

High Growth Index

Quarterly Investment Option Update

31 March 2023

Aim and Strategy

The strategy aims to closely match the index returns of the asset classes in which it invests (before fees and taxes). It invests primarily in 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.

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	10 years
Standard Risk Measure	6/High
Investment style	Index
Manager style	Multi-manager

Asset Allocation	Benchmark (%)
Australian Shares	41
Global Shares	46
Property	5
Infrastructure	3
Alternatives	2
Fixed Interest	0
Cash	3

Actual Allocation	%
Global Shares	47.29
Australian Shares	40.42
Listed Property and Infrastructure	7.62
Growth Alternatives	1.58
Global Fixed Interest	0.12
Australian Fixed Interest	0.01
Cash	2.96

Fund Performance

The Fund produced a very strong return for the March quarter, as markets climbed higher.

Market Review

The earlier half of the March quarter saw growth markets generally gain ground as inflation, while still high, continued to exhibit signs of falling, fanning expectations the US Federal Reserve (Fed), along with other central banks, would soon ease hawkish monetary policy. In mid-February however, US CPI inflation was shown to have reduced only slightly, disappointing traders betting on a larger fall. This was followed by continued hawkish comments from the Fed, which dampened market sentiment somewhat. Data released in March, however, subsequently showed a further fall in US inflation.

The more unexpected story of the quarter however came in mid-March, as relatively unknown regional US banks, Silicon Valley, Signature and Silvergate collapsed amid a run on deposits. These banks weren't able to meet withdrawal demand, as long-dated treasuries held as capital had lost significant value over the previous year amid rising yields. The Fed promptly stepped in, providing around US\$300 billion in extra credit to help ensure other banks could continue to meet funding requirements. Other major central banks also announced measures to add liquidity and guard against contagion.

Focus turned to Swiss banking stalwart Credit Suisse, which after large outflows via mass withdrawals, particularly in recent months, became financially unviable. This culminated with the bank being taken over by local peer UBS at a heavily discounted price.

Outlook

After many months of rate rises from central banks, signs are emerging more broadly that global inflation has indeed topped out and a recession appears quite likely, though not guaranteed. In any case, for long-term investors, this generally shouldn't be a concern, as these conditions are part of the normal economic cycle. While the environment may toughen for companies, stronger businesses will likely emerge with increased market dominance. Furthermore, share prices tend to lead the economic cycle, rather than be synchronised to it. We believe a diverse basket of businesses bought at reasonable prices, particularly those with strong competitive advantage that generate high amounts of cash from their shareholders' capital, will serve investors well over the long-term.

Availability

Product Name	APIR
SignatureSuper	AMP1547AU
SignatureSuper - Allocated Pension	AMP1559AU
SignatureSuper Term Pension	AMP1559AU*

*Closed to new investors

Contact Details

Web: www.amp.com.au

Email: askamp@amp.com.au

Phone: 131 267



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