



AMP Dynamic Balanced

Quarterly Investment Option Update

31 March 2021

Aim and Strategy

The investment objective of the portfolio is to outperform the median of the Chant West growth fund survey over the investment horizon of the fund (7 years). The portfolio aims to provide the investor with a cost-effective investment across the main asset classes with higher exposure to growth assets. Exposure to these will be attained predominantly through the use of index-focussed investment managers. A portion of the portfolio (25%) also runs a dynamic asset allocation investment approach which aims to achieve growth by adopting a flexible approach to asset allocation. This portion of the portfolio will have exposure to assets such as shares, listed property, commodities, fixed income, credit and cash through derivatives, exchange traded funds or index funds.

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	7 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
Growth Alternatives	N/A
International Fixed Interest	N/A
International shares	N/A
Listed Property and Infrastructure	N/A
Actual Allocation	%
International Shares	32.83
Australian Shares	23.33
Listed Real Assets	12.07
Alternative Assets	8.70
Australian Fixed Interest	8.67
International Fixed Interest	7.42
Cash	6.98

Fund Performance

The Fund rose strongly in the March quarter; and has risen significantly over the past 12 months. Major developments over the period included the rollout of vaccines across the developed world, the continuation of massive global stimulus programmes and further steps towards the reopening of the global economy. This combination of positive developments drove equity markets higher. All major growth asset classes delivered positive returns. The S&P/ASX 200 index ended the quarter up 4.3%, whilst the MSCI World ex Australia index closed 6.2% higher. Government bonds sold off over the period, as investors took the view that interest rates would have to rise at some stage in response to the strong post-COVID-19 rebound.

The environment over the period was characterised by strong absolute performance in growth assets and moderate levels of volatility. The Fund outperformed in this environment, with our underlying Dynamic Markets Fund and Multi-asset Fund allocations both being positioned to benefit for the on-going market recovery. Many of the underlying managers within the Multi-asset fund also strongly benefited from the continuing rally in value-orientated segments of the market.

Looking ahead, we believe 2021 is poised to be volatile at times, but positive tailwinds are likely to persist. We believe the year is shaping up to be a good one for investors, with the continuing global recovery from the COVID-19 recession likely to be the dominate theme. As such, we remain confident an active, diversified approach across defensive and growth assets will benefit members going forward.

Market Review

Share markets were volatile over the March quarter overall as uncertainty increased around the potential effect of upward pressure on bond rates, evidenced toward the tail-end of the quarter, nascent inflationary pressures, and how central banks will react in the current environment. There were also some concerns over the pace of vaccine rollout in some countries, supply bottlenecks, and the general pace of economic recovery. However, countering this, global share markets saw some support in the period from improving visibility developing around these areas. Despite this, technology stocks continue to exhibit some risk-on / risk-off vacillation around potentially excessive valuations and the ongoing rotation bias from growth into value.

In the US, the US\$1.9 trillion support programme was passed in an attempt to provide further stimulus to the economy and make good an initial election promise to reduce some economic inequality. Markets are hoping the programme will be able to stimulate activity without stoking inflation. The passing of the bill has imparted some confidence to the new administration and Joe Biden gave his first press conference, albeit somewhat later than expected, with optimism.

Availability

Product Name	APIR
AMP Flexible Super - Retirement	AMP2057AU*
AMP Flexible Super - Super	AMP2058AU*

*Closed to new investors

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