



AMP Capital Balanced Growth

Quarterly Investment Option Update

31 March 2023

Aim and Strategy

To provide primarily capital growth with some income after costs and before tax, above the strategy's performance benchmark on a rolling 3 year basis, by investing across a range of asset types, with high exposure to growth assets. The strategy aims to provide investors with exposure to a diversified range of Australian and international growth sources across asset classes including shares, Australian listed property trusts, and global listed property securities.

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 (%)
Australian Shares	28
Global Shares	32
Property	6
Infrastructure	6
Alternatives	0
Fixed Income	20
Cash	8

Actual Allocation	%
International Shares	32.05
Australian Shares	27.69
Listed Property and Infrastructure	10.13
International Fixed Interest	9.98
Australian Fixed Interest	12.35
Cash	7.80

Fund Performance

The first quarter of 2023 saw most major markets end the quarter in positive territory, buoyed by signals that inflation, whilst still high, was exhibiting signs of peaking. Positive market returns in the first quarter translated into strong quarterly performance for the Fund. Overall, it performed ahead the neutral benchmark (on a gross basis) for the quarter and remains in line across most key time horizons (except over one-year).

Investor sentiment experienced both highs and lows through the March quarter as central bank policy decisions and inflationary concerns had prime influence over the market direction. In this environment, both Australian and international equities generated positive returns of 3.5% and 7.5% respectively, as inflationary pressures showed signs of easing. This was despite added volatility from recessionary and geopolitical concerns, as well as shocks to the banking sectors in the US and Europe following collapses of Silicon Valley Bank and Credit Suisse respectively. Emerging markets were also strong, though underperformed developed markets, returning 3.8% for the period. Geopolitical concerns emanating out of China and a strong US dollar partially constrained emerging market returns. Bond and credit allocations eked out a modest positive return for the second period in a row, as signs emerged that the aggressive rate hiking cycle by central banks was beginning to have its desired effect. Listed real assets meanwhile performed in line with broader equities, as rate hikes from central banks began to show signs of slowing.

Asset allocations decisions were a key contributor to Fund performance over the quarter. Underweight allocations to listed real assets in favour of bonds and cash limited relative returns, as bond markets outperformed listed property rallied. The effect of stock selection was broadly neutral.

Looking ahead, we are beginning to see pockets of stress and a softening in economic data which we expect to translate to slower growth over the next 12-18 months. We have also seen indications of a peak in inflation, and we expect to see a continuation of its recent downtrend throughout this year. Given the environment, we believe it is important for members to maintain an active well diversified asset exposure for potential risk mitigation. We hold a broadly neutral position, with a small tilt into high quality fixed income such as government bonds, as we expect these assets to provide good defensive qualities and return prospects.

Availability

Product Name	APIR
Flexible Lifetime - Investments (Series 1)	AMP0013AU**
Flexible Lifetime - Investments (Series 2)	AMP1391AU**

**Closed to new and existing investors

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