



# AMP Monthly Income Fund No. 3

Quarterly Investment Option Update

31 December 2020

## Aim and Strategy

To provide for a distribution rate of 0.50% per month and to achieve an underlying balance of capital growth and income over the medium to long term, primarily through a diversified portfolio of shares, property, fixed interest and cash.

## 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>	3 to 5 years
<b>Relative risk rating</b>	High
<b>Investment style</b>	Active
<b>Manager style</b>	Multi-manager

<b>Asset Allocation</b>	<b>Benchmark (%)</b>
Australian Shares	44
Australian Fixed Interest	34
Cash	13
International shares	6
Listed Property and Infrastructure	3

<b>Actual Allocation</b>	<b>%</b>
International Shares	6.02
Australian Shares	44.87
Listed Property and Infrastructure	3.55
Australian Fixed Interest	34.76
Cash	10.81

## Fund Performance

The Fund posted a strong 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 the second quarter of 2020, the momentum of growth assets continued to be the key driver of the strong performance.

Geopolitics, stimulus relief and COVID-19 news dominated investor sentiment over the quarter. In the US, political uncertainty was quelled as Joe Biden was confirmed as the President Elect of the United States. Additionally, the signing of the economic stimulus relief bill, the CARES Act, provided further reprieve and economic support. In relation to COVID-19, despite a worrying increase in cases in the northern hemisphere, the announcement of three effective vaccines added fuel to the post-US election share market rally. Overall, the S&P/ASX 200 index ended the quarter up 13.7%, while 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. 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.

Within the Fund, strong stock selection and a small overweight in Australian shares exposure, led to a significant outperformance of the benchmark. The income-orientated Australian share strategy benefited from exposures to high-yielding, cyclical sectors, such as commodity and bank stocks, rallying on positive sentiment.

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, will continue into the new year. However, the sharp 'V-shaped' recovery has left markets somewhat susceptible to a correction. As such, holding an active, well-diversified asset exposure, to both growth and defensive assets, will continue to be supportive should volatility return.

## Market Review

December saw some closure and improved visibility on issues that had been weighing on the market for most of 2020. Despite further COVID-19 waves, breakouts and new strains, tangible plans for vaccine rollouts in 2021 showed an improved path to normalcy. In Europe, a Brexit deal was finally agreed and signed. All-in-all, the global environment imparted a more positive backdrop at the tail-end of the year which kept equity markets supported. However, many equity markets now look stretched and signs of excessive optimism have been reflected in IPOs often trading significantly above their launch valuations, with sketchy or sometimes zero profitability.

Ahead of the US presidential election global equities exhibited mixed performance as the initial acrimonious presidential debate impacted market certainty and support. After a protracted count, Democratic candidate Joe Biden won the election, although it took significant time for the Trump administration to tacitly accept defeat and agree to co-operate with a transition of power. Post the US election, global equity markets were buoyed by increased political certainty and positive news on several viable COVID-19 vaccines.

Global markets will be looking ahead to 2021 hoping that the impact of 2020 will be able to be reversed as soon as possible once vaccine programmes start to make their full effect felt.

---

## Availability

Product Name	APIR
Flexible Lifetime - Investments (Series 1)	GIO0003AU**
Flexible Lifetime - Investments (Series 2)	AMP1444AU**

\*\*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.