



# AMP Active Balanced (Series 2)

Quarterly Investment Option Update

31 March 2021

## 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 |

| <b>Asset Allocation</b>            | <b>Benchmark (%)</b> |
|------------------------------------|----------------------|
| 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                    |

| <b>Actual Allocation</b>           | <b>%</b> |
|------------------------------------|----------|
| International Shares               | 33.94    |
| Australian Shares                  | 27.49    |
| Listed Property and Infrastructure | 12.81    |
| International Fixed Interest       | 7.52     |
| Australian Fixed Interest          | 14.60    |
| Cash                               | 3.63     |

## Fund Performance

The Option delivered a strong positive return over the March quarter, its fourth consecutive period of positive performance. Growth assets continued to be the key driver of performance, as broad-based optimism drove share markets higher, while more defensive assets weakened over the period. The Option outperformed its neutral benchmark (on a gross basis), largely due to strong performance by underlying managers, and this also positively impacted performance relative to peers. Longer term performance remains robust and largely ahead of peer median.

In share markets, investors reacted positively to the execution of a US\$1.9 trillion US economic stimulus bill, the American Rescue Plan Act, as well as strong progress on the vaccine rollout in the US and UK. Further economic support and the continued inoculation effort are expected to allow global economies to sustainably reopen and realise strong economic growth throughout 2021. Overall, the S&P/ASX 200 index ended the quarter up 4.3% while the MSCI World ex Australia index closed 6.2% higher (in local currency), largely driven by sharp gains in value stocks and commodities. The Australian share allocation performed broadly in line with the market and the international share allocation outperformed due to strong gains in value-led strategies.

In fixed income markets, government bonds and investment-grade credit retraced recent gains as interest rates rose sharply due to increased stimulus and an optimistic outlook. The fixed income allocation was similarly impacted, particularly those underlying managers with longer duration positions. Conversely, the unlisted assets and alternatives allocations, particularly private equity, gained as positive revaluations boosted returns.

Looking ahead, we remain cautiously optimistic for 2021. As the COVID-19 vaccine rollout continues to gain pace globally and the hospitalisation rate continues to trend downward, economies are able to ramp up their re-opening efforts, which could set them up for an economic boom. Against this backdrop, we look favourably upon shares relative to bonds. However, the sharp 'V-shaped' recovery has left markets somewhat susceptible to a correction. Consequently, our positioning has remained unchanged. We continue to maintain an active, well-diversified asset exposure, which should help mitigate volatility should this scenario arise.

---

## Availability

| Product Name                          | APIR      |
|---------------------------------------|-----------|
| Flexible Lifetime - Allocated Pension | AMP2055AU |
| Flexible Lifetime - Super             | AMP2053AU |

## 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.