



AMP Balanced Growth

Quarterly Investment Option Update

31 December 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
Standard Risk Measure	6/High
Investment style	Active
Manager style	Multi-manager

Asset Allocation	Benchmark (%)
Global Shares	34
Australian Shares	25
Fixed Income	17
Infrastructure	7
Property	7
Cash	6
Alternatives	4

Actual Allocation	%
International Shares	30.99
Australian Shares	25.12
Listed Property and Infrastructure	5.94
Unlisted Property and Infrastructure	9.20
Growth Alternatives	5.99
International Fixed Interest	8.98
Australian Fixed Interest	6.70
Defensive Alternatives	1.24
Cash	5.84

Fund Performance

After a difficult year in markets, the final quarter of 2022 brought some relief for investors. Positive returns across most asset classes saw the investment option end the year on an encouraging note after being constrained by higher inflation, rising interest rates and global growth concerns for most of 2022. Overall, the Fund performed behind of the neutral benchmark, but longer-term performance remains in line with expectations over most key time horizons.

There was some respite across most major markets in the December quarter, as inflationary and interest rate pressures showed some signs of easing in October and November. In this environment equity markets were a standout, as global developed markets recovered 7.4% during the period. Emerging market equities also saw strong gains, ending the period 6.5% higher, driven by a sharp recovery in Chinese equities. Domestically, Australian shares also generating positive returns with mining and banking sectors boosting overall performance. Similarly, listed real assets performed in line with broader equities, as interest rate hikes from central banks began to show some signs of slowing, encouraging positive sentiment.

In fixed income markets, Bond and credit allocations eked out a modest positive return after falling for most of the year. Underlying fixed income manager performance was ahead of benchmark, with Australian and international fixed income positions outperforming. Unlisted real assets remained relatively stable over the period, with direct property and direct infrastructure contributing positively. Private equity allocations detracted as devaluations on several investments weighed on returns. Absolute returns strategies in the Option were mixed and underperformed listed markets. They continue, however, to be an important source of diversification in periods of volatility as we have seen throughout the year.

Asset allocation decisions as a whole did limit relative performance versus benchmark over the period, as small overweights to cash at the expense listed equity markets impacted relative performance as equity markets recovered early in the quarter.

As we move into 2023, the impacts of higher inflation and interest rates, as well as geopolitical concerns, remain a constant threat. However, with expectations of a recession largely priced into global markets and signals of inflationary and interest rate pressures beginning to level out, we remain cautiously optimistic on a 12-24 month basis. We believe maintaining an active, well-diversified asset exposure, in addition to remaining focused on the longer-term, should aid portfolio returns.

Market Review

The December quarter saw continued choppy conditions across many markets, similar to that experienced throughout the rest of 2022. While driven by familiar themes, broader market sentiment was pulled in contrary directions, perhaps due to differing timeframes of investor outlooks, as shorter-term traders unsurprisingly continued to focus on inflation prints and the pathway of rate rises, medium-term considerations tended to centre around the growing likelihood of recession, while many longer-term investors looked beyond impending recessionary conditions to what opportunities a post-downturn recovery in economic growth, along with potentially lower inflation, may bring. Around the globe, central bankers' comments remained generally hawkish, even towards the end of the quarter, despite a clear slowing in the pace of hikes. Amid all this, continued geopolitical and diplomatic developments added complexity to the broader global outlook, with Russia's war on Ukraine and Chinese government policy both remaining in the spotlight. In the meantime, the US unveiled its next generation stealth bomber, the B21, arguably adding significant weight to NATO's strategic and tactical deterrence. Elsewhere, long-standing political tensions continued to simmer between Greece and Turkey. Finally, China suddenly began its exit from its draconian 'COVID-zero' policy, injecting a shot of optimism into the global outlook, particularly in Asian emerging markets.

Availability

Product Name	APIR
SignatureSuper	AMP0749AU*

*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). 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, 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.