



AMP Capital Multi Asset

Quarterly Investment Option Update

30 September 2021

Aim and Strategy

To provide a total return (income and capital growth) before costs and tax of 4.5% pa above the trimmed mean Consumer Price Index (CPI) on a rolling five-year basis by investing in a diversified portfolio with broad asset allocation ranges. The portfolio invests across a range of traditional asset classes such as shares, credit, cash, fixed income and property, and is further diversified by investment in alternative assets, such as infrastructure and absolute return strategies, which are generally more illiquid. Exposure to a broad range of asset classes is achieved either through investment in underlying investments or direct investment into an asset. Set within a dynamic asset allocation framework, the portfolio's asset classes and asset allocation ranges are determined with reference to the portfolio's risk and liquidity guidelines. Asset class allocation and ranges may vary at any stage of the investment cycle. There is no guarantee that the asset allocation strategy will provide positive returns at all stages of the investment cycle. Throughout the investment cycle, when necessary, the portfolio will be rebalanced with the aim of ensuring that exposure to illiquid assets is no greater than 20% of the portfolio. The portfolio may also have exposure to currencies through both actively-managed investment strategies and risk management processes. International investments may be partially or fully hedged back to Australian dollars. The portfolio and its underlying managers or direct investments may use derivatives such as options, futures, forwards and swaps. The investment manager imposes restrictions on the use of derivatives within the portfolio and monitors the

implementation of these restrictions in accordance with their risk management processes on the use of derivatives. Underlying managers or strategies in which the portfolio invests may use short selling.

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	5 years
Relative risk rating	Medium to High
Investment style	Active
Manager style	Multi-manager

Asset Allocation	Benchmark (%)
Australian Shares	N/A
Cash	N/A
Defensive Alternatives	N/A
Growth Alternatives	N/A
International Fixed Interest	N/A
International shares	N/A
Listed Property and Infrastructure	N/A
Unlisted Property and Infrastructure	N/A

Actual Allocation	%
International Equities	22.81
Cash	20.41
Australian Equities	11.07
Direct Assets	10.08
Defensive Alternatives	9.15
High Yield Credit	8.49
Listed Real Assets	7.92
Fixed Income and Credit	6.46
Growth Alternatives	6.28

Fund Performance

The Fund produced a negative return in September. Returns were supported by the Fund's exposure to alternative assets as global equity and bond markets fell during the month. The Fund continues to favour alternative strategies. The Fund reduced overall equity exposure during the quarter while retaining some exposure to emerging markets. Protection remains primarily on the US high yield market. The exposure to bonds was maintained at low levels while its cash allocation rose.

Market Review

A complex macroeconomic and political backdrop characterised the September quarter, pulling markets in varying directions. Major themes included ongoing fears on the persistency of inflation, a focus shifting towards living with COVID-19 rather than persisting with lockdowns - particularly given much of the population has now had the opportunity to be vaccinated - and the mixed interpretation of central bank communications leading to continued speculation on the path towards 'normalisation' of monetary and fiscal policy. Geopolitics was also heavily in focus, as the US withdrew from Afghanistan, leading to a swift and unopposed takeover by the Taliban regime. China was also in the spotlight during the period, coming under criticism for adopting an apparent conciliatory tone towards the Taliban, in addition to its continued regulatory crackdown on technology and the property sector amid its continuing broader shift towards 'big government' policy. Later in the quarter, volatility rose in markets on heavily fluctuating commodity prices, as well as the news that major Chinese property developer, China Evergrande Group, had run into financial stress, with concerns that a failure to pay its debts could spread to global markets, given its significant size. This volatility was further exacerbated by concerns on the Biden administration's upcoming tax rises and an impending debt-ceiling in the US, with the risk of a government shutdown possible.

Outlook

The medium-term outlook appears positive given growth is expected to be supported by strong savings, supportive policy, reinvestment and rebuild of inventories, and the continued progress in containing COVID-19. In the near term, the increase in inflationary concerns and change in policy could lead to the risk of a correction. In addition, the tapering of bond buying, uncertainty around China and Evergrande, market supply chains, earnings and the US debt ceiling remains a concern.

Availability

Product Name	APIR
AMP Flexible Super - Retirement	AMP1768AU
AMP Flexible Super - Super	AMP1756AU
CustomSuper	AMP1709AU
Flexible Lifetime - Allocated Pension	AMP1717AU
Flexible Lifetime - Super	AMP1709AU
SignatureSuper	AMP1734AU

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