

AMP Capital Dynamic Markets Fund - On-platform Class A

Investment objective

The Fund's investment objective is to provide excess returns (before fees & tax) above the performance benchmark over a rolling 5 year period. The performance benchmark of the Fund is the RBA Trimmed Mean CPI (annual percentage change) + 450 bp before fees.

How we manage your money

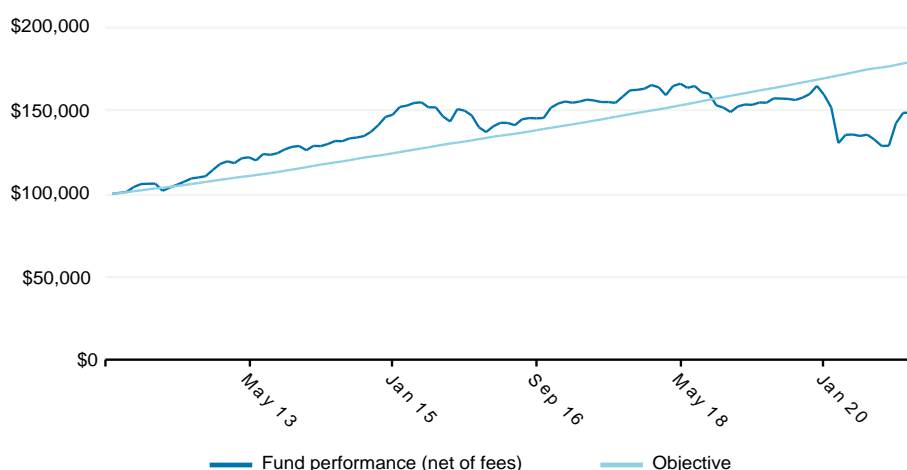
This Fund will be managed using a Dynamic Asset Allocation (DAA) style. As a standalone DAA-style fund, and in the absence of rigid growth/defensive constraints, the Fund will invest in a mix of growth and defensive asset classes to exploit periodic mispricing between asset classes through the business cycle.

Performance as at 31 January 2021

%	1 MTH	3 MTH	1 YR	3 YRS	5YRS	7YRS	SINCE INCEPT
Total Return - Gross of Fees	0.06	15.47	-6.30	-2.98	1.71	2.96	4.93
Total Return - Net of Fees	0.01	15.31	-6.80	-3.48	1.21	2.37	4.36
Objective	0.51	1.52	5.78	6.08	6.16	6.39	6.48
Excess return	-0.50	13.79	-12.58	-9.56	-4.96	-4.03	-2.12

Past performance is not a reliable indicator of future performance. Performance is annualised for periods greater than one year. Total returns are calculated using the net asset value per unit for the relevant month end. This price may differ from the actual unit price for an investor buying or selling an investment. Actual unit prices will be confirmed following any transaction by an investor. Returns quoted are before tax, after fees and costs and assume all distributions are reinvested.

\$100,000 invested since inception



FUND FACTS

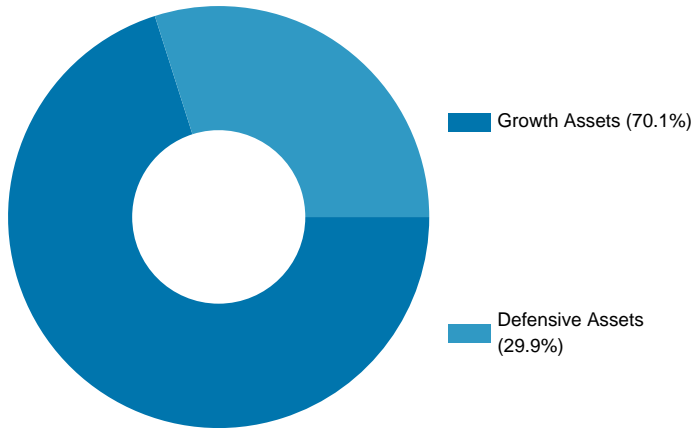
APIR	AMP1932AU
Inception date	28 September 2011
Fund Size	\$281,743,311
Management costs*	0.67% p.a.
Buy/Sell spread*	+0.15%/-0.15%
Distribution frequency	Half-yearly
Minimum investment	\$500,000
Minimum suggested time frame	5 years

*Fee information is accurate as at 30 June 2020, figures are updated bi-annually. The Fund PDS outlines the latest management costs and other relevant components, as well as other fees and costs that may apply to your investment. You can review the PDS at www.ampcapital.com

What happened last period

- The Fund delivered a small positive return in January
- Markets are in the transitional process from dislocation to normalisation
- Short squeeze concerns impacted markets in January

Asset allocation (%)



Fund Performance

The Fund had a small positive return in January.

The Fund had a strong start to the month but experienced a slight setback later in the month as concerns over a possible spill over from the short squeeze in the US, together with renewed COVID-19 worries, impacted the markets.

Markets are early in the transitional process from dislocation to normalisation, a process which will continue to benefit the economically sensitive laggards. However, this won't happen in a clear smooth line and there will be volatility. The setback in January in response to the increased uncertainty over the vaccine supply, distribution and mutation was a case in point. However, the recent pullback should set the springboard for the next leg higher in cyclical value relative performance.

The Fund maintained its core positions over the month including: long inflation / short volatility positioning through a long position in cyclical value sectors as well as commodities, overweight equities versus underweight allocations to sovereign bonds, overweight allocations to non-US (Europe and emerging markets) versus an underweight allocation to US equities, short technology, and no exposure to defensive bond proxies. We continue to position for further curve steepening. The countertrend trend rally in the US dollar rally is maturing and we are starting to reinstate short US dollar positions.

Market review

After surging in late 2020, global shares struggled for direction through much of January. Volatility however increased towards month-end, as concerns grew around COVID-19 vaccines' efficacy and roll-out, as well as around the timetable for increased fiscal stimulus to arrive in the US. Generally, stocks in perceived pandemic-safe sectors performed relatively well amid worsening virus numbers, while many cyclical and reopening-

dependant stocks struggled as social restrictions and lockdowns continued around the globe. Markets also continued to digest the potential implications of a Biden Presidency.

While it seems likely that some international trade relationships will heal, given President Biden's more traditional political approach, from a corporate earnings perspective there remains concern around significant tax rises flagged by the Democrats prior to the election. Finally, towards the end of January there was a media focus on a group of US retail day traders who tactically bought up some heavily-shortened stocks, forcing some large hedge funds to cover their shorts and realise huge losses in the process.

Global long-dated government bond yields mostly moved higher in January as economic sentiment was bolstered by ongoing fiscal and monetary stimulus measures and progress was made towards mass vaccination. The pace of US economic growth had eased somewhat in the final quarter of 2020, but this was largely expected following a previous outsized gain. Investors evidently chose to look ahead to the further boost to activity that will flow from the recently passed US\$900 billion fiscal stimulus package and the prospect of ongoing monetary support from the US Federal Reserve, which has committed to maintaining its bond purchase program.

Outlook

Markets are early in the process transitioning from dislocation to normalisation, an environment which will continue to benefit the economically sensitive laggards. However, this process won't be smooth and there is likely to be volatility. The setback in January in response to the increased uncertainty over the vaccine supply, distribution and mutations was a case in point. The recent pullback should set the springboard for the next leg higher in cyclical value relative performance.

With the recent short squeeze capturing the

headlines and significant moves in some heavily shorted stocks/markets, it is another timely reminder to acknowledge that the market is packed with many agents with different perspectives. Many of these actors have short-term horizons and their immediate impact is hard to judge. It is thus important for investors to understand their own time horizons and not be diverted by market noise and short-term behaviour.

Portfolio Manager



Nader Naeimi

Nader Naeimi is responsible for leading the Dynamic Asset Allocation strategy for the Multi Asset Group, as well as other macro strategies and asset allocations for several AMP Capital funds. Nader has 17 years of experience in Australia's financial markets, including 13 as part of AMP Capital's Investment Strategy and Economics team. Nader is a regular media commentator on major investment and financial market matters.

Further information

For information about the Fund including fees, features, benefits and risks talk to your financial advisor today or read the product disclosure statement (PDS) which can be found on:

www.ampcapital.com/dynamic-markets-fund

You can also call us on **1800 658 404**



INSIGHTS
IDEAS
RESULTS

AMP Capital Funds Management Limited (ABN 15 159 557 721, AFSL 426455) is the responsible entity (Responsible Entity) of the AMP Capital Dynamic Markets Fund - On-platform Class A (Fund) and the issuer of the units in the Fund. To invest in the Fund, investors will need to obtain the current Product Disclosure Statement (PDS) from AMP Capital Investors Limited (ABN 59 001 777 591, AFSL 232 497) (AMP Capital). The PDS contains important information about investing in the Fund and it is important that investors read the PDS before making an investment decision about the Fund. Neither AMP Capital, the Responsible Entity, nor any other company in the AMP Group guarantees the repayment of capital or the performance of any product or any particular rate of return referred to in this document. While every care has been taken in the preparation of this document, AMP Capital makes no representation or warranty as to the accuracy or completeness of any statement in it including without limitation, any forecasts. This document has been prepared for the purpose of providing general information, without taking account of any particular investor's objectives, financial situation or needs. Investors should consider the appropriateness of the information in this document, and seek professional advice, having regard to their objectives, financial situation and needs. This document should not be reproduced in whole or in part without the express written consent of AMP Capital.