

# AMP CAPITAL MULTI-ASSET FUND

Monthly communication — Direct investment

May 2022



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



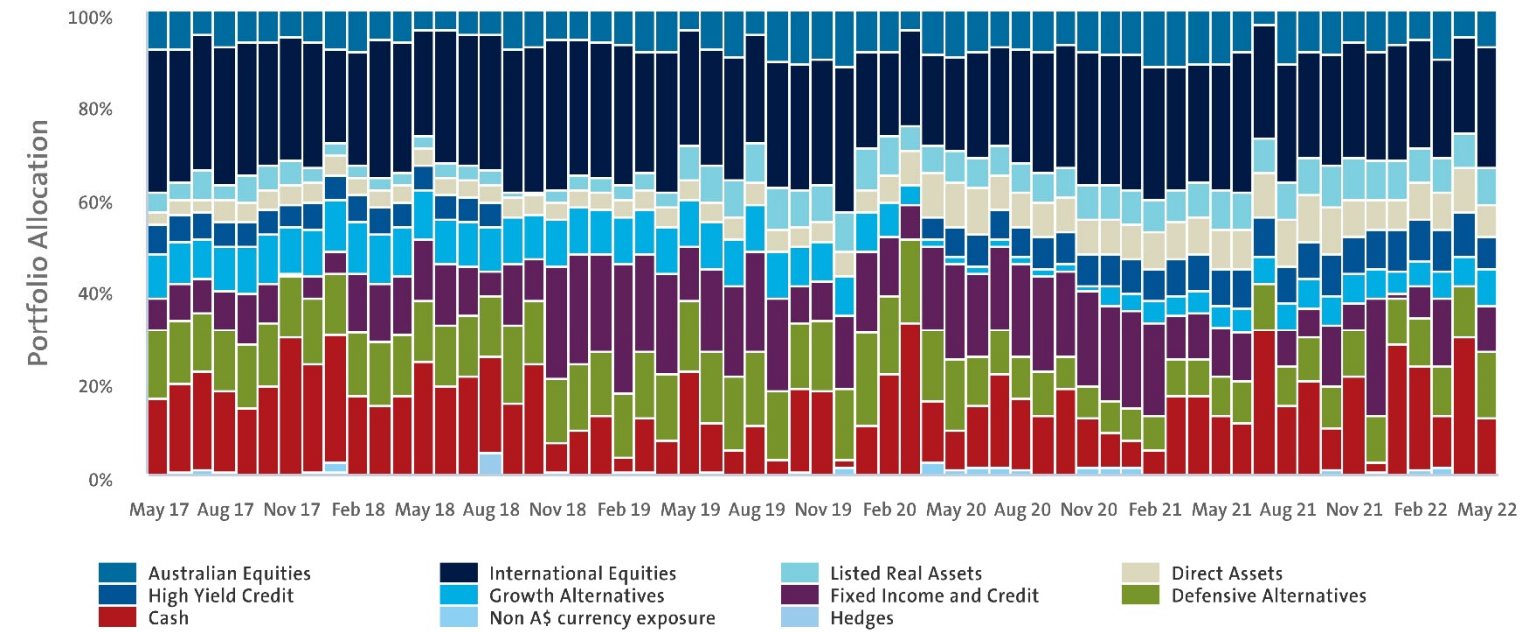
Pay for lifestyle extras during retirement



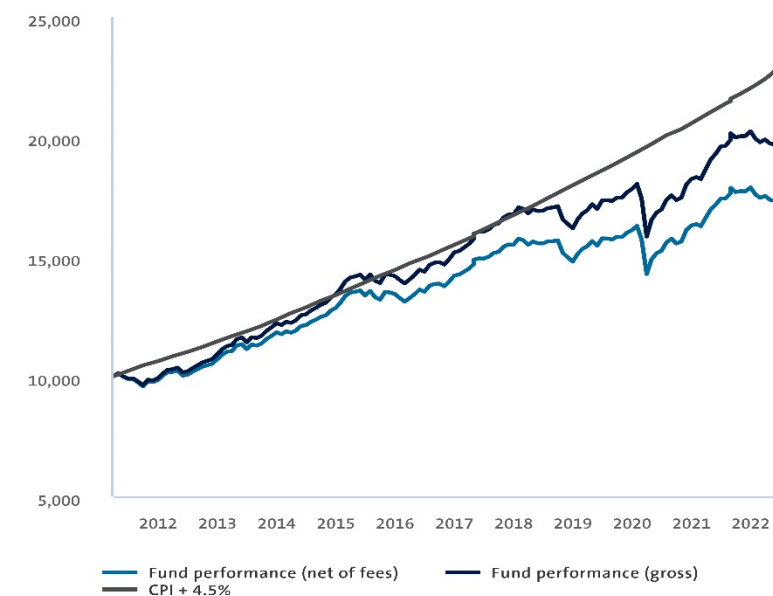
Help protect your savings from market falls



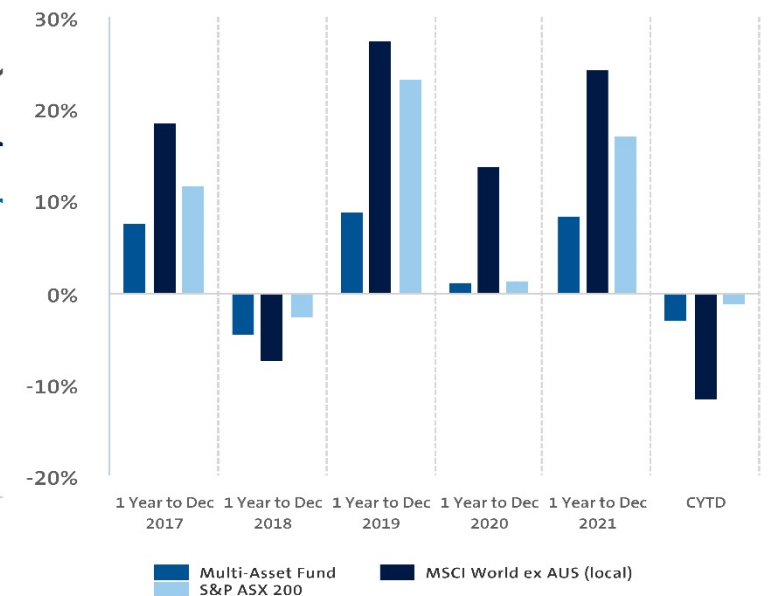
## Flexible allocations to navigate market movements



### CONSISTENT PATHWAY OF RETURNS



### DOWNSIDE RESILIENCE AGAINST EQUITIES



Performance off platform class H, before and after platform class H 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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## This month in brief

### Performance and positioning

The Fund fell slightly in May as broader global markets continued to deteriorate. Global equities have, in some cases, corrected beyond 20% from recent peaks, while some bond markets are down by similar amounts. Bond market corrections of this size have not been seen for over 40 years. The Fund's relatively low recent losses have been a result of asset allocation leaning toward cash, real assets and alternatives; stock selection from our core managers; and tail hedges, which will likely continue to aid the Fund's performance if markets fall further. Our hedges in credit and equities have been performing strongly, with some profits being taken from credit in May.

### Portfolio activity

The Fund is constructed based on our return expectations from markets and our various alternative strategies. We aim to build the most diversified portfolio possible from this mix in order to optimise return potential, while minimising potential losses. Tail hedges are used to mitigate or soften the impact of large losses. The Fund's hedges are currently concentrated in the US and German stock markets; and are already in profit due to the recent market falls. The portfolio is maintaining its core exposures in equities, alternatives, cash and real assets, while we feel some attractive opportunities may present in the bond sector in the coming months.

### Outlook

We believe the current environment is very attractive for actively managed funds. After recent falls, lower valuations will likely be setting up stronger longer-term returns. The uncertainty is how much damage is encountered in bringing inflation under control in the meantime. Economic growth expectations are slowing sharply, as central banks prioritise inflation-control over employment. While markets have started pricing a recession, earnings remain solid (for now) and US consumers are still spending. If inflation softens over the next six months there is room for a soft landing in the US and a likely great buying opportunity. If inflation remains higher for longer, we believe the probability of a recession will rise above 50%. We expect market volatility to remain higher and market direction to remain sideways at best over the next six months. Conditions favour defensives and energy sectors in equities. Despite confidence in commodities, especially oil and some metals, we have now taken some profits in these areas as they are quite susceptible to rising volatility.

## Here's how the fund performed

	1mth %	3mth %	1yr %	3yr %	5yr %	Since Inception*
Multi-Asset Fund (after fees)	-0.27	-0.74	-0.34	3.45	2.77	4.89
Multi-Asset Fund (before fees)	-0.18	-0.48	0.67	4.55	3.91	6.07
CPI+4.5% objective	0.85	2.29	7.67	7.18	7.26	7.59

\* Past performance is not a reliable indicator of future performance. Inception date for unit Class H is 28 March 2011. 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 H fees and costs and assume all dividends are reinvested.

## FUND DETAILS

INCEPTION DATE 28 March 2011

STRATEGY SIZE \$318.74 million

DISTRIBUTION FREQUENCY Quarterly

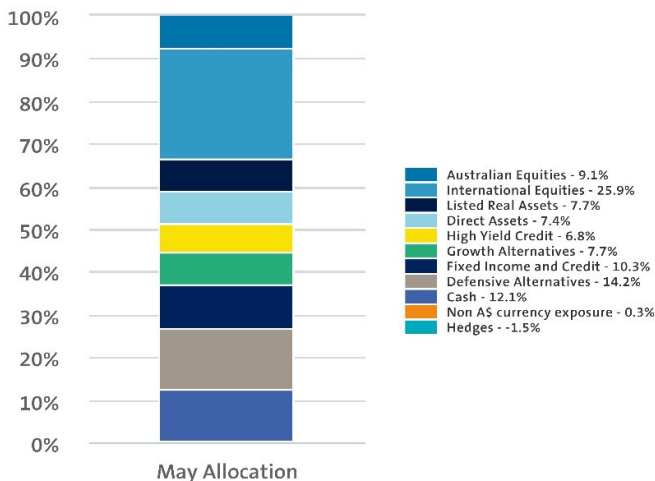
APIR CODE AMP1686AU

BUY/SELL SPREAD 0.13/-0.14%

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](http://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](http://ampcapital.com.au)

ipac Asset Management Limited (ABN 22 003 257 225, AFSL 234655) (ipac) is the responsible entity of the AMP Capital Multi-Asset Fund - Class H (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 National Mutual Funds

Management Ltd. (ADN 32 006 787 720, AFSL 234652) (NMFM). The PDS contains important information about investing in the Fund and it is important that investors read the PDS before making a decision about whether to acquire, or continue to hold or dispose of units in the Fund. A target market determination has been made in respect of the Fund and is available at [www.ampcapital.com/TMD](http://www.ampcapital.com/TMD) Neither NMFM, ipac 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. Past performance is not a reliable indicator of future performance. 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, before making any investment decisions, consider the appropriateness of the information in this document, and seek professional advice, having regard to their objectives, financial situation and needs. This document is solely for the use of the party to whom it is provided and must not be provided to any other person or entity without the express written consent of AMP Capital. This document is not intended for distribution or use in any jurisdiction where it would be contrary to applicable laws, regulations or directives and does not constitute a recommendation, offer, solicitation or invitation to invest.

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