

AMP Capital Premium Growth

Quarterly Investment Option Update

30 June 2020

Aim and Strategy

To provide high growth over the long term, using a more diversified range of specialist equity, multi-asset, sector-specific and non-traditional investment strategies than traditional high-growth portfolios. This includes alternative investments and strategies. Investments are assessed taking into account a range of factors, including return potential and the ability to reduce risk through diversification.

Investment Option Performance

To view the latest investment performances for each product, please visit www.amp.com.au

Investment Option Overview

Investment category	Multi-Sector
Suggested minimum investment timeframe	5 years
Relative risk rating	High
Investment style	Active
Manager style	Multi-manager

Asset Allocation	Benchmark (%)
Australian Fixed Interest	N/A
Australian Shares	N/A
Cash	N/A
Defensive Alternatives	N/A
Growth Alternatives	N/A
International Fixed Interest	N/A
International Shares	N/A
Listed Property and Infrastructure	N/A
Others	N/A
Unlisted Property and Infrastructure	N/A

Actual Allocation	%
International Shares	67.29
Australian Shares	12.45
Unlisted Property and Infrastructure	11.41
Growth Alternatives	8.70
Cash	0.15

Fund Performance

The Fund saw a solid absolute return over the quarter. Despite resurgent virus cases, equity markets around the world rallied strongly off their March-lows, as economic data generally improved and monetary and fiscal stimulus flooded markets. Emerging markets also improved markedly, particularly later in the quarter, after lagging developed markets earlier. The Fund's longer-term value-oriented strategies underperformed technology and growth focussed stocks over the quarter, a theme which has affected value oriented securitises in all areas of the market. Positive performance was led by the more quality-themed IFP Global Franchise Fund.

Portfolio Positioning

There were no major changes to the portfolio strategy or allocation over the quarter.

Market Review

As expected, global markets were heavily impacted by COVID-19 government restrictions and the flow-on effects of lockdown. Equities were volatile as shifting sentiment created swings between a risk-on and risk-off bias. Despite this, there was a net sharp rally over the quarter in equity markets as some COVID-19 lockdown measures started to be unwound. This leaves equity markets open to the risk of a correction. COVID-19 impacts were aggravated by increasingly acrimonious relations between the US and China. In addition, there is the risk of further waves of COVID-19, especially in the more densely populated countries, and the potential for economies to fall back once working capital supplied by government policies peters out and companies review their strategies and demand. The World Bank, the Organisation for Economic Co-operation and Development, and the International Monetary Fund all indicate they expect the worst global recession since the Great Depression.

In the US, the Federal Reserve (Fed) significantly increased its COVID-19-related lending programmes. Fed Chairman Jerome Powell suggested the central bank will use its "full range of tools" and act "forcefully, proactively and aggressively until it is confident the economy is on the road to recovery". He also said the central bank still had plenty of options available, with the expectation that monthly bond purchases will increase.

Outlook

Markets remain poised at present, balanced between support from central banks (and increasingly governments), and covid related uncertainty. This year's earnings collapse is being largely ignored by investors, who are looking ahead for a medical breakthrough and recovery. The renewed spread of the virus and more recently, renewed stringency measures, are likely to test those assumptions at some point. To the Fund and its larger value-oriented component, the near-term environment remains challenging. Longer-term value, as an investment approach, has always eventually recovered and outperformed the broader market, however the current climate continues to pose near term challenges.

Availability

Product Name	APIR
AMP Flexible Super	AMP9029AU
AMP Flexible Super - Retirement	AMP9031AU
CustomSuper	AMP9030AU
Flexible Lifetime - Allocated Pension	AMP9032AU
Flexible Lifetime - Super	AMP9030AU
SignatureSuper	AMP9033AU
SignatureSuper - Allocated Pension	AMP9034AU

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