

Responsible Investment Leaders Growth



Quarterly Investment Option Update

30 June 2016

Aim and Strategy

To provide a total return (income and capital growth) after costs and before tax, above the return from the relevant benchmarks of the underlying investments on a rolling 5 year basis. The portfolio invests in all asset classes, but with an emphasis on growth assets (shares and property).

With the exception of cash and listed property, the portfolio is managed using a Responsible Investment approach – an approach that focuses on investing in companies that contribute to a socially and environmentally sustainable world (see page 1 for more information).

(Responsible investing/multi-manager investment approach)

Investment Option Performance

To view the latest investment performances please visit www.amp.com.au

Availability

Product name	APIR
AMP Flexible Lifetime Super	AMP1035AU
AMP Flexible Super - Retirement account	AMP1373AU
AMP Flexible Super - Super account	AMP1502AU
CUSTOM SUPER	AMP1035AU
Flexible Lifetime - Allocated Pension	AMP1024AU
Flexible Lifetime - Term Pension	AMP1045AU
Flexible Lifetime Investment	AMP1058AU
Flexible Lifetime Investment (Series 2)	AMP1436AU
METCASH SUPERANNUATION PLAN	AMP1035AU
Signature Super	AMP0979AU
SignatureSuper Allocated Pension	AMP1175AU

Asset Allocation	Benchmark	Range (%)
Australian Shares	40	30-50
Global Shares	38	30-50
Growth Alternatives	3	0-7
Australian Property	6	0-12
Australian Bonds	5	0-.13
Global Bonds	5	0-18
Cash	3	0-13

Top Ten Australian Securities	%
Commonwealth Bank of Australia	8.52
Westpac Banking Corp	7.98
Telstra Corp Ltd	5.61
National Australia Bank Ltd	4.53
CSL Ltd	4.52
BHP Billiton Ltd	4.33
Ramsay Health Care Ltd	3.97
Transurban Group	3.66
Macquarie Group Ltd	2.60
Rio Tinto Ltd	2.32

Investment Option Overview

Investment category	Diversified - Moderately Aggressive
Suggested investment timeframe	6-9 years
Relative risk rating	Medium - High
Investment style	Responsible investing / multi-manager

Top Ten International Shares Exposure	%
Johnson & Johnson	2.22
PepsiCo Inc	2.13
Roche Holding AG	1.93
MICROSOFT CORP	1.45
Verizon Communications Inc	1.33
3M Co	1.25
Lowe's Cos Inc	1.24
TSMC	1.15
Honeywell International Inc	1.11
Time Warner Inc	1.10

Actual Allocation	%
International Shares	40.53
Australian Equities	37.05
Cash	9.38
International Listed Property	6.81
Diversified Fixed Income	6.23

Portfolio Summary

- > The Option delivered a positive return for the June quarter following a significant period of global market volatility.
- > Geopolitical risk, particularly Brexit, dominated headlines over the quarter significantly influencing market movements across global markets.
- > The Option maintains a bias away from Australian shares towards international shares, with a slight preference towards emerging market share, particularly China.

Investment Option Commentary

Both Australian and international markets experienced highs and lows over the quarter. Following a strong end to the last quarter April and May continued the trend, driven by a rise in global commodity prices, dovish central bank actions and improving global economic growth. However, June proved detrimental to this positivity. The 'Brexit' vote and the increased global uncertainty that followed led to a wave of selling pressure in shares over the month, particularly in Europe, harming the level of quarterly performance. The Option's Australian and international share holdings, still concluded the quarter up 3.2% and 4.2% respectively with the gains made earlier in the quarter showing resilience. The depreciation of the Australian dollar over the quarter also boosted the performance of international shares for Australian based investors. The global uncertainty in June saw investors flock towards safe haven assets and higher yielding securities. As a result, global bonds, listed real estate securities and direct property markets also reported positive results. The significant level of volatility exhibited over the quarter highlighted the importance of diversification. With most global share markets ending considerably weaker in June, our exposure to historically stable and yield driven assets such as direct property and cash helped reduce volatility and limit losses over the period.

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