

# AMP Moderate Growth

Quarterly Investment Option Update

31 March 2017

## Aim and Strategy

Aim and strategy: To provide returns greater than those from cash or fixed interest over the medium to long term through a diversified portfolio of cash, fixed interest, 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>	AMP0170AU
<a href="#">AMP Flexible Super - Retirement account</a>	AMP1327AU
<a href="#">AMP Flexible Super - Super account</a>	AMP1457AU
<a href="#">AMP Growth Bond</a>	AMP1189AU
<a href="#">CUSTOM SUPER</a>	AMP0170AU
<a href="#">Flexible Lifetime - Allocated Pension</a>	AMP0612AU
<a href="#">Flexible Lifetime - Term Pension</a>	AMP0904AU
<a href="#">Investment Linked Deferred Annuity</a>	AMP0743AU
<a href="#">Investment Linked Regular Premium</a>	AMP0214AU
<a href="#">Investment Linked Single Premium</a>	AMP0131AU
<a href="#">METCASH SUPERANNUATION PLAN</a>	AMP0170AU
<a href="#">MultiFund Flexible Income Plan</a>	AMP0472AU
<a href="#">Signature Super</a>	AMP0778AU
<a href="#">Signature Super Allocated Pension</a>	AMP1135AU

### Investment Option Overview

<b>Investment category</b>	Diversified - Moderately Conservative
<b>Suggested investment timeframe</b>	3 - 5 years
<b>Relative risk rating</b>	Medium
<b>Investment style</b>	Active

Asset Allocation	Benchmark	Range (%)
Australian Shares	22	12-32
Global Shares	19	6-29
Growth Alternatives	1.5	0-5
Australian Property	3.5	0-20
Global Property	3	0-20
Global Infrastructure	3	0-10
Defensive Alternatives	2	0-5
Australian Bonds	25	10-45
Global Bonds	11	0-25
Cash	10	0-30

Top Ten Australian Shares Exposure	%
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

Top Ten International Shares Exposure	%
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Actual Allocation	%
Australian Fixed Interest	20.25
Australian Equities	20.23
International Equities - Unhedged	16.04
Cash	15.38
Unlisted Real Assets	8.83
International Equities - Hedged	7.83
International Fixed Interest	6.79
Listed Real Assets	2.94
Alternative Assets Defensive	1.43
Alternative Assets Growth	0.28

## Portfolio Summary

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

## Investment Option Commentary

The Fund's absolute return over the quarter was mostly driven by sizeable allocations to both Australian and International equities. On a relative basis, the Fund concluded slightly above its benchmark. Australian shares proved to be a strong contributor (in absolute terms) as commodity prices stabilised and a continued housing boom buoyed overall performance. Yield-sensitive assets (primarily fixed interest and listed property) initially suffered on the back of tightening monetary policy in the US, however, announcements that further rate increases would be more gradual saw sectors rally to conclude the quarter in the positive. Overall fixed interest performance was aided by outperformance amongst Australian fixed interest managers; however, we remain underweight in global fixed interest in favour of cash, as yields seem to have bottomed out and are expected to rise gradually. When positioning the Fund for the months ahead, we are aware of several risks that may cause market weakness; 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 Fund for any potential downside incurred by market weakness for the year ahead. Furthermore, the Fund continues to hold an allocation in direct property assets as an important means of diversifying returns.

## Contact Us

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