

# AMP Active Balanced

## Quarterly Investment Option Update

30 June 2020

### 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 each product, please visit [www.amp.com.au](http://www.amp.com.au)

### Investment Option Overview

|   |               |
|---|---------------|
| <b>Investment category</b>                    | Multi-Sector  |
| <b>Suggested minimum investment timeframe</b> | 5 years       |
| <b>Relative risk rating</b>                   | High          |
| <b>Investment style</b>                       | Active        |
| <b>Manager style</b>                          | Multi-manager |

| Asset Allocation                   | Benchmark (%) |
|------------------------------------|---------------|
| International shares               | 32            |
| Australian Shares                  | 27            |
| Australian Fixed Interest          | 15            |
| Listed Property and Infrastructure | 11            |
| International Fixed Interest       | 10            |
| Cash                               | 5             |
| Defensive Alternatives             | 0             |
| Growth Alternatives                | 0             |

| Actual Allocation                  | %     |
|------------------------------------|-------|
| International Shares               | 32.20 |
| Australian Shares                  | 26.95 |
| Listed Property and Infrastructure | 12.05 |
| International Fixed Interest       | 7.75  |
| Australian Fixed Interest          | 16.68 |
| Cash                               | 4.38  |

## Fund Performance

The 2019/2020 financial year ended on a positive note, with the option delivering a strong return after a period of significant volatility. Growth assets, particularly shares, provided the largest contribution to overall returns, partially recovering from the lows experienced at the height of the COVID-19 pandemic in late March. Despite underperforming compared to its benchmark over the quarter, peer-relative performance remains strong as the option remains above median across most key timeframes.

Throughout the quarter, investor sentiment improved with increased economic activity after lockdowns and social distancing measures were eased. The option's allocations to growth assets, such as shares, rebounded despite the ongoing risks surrounding COVID-19. Developed and emerging market shares rose 18.5% and 16.7% respectively (in local currency terms) boosted by positive employment and business confidence data, in addition to continued and coordinated policy support from regulators. Australian shares also rallied, gaining 16.5%. The allocations to more defensive assets, such as government bond and cash, also generated positive returns due to monetary policy support from central banks. Returns from the direct property and infrastructure allocations were constrained as the impacts of COVID-19 were captured in asset revaluations.

As the strong returns experienced over the quarter were substantially influenced by generous fiscal and monetary policy support, we remain cognisant of the prevailing risks associated with the COVID-19 pandemic for the near-term future. With some countries continuing to experience rising infection rates, the possibility of a 'second wave' could lead to further social distancing measures being imposed, or governments reverting to complete lockdowns. Ultimately, this leaves investment markets susceptible to further corrections and in this environment, returns are likely to be volatile. However, we maintain a highly-diversified portfolio to mitigate risk within and between asset classes, while holding a close to neutral growth/defensive split.

## Availability

| Product Name                          | APIR       |
|---------------------------------------|------------|
| Flexible Lifetime - Allocated Pension | AMP1987AU* |
| Flexible Lifetime - Super             | AMP1934AU* |

\*Closed to new investors

## Contact Details

**Web:** [www.amp.com.au](http://www.amp.com.au)

**Email:** [askamp@amp.com.au](mailto:askamp@amp.com.au)

**Phone:** 131 267



### What you need to know

This publication has been prepared by AMP Limited ABN 49 079 354 519. 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 the 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. AMP Life is part of the AMP Group. In providing the general advice, AMP Group and AMP Life Limited ABN 84 079 300 379, AFSL 233671 (AMP Life) receives fees and charges and their employees and directors receive salaries, bonuses and other benefits.

The information 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.

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), AMP Capital Funds Management Limited ABN 15 159 557 721, AFSL 426455 (AMPCFM), ipac asset management limited ABN 22 003 257 225, AFSL 234655 (ipac) and/or AMP Life. Before deciding to invest or make a decision about the investment options, you should read the current Product Disclosure Statement for the relevant product, available from the issuer or your financial planner.

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 (AMP Active Balanced). 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, AMPCFM, ipac, AMP Life, 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. Past Performance is not a reliable indicator of future performance.