AMP CAPITAL MULTI-ASSET FUND

Monthly communication — Platform

June 2021

The AMP Capital Multi-Asset Fund (the Fund) aims to provide solid, inflation beating returns, by investing in a portfolio of assets spread across different classes, sectors and geographies.

The Fund is actively managed and has the ability to change the portfolio's asset mix in order to navigate the ups and downs of the investment cycle. This may be of particular value to investors concerned about short-term market fluctuations.

- Smoother performance over time
- Grow your wealth steadily over time
- Pay for lifestyle extras during retirement
- Help protect your savings from market falls

This month in brief

Performance and positioning

The Fund produced a positive return over the June quarter. Contributions were broad-based across equities, fixed income, and absolute return strategies. Equity markets are expensive in aggregate but remain supported by low rates and strong earnings growth. The Fund has leaned into cyclical areas of the market as the world continues to recover from the Covid pandemic. This theme has performed very well but has shown short-term signs of headwinds as the Delta variant has grown.

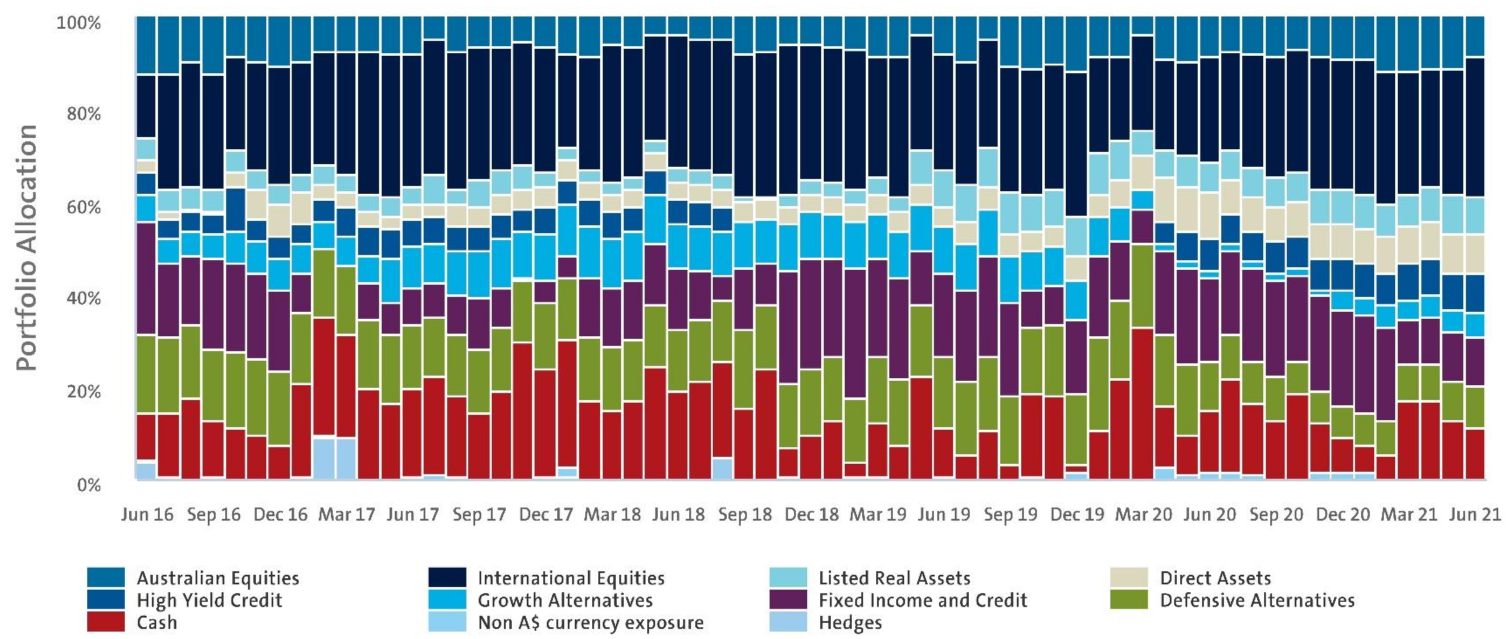
Portfolio activity

The Fund's positioning was largely unchanged, although there has been some reduction and rotation in exposure as markets have rallied. The portfolio retains slightly higher-than-normal exposure to equities, shorter duration (sensitivity to higher interest rates), and higher exposure to alternative assets. Our base case remains that a reflationary / reopening environment ultimately continues to play out and we have positioned the Fund with slightly higher equity allocations, with tilts to more cyclical sectors. Some of this exposure was reduced in early June given the speed of the run up in markets and softening longer-term interest rates. In addition, hedging positions were also increased reflecting the markets rapid rise and the increased discussion of tapering.

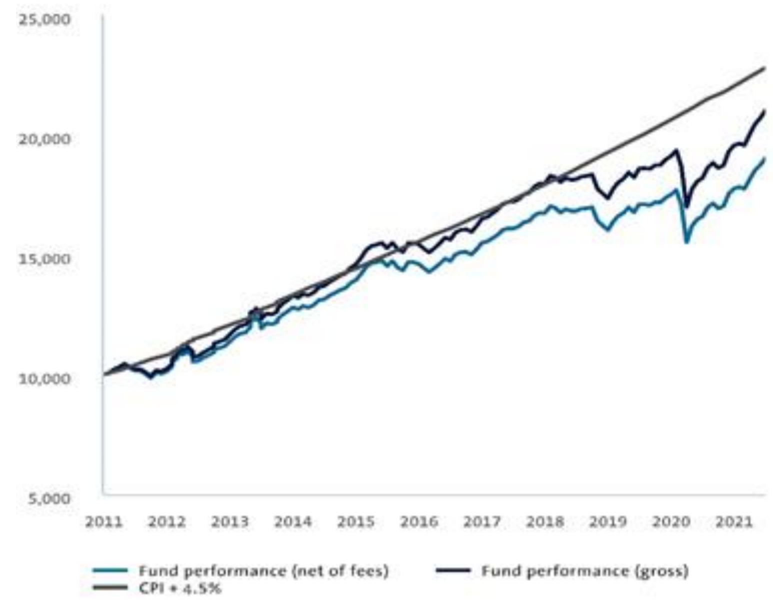
Outlook

We made the decision to lower the Fund's target return objective from CPI+5.5% to CPI+4.5% as at the end of June. This is in response to the continued decline in longer-term average return expectations, in turn driven by low interest rates and high historic valuations. The change does not impact how the Fund is managed or the risk profile. Despite the growth scare from the Delta variant, earnings momentum remains strong and growth in many cyclical areas look robust into next year. Anecdotal descriptions of the value on offer in certain stocks in the portfolio, especially energy and materials, are encouraging for the next 12 months. The US Federal Reserve increasingly discusses tapering, and longer rates have started to fall again.

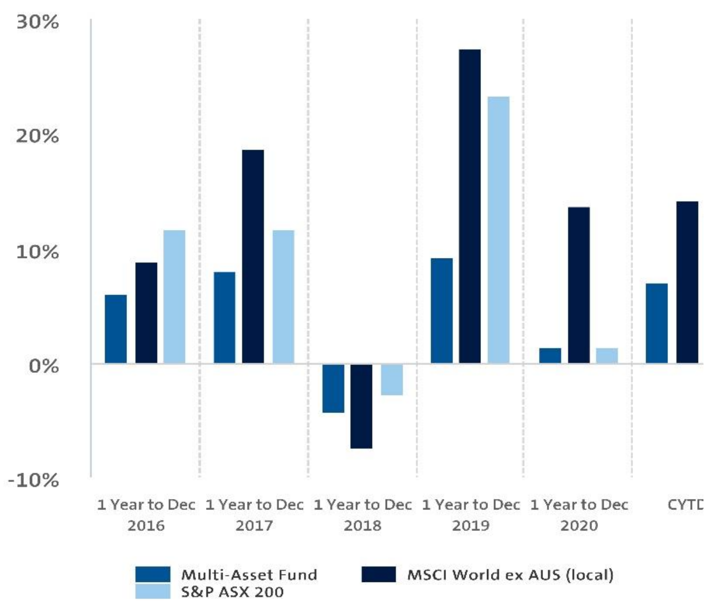
Flexible allocations to navigate market movements



CONSISTENT PATHWAY OF RETURNS



DOWNSIDE RESILIENCE AGAINST EQUITIES



Performance is platform class A, before and after platform class A management fees and before taxes, and assumes all distributions are reinvested. Returns are shown before fees to promote comparison with the total target return of 4.5% annum above inflation.

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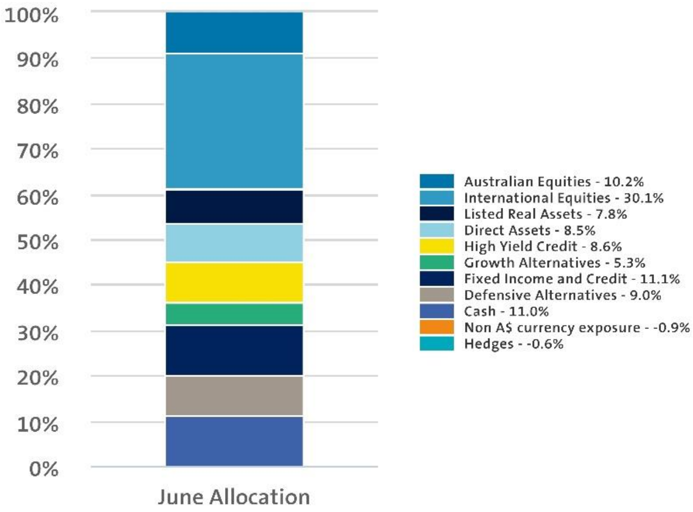
Here's how the fund performed

	1mth %	3mth %	1yr %	3yr %	5yr %	Since Inception*
Multi-Asset Fund (after fees)	1.45	4.78	14.60	4.16	5.22	5.96
Multi-Asset Fund (before fees)	1.51	4.96	15.42	5.00	6.09	6.90
CPI+4.5% objective	0.54	1.68	6.62	7.05	7.18	7.55

* Past performance is not a reliable indicator of future performance. Inception date for unit Class A is 2 December 2010. Performance is annualised for periods greater than one year. Total returns are calculated using the unit price which uses the net asset values for the relevant month end. This price may differ from the actual unit price for an investor applying for or redeeming an investment. Actual unit prices will be confirmed following any transaction by an investor. Returns quoted are before tax, after Class A fees and costs and assume all dividends are reinvested.

FUND DETAILS	
INCEPTION DATE	2 December 2010
STRATEGY SIZE	$576.17 million
DISTRIBUTION FREQUENCY	Quarterly
APIR CODE	AMP1685AU
BUY/SELL SPREAD	0.13/-0.15%
SUGGESTED MINIMUM INVESTMENT TIMEFRAME	5 years
INVESTMENT OBJECTIVE	The Fund aims to provide a total return (income and capital growth) before costs and before tax, of 4.5% pa above inflation, the Reserve Bank of Australia inflation rate (Consumer Price Index) - trimmed mean (published on www.rba.gov.au), on a rolling 5 year basis.In addition, we aim to deliver indicative volatility rate of 4-8% (bond-like) over rolling five years. We aim to deliver this in a manner that is as efficient as possible (with respect to risk and cost) within the bounds above.



Portfolio manager

MATTHEW HOPKINS
Senior Portfolio Manager

Matthew Hopkins is the Senior Portfolio Manager for the AMP Capital Multi-Asset Fund. Mr Hopkins chairs the working group for the Multi-Asset Fund and is responsible for portfolio construction, risk management, research and hedging. In his role within the portfolio management team, Mr Hopkins also participates in a wider variety of client-related investment solutions for the Multi-Asset Group and has extensive experience in portfolio construction and investment risk analysis. Mr Hopkins began with AMP Capital in 1989. Subsequently, he has held various positions including as a Portfolio Manager in global hedge funds, Divisional Director of Investment Risk (Research and Strategy, Henderson Global Investors, London) and Head of Portfolio Analytics (UK Equities, AMP Asset Management, London).

CONTACT DETAILS

For more information on the Fund including fees, product features, benefits and risks talk to your adviser or call us on 1800 658 404 or visit **ampcapital.com.au**

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