



# AMP Moderate Growth

## Quarterly Investment Option Update

30 June 2022

### Aim and Strategy

To provide returns greater than those from cash or fixed interest over the medium to long term through a diversified portfolio of cash, fixed interest, shares and property.

### Investment Option Performance

To view the latest investment performances for this 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>	Medium to High
<b>Investment style</b>	Active
<b>Manager style</b>	Multi-manager

<b>Asset Allocation</b>	<b>Benchmark (%)</b>
Global shares	25
Australian fixed interest	17
Australian shares	17
Global fixed interest	16
Cash	9.5
Growth alternatives	3.7
Unlisted property	3.5
Defensive alternatives	2.5
Global Listed Infrastructure	2
Global listed property	2
Unlisted infrastructure	1.8

<b>Actual Allocation</b>	<b>%</b>
International Shares	24.88
Australian Shares	17.82
Listed Property and Infrastructure	3.80
Unlisted Property and Infrastructure	6.78
Growth Alternatives	6.10
International Fixed Interest	14.64
Australian Fixed Interest	17.37
Defensive Alternatives	1.22
Cash	7.39

## 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 the year. Despite near-term volatility, longer term performance also remains in line with expectations over most key time horizons.

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.

Sentiment deteriorated over the quarter as the increasing chance of recession became the dominant narrative across major equity markets. Global developed markets retreated -14.4% during the quarter. Emerging market equities also struggled, ending the period -8.1% lower, though outperformed 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.

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.

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## Availability

<b>Product Name</b>	<b>APIR</b>
SignatureSuper	AMP0778AU*

\*Closed to new investors

## Contact Details

**Web:** [www.amp.com.au](http://www.amp.com.au)

**Email:** [askamp@amp.com.au](mailto:askamp@amp.com.au)

**Phone:** 131 267



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