

AMP Balanced Growth

Quarterly Investment Option Update

30 June 2022

Aim and Strategy

To provide moderate to high returns over the medium to long term through a portfolio diversified across the main asset classes, but with an emphasis on shares and property.

Investment Option Performance

To view the latest investment performances for this product, please visit www.amp.com.au/performance

Investment Option Overview

Investment category	Multi-Sector
Suggested minimum investment timeframe	5 years
Relative risk rating	High
Investment style	Active
Manager style	Multi-manager

Asset Allocation	Benchmark (%)
Global shares	33
Australian shares	25
Australian fixed interest	10
Global fixed interest	8
Growth alternatives	4.5
Unlisted property	4
Global listed infrastructure	3.5
Global listed property	3.5
Cash	3
Unlisted infrastructure	3
Defensive alternatives	2.5

Actual Allocation	%
International Shares	33.31
Australian Shares	25.72
Listed Property and Infrastructure	6.72
Unlisted Property and Infrastructure	8.54
Growth Alternatives	6.41
International Fixed Interest	7.24
Australian Fixed Interest	8.99
Defensive Alternatives	1.52
Cash	1.55

Fund Performance

The Option endured a volatile end to the 2021/22 financial year, generating a negative return in the June quarter and over the year as concerns around inflation, rising interest rates and the conflict in Ukraine weighed on investment markets. Overall, the option performed in line with the neutral benchmark over the quarter and remains ahead over the year. Despite near-term volatility, longer term performance also remains in line with expectations over most key time horizons.

Sentiment deteriorated over the quarter as the increasing chance of recession became the dominant market narrative. Global developed markets retreated -14.4% during the quarter. Emerging market equities also struggled, ending the period -8.1% lower, but outperforming developed markets on the back of easing COVID lockdown restrictions in China. Australian shares fell following the lead from global markets, returning -11.9%. Within the Option, Australian equity and international share exposures slightly underperformed markets, while the overweight position to Australian equities was broadly neutral. Exposures to listed real assets were also constrained as concerns surrounding economic growth outlook limited upside.

In fixed income markets, both government bonds and credit markets, continued to struggle as bond yields shifted higher following interest rate hikes from central banks to combat inflation. Underlying fixed income manager performance was broadly in line with market benchmarks. Weaker performances in listed markets were partially offset by allocations to alternatives and direct assets. Unlisted assets, particularly private equity, remained relatively stable amid market volatility generating a positive return over the quarter. Absolute returns strategies were more mixed but still broadly outperformed equity markets.

Looking ahead, markets are likely to remain volatile as concerns around the Ukraine crisis, inflation and tightening monetary policy remain. Despite the potential for short-term fluctuations, there are some green shoots of easing inflationary pressures which may be well received by investors. In this environment, we believe maintaining an active, well-diversified asset exposure in addition to a long-term perspective on performance is important, particularly after a very strong 2021 for the investors.

Market Review

The June quarter saw pessimistic global sentiment continue to drive further falls across various markets and asset classes, as traders began to price in a growing likelihood of recession, against a backdrop of hawkish central banks aggressively hiking rates to combat inflation. There were however some positive through the quarter, with China pulling-back some of its harsh COVID restrictions providing some much-necessary relief on ports and supply chains, as well as some tentative signs that goods inflationary pressure in the US may be slightly easing. Russia's war on Ukraine meanwhile rolled on, wreaking havoc on global energy markets, particularly in Europe – not to mention the terrible human cost.

Availability

Product Name	APIR
SignatureSuper - Allocated Pension	AMP1130AU*
SignatureSuper - Term Pension	AMP1130AU*

*Closed to new investors

Contact Details

Web: www.amp.com.au

Email: 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.