

AMP High Growth

Quarterly Investment Option Update

30 September 2020

Aim and Strategy

To provide high returns over the medium to long term through a diversified portfolio investing mostly in shares with some property, fixed interest and alternative assets.

Investment Option Performance

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

Investment Option Overview

Investment category	Multi-Sector
Suggested minimum investment timeframe	6 - 9 years
Relative risk rating	6 / High
Investment style	Active
Manager style	Multi-manager

Asset Allocation	Benchmark (%)
International shares	41
Australian Shares	32
listed Property and Infrastructure	6
Unlisted Property and Infrastructure	6
Growth Alternatives	5
International Fixed Interest	4
Australian Fixed Interest	4
Cash	1
Defensive Alternatives	1

Actual Allocation	%
International Shares	40.53
Australian Shares	31.50
Listed Property and Infrastructure	5.61
Unlisted Property and Infrastructure	6.53
Growth Alternatives	4.54
International Fixed Interest	3.98
Australian Fixed Interest	3.63
Defensive Alternatives	2.26
Others	0.03
Cash	1.38

Fund Performance

The option delivered a positive return over the September quarter, building on the strong gains of the June quarter. Growth assets again proved to be the key drivers of overall return, as global markets enjoyed a relatively encouraging period. Outperformance against the benchmark (before fees) over the quarter was primarily achieved by taking advantage of the strong performance of global markets with a slight overweight. The option has maintained its strong relative performance, remaining ahead of median across most key timeframes.

While many economies entered a recession, July and August saw share markets rally. Buoyed by strong growth in the US technology sector and sustained monetary and fiscal policy stimulus, domestic and international shares positions generated strong returns. However, by September markets began to diverge as fears of a 'second wave' of COVID-19 and renewed lockdowns dampened investor sentiment. Overall, the S&P/ASX 200 index ended the quarter down -0.4% while the MSCI World ex Australia index closed up 6.9% (in local currency terms). Within the option however, strong stock selection in both Australian and developed international shares boosted returns, leading to outperformance against indexes. Furthermore, allocations to emerging markets also added to relative returns, largely driven by significant gains in Asian market exposures.

The option also benefited from its small allocation in fixed income due to an overweight to domestic and international fixed income, as both markets rallied as credit spreads narrowed. Returns from private equity, direct property and infrastructure were broadly flat as the impact of COVID-19 continued to depress valuations. The performance of the absolute return strategies was similarly mixed.

Looking ahead, the final quarter of the year is poised to be eventful for markets. We expect continued volatility with several major events on the horizon, including: (i) the US election; (ii) uncertainty surrounding further monetary and fiscal stimulus; and (iii) [hopefully positive] news on a vaccine and/or improved therapeutics for COVID-19. We remain acutely aware that valuations are being tested throughout North America in several sectors (such as information technology and communications) and may revert should sentiment wane, which would add further volatility towards calendar year end. As such, we remain confident that an active approach, with a focus on diversification across asset classes to assist in risk mitigation, is advantageous going into this period. Consequently, we continue to target a broadly neutral allocation, including exposures to unlisted and alternative strategies, which act as important diversifiers to our listed securities.

Market Review

Global equities rose during most of the quarter as the balance of data and economic expectations was initially viewed positively and on hopes that a COVID-19 vaccine might be available in a compressed timeframe. However, by quarter end, global equity markets suffered a pullback, led by the technology sector which later broadened to other sectors. Energy was also impacted as the oil price pulled back. For COVID-19, conditions and outlook remained uncertain. The global death count from the pandemic has now exceeded the one million mark.

Escalating tensions between the US and China have also elevated uncertainty. The US has rejected China's territorial claims to the South China Sea and has ended Hong Kong's special trade status with the US, requesting support in its stance from its allies. The US administration has also moved to put restrictions on some Chinese companies operating in the US, including TikTok and WeChat, although the US courts have moderated some of these decisions.

In the US, there is likely to be further downward pressure on the US dollar as quantitative easing measures continue to ramp up. An ongoing US dollar retracement would be consistent with improving global growth relative to that in the US and the US Federal Reserve's aggressive quantitative easing programme, which is significantly increasing the supply of US dollars.

Availability

Product Name	APIR
AMP Flexible Super - Super	AMP1455AU
CustomSuper	AMP0342AU
Flexible Lifetime - Super	AMP0342AU
SignatureSuper	AMP0774AU*
SuperLeader	AMP1885AU

*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), AMP Capital Funds Management Limited ABN 15 159 557 721, AFSL 426455 (AMPCFM) and/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 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 (underlying fund). 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, 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. Past performance is not a reliable indicator of future performance.

Please note that slight asset allocation deviations from 100% may be caused by rounding, asset categorisation and/or hedging.