

AMP Balanced Growth

Quarterly Investment Option Update

30 September 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	%
Global Shares	31.73
Fixed Income	22.78
Australian Shares	29.18
Property	5.38
Infrastructure	5.23
Cash	5.70
Alternatives	0.00

Fund Performance

After strong gains in the first half of the year, the September quarter was reminiscent of 2022, where share and bond markets retreated as investor sentiment remained negative around inflation falling slower than expected and interest rates remaining higher for longer. This translated to a negative return for the Fund. Positively though, the Fund outperformed its strategic benchmark. With a highly volatile 2022 weighing on recent returns, longer-term performance is broadly in line with the benchmark over most key time horizons.

The start of the new financial year saw share markets give up a portion of the gains generated in the tail end of FY2022, as the inflationary and interest rate outlook somewhat tempered expectations of a "soft landing" in the current global economic cycle. In this environment, both Australian and international equities retreated, returning -0.8% and -2.7% respectively. Growth-focussed US technology stocks yet again stood out as major market movers. The September quarter saw more volatility for fixed income allocations, with interest rate sensitive segments, such as government bonds, continuing to languish amid rising yields and volatility. Credit sectors meanwhile tended to perform better, as immediate recessionary concerns continued to be pushed back into 2024. Listed real assets were constrained relative to broader equities, as rising interest rates hampered the sector.

Over the period, the Fund outperformed the neutral benchmark on a gross basis and remains broadly in line over longer periods. Active stock selection from underlying managers in Australian and International shares boosted overall performance, as they outperformed their respective benchmarks. Asset allocation was broadly neutral during the period.

Looking ahead, we expect more market volatility for the remainder of 2023. Share markets remain precariously positioned, with valuations elevated. Inflation is not falling as fast as previously expected and higher interest rates are now likely to remain well into 2024, compounding concerns around national debt levels and potential recession. Against this backdrop the Fund is well positioned, with a sizeable allocation to defensive assets, such as bonds and cash, for added protection and diversification. This may aid the Fund if share volatility increases towards year end.

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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