

# AMP Balanced Growth

Quarterly Investment Option Update

31 March 2017

## Aim and Strategy

Aim and strategy: To provide moderate to high returns over the medium to long term through a portfolio diversified across the main asset classes, but with an emphasis on shares and property.

## Investment Option Performance

To view the latest investment performances please visit [www.amp.com.au](http://www.amp.com.au)

### Availability

Product name	APIR
<a href="#">AMP Flexible Lifetime Super</a>	AMP0165AU
<a href="#">AMP Flexible Super - Retirement account</a>	AMP1321AU
<a href="#">AMP Flexible Super - Super account</a>	AMP1451AU
<a href="#">AMP Growth Bond</a>	AMP1190AU
<a href="#">CUSTOM SUPER</a>	AMP0165AU
<a href="#">Flexible Income Plan - Investment Linked Allocated Pension</a>	AMP1184AU
<a href="#">Flexible Lifetime - Allocated Pension</a>	AMP0594AU
<a href="#">Flexible Lifetime - Term Pension</a>	AMP0894AU
<a href="#">Investment Linked Deferred Annuity</a>	AMP0715AU
<a href="#">Investment Linked Regular Premium</a>	AMP0215AU
<a href="#">Investment Linked Single Premium</a>	AMP0078AU
<a href="#">METCASH SUPERANNUATION PLAN</a>	AMP0165AU
<a href="#">MultiFund Flexible Income Plan</a>	AMP0475AU
<a href="#">Signature Super</a>	AMP0749AU
<a href="#">Signature Super Allocated Pension</a>	AMP1130AU

Asset Allocation	Benchmark	Range (%)
Australian Shares	33	26-40
Global Shares	24.5	15-30
Growth Alternatives	1.5	0-6
Australian Property	6	0-10
Global Property	4	0-16
Australian Bonds	12.5	5-18
Global Bonds	12.5	5-18
Cash	6	0-16

Top Ten Australian Shares	%
Westpac Banking Corp	8.48
Commonwealth Bank of Australia	8.47
National Australia Bank Ltd	6.43
Australia & New Zealand Banking Group Ltd	5.46
BHP Billiton Ltd	5.33
Wesfarmers Ltd	4.93
CSL Ltd	4.09
Rio Tinto Ltd	3.72
Macquarie Group Ltd	2.75
QBE Insurance Group Ltd	2.75

### Investment Option Overview

**Investment category** Diversified - Balanced

**Suggested investment timeframe** 5 years

**Relative risk rating** Medium

**Investment style** Active

Actual Allocation	%
Australian Equities	26.89
International Equities - Unhedged	22.31
Australian Fixed Interest	11.91
International Equities - Hedged	11.01
Unlisted Real Assets	10.84
Cash	7.61
Listed Real Assets	4.18
International Fixed Interest	1.99
Alternative Assets Growth	1.90
Alternative Assets Defensive	1.36

## Portfolio Summary

- > The Option delivered a positive absolute return as equity markets built upon gains made at the end of 2016
- > The largest contributors to performance were Australian shares and international shares.
- > Detracting sectors included listed real assets and some alternatives.

## Investment Option Commentary

The Option's positive absolute return for the quarter was mostly driven by sizeable allocations to both Australian and International shares. On a relative basis, the Option concluded below benchmark partly due to the underperformance of underlying Australian equity managers and listed real assets. Australian shares proved to be a strong contributor (in absolute terms) as commodity prices stabilised and a continued housing boom buoyed overall performance. The Option benefited from active positions in European and Emerging Markets ('EM') equities on the back of positive PMI indicators in Europe, dovishness from EM central banks and a stable \$US. The Option remains underweight in global fixed interest in favour of cash, as yields seem to have bottomed out and are expected to rise gradually. Global growth looks set to gain momentum over the course of 2017, which will likely benefit the Option's allocation to equity markets, particularly within Europe. There are several risks that may cause market weakness for the months ahead; these include geopolitical volatility from upcoming key elections, a sharper than expected rise in bond yields and a consolidation in the US market. The recent addition of absolute return strategies, alongside option protection strategies, should prepare the Option for any potential downside incurred by market weakness for the year ahead.

## Contact Us

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