



# AMP Monthly Income Fund No. 3

Quarterly Investment Option Update

31 March 2021

## 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	6.29
Australian Shares	44.97
Listed Property and Infrastructure	3.53
Australian Fixed Interest	34.21
Cash	10.99

## Fund Performance

The Fund generated a strong return over the March quarter, its fourth consecutive period of positive performance for investors. Growth assets continued to be the key driver of performance, as broad-based optimism drove share markets higher, while more defensive assets weakened.

In general, investors reacted positively to the execution of a US\$1.9 trillion US economic stimulus bill, the American Rescue Plan Act, put forward by the Biden Administration, as well as the strong progress of the vaccine rollout in the US and UK. It is expected that with the further economic support and continued inoculation effort, global economies should be able to sustainably reopen and realise strong economic growth throughout 2021. This backdrop saw share markets rally, and bond markets fall. Overall, the S&P/ASX 200 index ended the quarter up 4.3% and the MSCI World ex Australia index ended up 6.2% (in local currency terms), largely driven by sharp gains in value stocks and commodities. Conversely, domestic bonds fell -3.2%, as yields rose.

Within the Fund, strong stock selection and an overweight exposure to Australian shares led to a significant outperformance of the neutral benchmark. As was the case last quarter, the income-orientated Australian shares strategy benefited from sizable exposures to high-yielding, cyclical sectors such as commodity and bank stocks, which rallied on positive sentiment.

Looking ahead, we remain cautiously optimistic for the remainder of 2021. As the COVID-19 vaccine rollout continues to gain pace globally and the hospitalisation rate continues its downward trend, economic growth is projected to boom as economies ramp up their re-opening efforts. Against this backdrop, we look favourably on shares relative to bonds as the year progresses. We remain committed to holding an active, well-diversified exposure of both growth and defensive income-orientated assets to meet objectives.

## 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.

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## Availability

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

\*\*Closed to new and existing investors

## Contact Details

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