

Balanced Index

Quarterly Investment Option Update

30 June 2024

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 has a bias towards growth assets (shares and property) but also holds defensive assets (cash and bonds). 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	5 years
Standard Risk Measure	6/High
Investment style	Index
Manager style	Multi-manager

Asset Allocation	Benchmark (%)
Australian shares	26
Global Shares	33
Property	7
Infrastructure	7
Alternatives	0
Fixed Income	20
Cash	7

Actual Allocation	%
Global Shares	33.69
Fixed Income	19.62
Australian Shares	26.03
Infrastructure	7.13
Property	7.02
Cash	6.51

Fund Performance

The Fund produced a modest positive return for the June quarter, as global shares rose while other major asset classes pulled back. Over the full financial year however the return was much stronger, as major asset classes made solid gains.

Market Review

The June quarter in many ways was a close reflection of recent quarters and indeed much of the 2024 financial year. Further gains in global growth asset markets were seen, as familiar themes remained dominant in economic news flow. Deflation also generally continued around the globe, though some spikes in inflation again caused some angst in interest rate-sensitive markets. Services, rather than goods, were generally the culprit of these inflationary spikes, particularly in the US. Global central banks meanwhile continued their slow shift towards cutting rates, with a number of rate cuts in Europe and the Americas, though this didn't eventuate in the US or Australia over the period. Outside of inflation, US economic data, while still somewhat resilient, weakened slightly, which again drove positive market sentiment via hopes of bringing Fed rate cuts closer, despite the central bank indicating fewer hikes were likely this year than markets were predicting.

Outlook

In regard to global shares, interest rates have begun falling in a number of regions on the back of significantly decreased levels of inflation and low economic growth. The corporate environment remains tough, though strong businesses, as always, will likely move forward with increased market dominance. 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.

Global bond markets are likely to continue to focus on the expected paths for US interest rates. Large drawdowns in recent years, resulting in bonds being available at significantly cheaper prices, continue to lead us to believe returns going forward will likely be reasonable; perhaps around current running yield or a little more, as inflation slows, and central banks cut rates. Furthermore, bonds will likely serve as a diversifier to growth assets, particularly during economic slowdown. Stickier than expected inflation remains a risk, as this could cause further delays to interest rate cuts.

Availability

Product Name	APIR
Flexible Lifetime - Investments (Series 1)	AMP1050AU**
Flexible Lifetime - Investments (Series 2)	AMP1390AU**
SignatureSuper	AMP0784AU
SignatureSuper - Allocated Pension	AMP1137AU
SignatureSuper - Term Pension	AMP1137AU*

*Closed to new investors

**Closed to new and existing investors

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