

# AMP Capital Balanced Growth

Quarterly Investment Option Update

31 December 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/performance](http://www.amp.com.au/performance)

## 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	33.35
Australian Shares	27.36
Listed Property and Infrastructure	12.48
International Fixed Interest	7.77
Australian Fixed Interest	15.07
Cash	3.97

## Fund Performance

The Option delivered a strong positive return over the December quarter, continuing its impressive rebound since its lows in March, to finish the year on an encouraging note. As has been the case since March, the momentum of growth assets continued to be the key driver of the strong performance. However, over the quarter, the Option underperformed the benchmark (before fees), largely due to weak underlying manager returns, which also impacted its performance versus peers. Despite this, longer-term performance remains robust and ahead of peer median.

Geopolitics, stimulus relief and COVID-19 news dominated share markets. In the US, political uncertainty was quelled as Joe Biden was confirmed by the electoral college as the President Elect of the United States of America. Additionally, the signing of the economic stimulus relief bill, the CARES Act, provided further reprieve and economic support. Despite a worrying increase in COVID-19 cases in the northern hemisphere, the announcement of three effective vaccines improved investor sentiment to extend the post-US election rally into the year-end. Overall, the S&P/ASX 200 index ended the quarter up 13.7% and the MSCI World ex Australia index closed up 12.7% (in local currency terms). Cyclical segments of the market and small-cap stocks were among the key winners. However, the Option slightly underperformed across both Australian and international shares due to an overweight in exposure to quality, growth and momentum securities in a period where value (cyclicals) outperformed. Furthermore, adverse movements the Option's emerging market exposures also detracted from returns.

In fixed income markets, government bonds were largely flat as interest rates were range bound, while credit markets rallied, consistent with the 'risk-on' tone. The Option benefited from underlying managers who gained timely exposure to the credit market as spreads tightened. Performance within the alternatives and unlisted asset classes were mixed, positively contributing overall.

Looking ahead, we remain cautiously optimistic for 2021. We believe the factors that benefitted markets in 2020, including: (i) easy monetary policy; (ii) fiscal stimulus; (iii) rollout of vaccines; and (iv) the resolution of many geopolitical concerns, are likely to continue in the new year. However, the sharp 'V-shaped' recovery has left markets somewhat susceptible to a correction. As such, holding an active, well-diversified exposure to both growth and defensive assets will continue to benefit the Option should volatility return. Consequently, our positioning has remained unchanged. We continue to target a broadly neutral allocation, including exposures to unlisted and alternative strategies, which act as important diversifiers to our listed securities.

---

## Availability

Product Name	APIR
Flexible Lifetime - Investments (Series 1)	AMP0013AU**
Flexible Lifetime - Investments (Series 2)	AMP1391AU**

\*\*Closed to new and existing 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 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 (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, 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, 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.