

Cautious Index

Quarterly Investment Option Update

31 December 2021

Aim and Strategy

The strategy aims to closely match the index returns of asset classes before fees and taxes, with a bias towards defensive assets (cash and bonds) but also holding some exposure to growth assets (shares and property). Exposure to individual asset classes will be attained through the use of low cost index-focused investment managers. Global shares may be partially or fully hedged back to Australian dollars. The option's target asset allocation will be adjusted on a regular basis, within disclosed ranges, to reflect the average asset allocation of relevant peers. The option's benchmark is also adjusted on a regular basis in line with the target asset allocation.

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	3 years
Relative risk rating	Medium
Investment style	Index
Manager style	Multi-manager

Asset Allocation	Benchmark (%)
Australian fixed interest	N/A
Australian shares	N/A
Cash	N/A
Global fixed interest	N/A
Global shares	N/A
Growth alternatives	N/A
Listed property and infrastructure	N/A
Actual Allocation	%
International Shares	12.51
Australian Shares	10.28
Listed Property and Infrastructure	11.06
Growth Alternatives	6.24
International Fixed Interest	18.21
Australian Fixed Interest	18.19
Cash	23.51

Market Review

The December quarter saw investor sentiment remain generally buoyant, reflected in global equity markets climbing to new highs towards year-end, as markets began to accept high inflation as a prevailing condition, rather than a transient concern, while the world continued its long-winded road towards exiting the COVID-19 pandemic. US inflation was shown to be at 6.8% over the year to November, the highest seen in 39 years, with many other countries also reaching multi-year peaks. Indeed, the rhetoric of the US Federal Reserve (Fed) took a notable, slightly hawkish turn in this regard, with Chair Jerome Powell, indicating a clear preference to speed up the withdrawal of bond purchases given current inflationary pressures that Powell believes will remain "well into next year."

Outside of finance, the broader media focus was on the latest COVID-19 variant, Omicron. While raw case numbers rapidly rose to new peaks towards the end of the quarter, numerous studies have now shown Omicron symptoms to be generally relatively mild in nature (despite being considerably more infectious), with fatality and hospitalisation percentage rates far below that of previous variants. As has been the case for some time however, global governments reacted vastly differently across the globe, heavily impacting confidence, trade, travel and adding to civil discontent.

Availability

Product Name	APIR
SignatureSuper	AMP1544AU*
SignatureSuper - Allocated Pension	AMP1556AU*

*Closed to new investors

Contact Details

Web: www.amp.com.au

Email: askamp@amp.com.au

Phone: 131 267



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