period ahead by upwards of 2%. Similarly, credit saw gains, with both our investment grade and high yield allocations making modest advances on good fundamentals.

In this environment, the well diversified asset and strategy exposure of the Option aided in reducing the impact of the volatility plaguing markets. While Australian and international share exposures ended the period lower, active management within these sectors, and positions in unlisted assets and fixed income minimised losses. Against CPI, the Fund underperformed its objective for the period and remained slightly behind against its strategic benchmark (after all fees), largely driven by underperformance of unlisted assets against listed benchmarks. Longer-term performance also continues to improve across most key time horizons.

Market Review

Investment markets were quite stable through the first half of the March quarter, though volatility increased significantly towards the end of the period against a backdrop of various geopolitical and economic developments. On the positive side, 'hard' economic data such as jobs and spending figures remained quite sound; but leading indicators such as consumer and business sentiment started to deteriorate in late February on the back of policy uncertainty. On the geopolitical front, President Trump pushed for a peace agreement, most visibly towards Ukrainian President Zelensky, as Ukraine continued its resistance against the Russian invasion in the face of Russia having the upper hand in the fighting. While the optics of the Trump-Zelensky meeting led for dramatic viewing, the result was a prompt European Union decision to vastly increase military spending given US support was clearly no longer a given; particularly if Ukraine aren't willing to give ground (figuratively and likely literally) in peace negotiations. News flow towards quarter-end then turned towards US tariff announcements. While the imposition of tariffs themselves should be no surprise, given they were repeatedly flagged through the election campaign, various comments from Trump led to speculation (and in early April, confirmation) that tariffs would be higher than many initially anticipated. This led global sharemarkets to pull back in the second half of the quarter (and subsequently fall more precipitously in early April), while global bonds gained in value over the period.

Outlook

Following strong gains in 2024, market returns may be more constrained this year as the world continues to adjust to US trade policy. However, with central banks, including the RBA, continuing to cut rates and President Trump's tax and deregulation policies being ultimately supportive of share fundamentals, we anticipate markets are still likely to achieve a positive return for 2025. We believe the portfolio is well positioned for this current climate, after having reduced our long-standing overweight to shares in early February. As always, we believe members should maintain a focus on the long-term, as well as diversity across their investment portfolios to help mitigate risk.

Availability

Product Name	APIR
SignatureSuper	AMP0798AU
SignatureSuper - Allocated Pension	AMP1080AU
SignatureSuper - Term Pension	AMP1080AU*

*Closed to new investors

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