

# AMP Capital High Growth

Quarterly Investment Option Update

31 December 2017

## Aim and Strategy

Aim and strategy: To provide a total return (primarily capital growth with some income) after costs and before tax, above the relevant benchmarks of the underlying investments on a rolling 3 year basis. The investment manager, AMP Capital, invests in a diversified range of Australian and international growth sources across asset classes including shares and listed property trusts.

## 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 Super – Choice (Retirement)</a>	AMP9999AU
<a href="#">AMP Flexible Super – Choice (Super)</a>	AMP9999AU
<a href="#">CustomSuper</a>	AMP9999AU
<a href="#">Flexible Lifetime – Allocated Pension</a>	AMP9999AU
<a href="#">Flexible Lifetime – Super</a>	AMP9999AU
<a href="#">SignatureSuper</a>	AMP9999AU
<a href="#">SignatureSuper – Allocated Pension</a>	AMP9999AU

Top Ten Australian Shares	%
COMMONWEALTH BANK AUST	8.19
Westpac Banking Corp	6.14
BHP Billiton Ltd	5.64
Australia & New Zealand Banking Group Ltd	4.84
National Australia Bank Ltd	4.55
CSL Ltd	3.85
Wesfarmers Ltd	3.04
Telstra Corp Ltd	2.45
Woolworths Group Ltd	2.12
Macquarie Group Ltd	1.94

### Investment Option Overview

<b>Investment category</b>	Diversified - Moderately Aggressive
<b>Suggested investment timeframe</b>	6 - 9 years
<b>Relative risk rating</b>	Medium - High
<b>Investment style</b>	Active

Top Ten International Shares Exposure	%
Alphabet Inc	2.56
Facebook Inc	2.29
APPLE INC	1.57
Lowe's Cos Inc	1.45
Visa Inc	1.44
Mastercard Inc	1.28
WELLS FARGO & COMPANY	1.23
UnitedHealth Group Inc	1.23
Microsoft Corp	1.21
XPO Logistics Inc	1.13

Asset Allocation	Benchmark	Range (%)
International shares	36	29-43
Australian shares	40	33-47
Alternative assets (growth)	0	0-2
Direct property	-	-
Listed property	8	0-16
Alternative assets (defensive)	2	0-4
International fixed interest	5	0-10
Australian fixed interest	6	0-20
Cash	3	0-15

Actual Allocation	%
Australian Equities	32.38
International Equities-(UH)	31.23
International Equities-(H)	15.45
Australian Fixed Interest	6.03
Cash	5.29
International Listed Property	4.57
International Fixed Interest	3.02

Actual Allocation	%
Global Listed Infrastructure	1.00
Australian Listed Property	1.00
Emerging Market Equities	0.03
Emerging Markets	0.00
Alternative Assets	0.00

## Portfolio Summary

- > The AMP High Growth Fund ('Fund') achieved a positive absolute return over the December quarter.
- > Most asset classes delivered positive returns over the quarter.
- > The largest contributors to performance were Australian and international shares.

## Investment Option Commentary

The AMP High Growth Fund achieved a strong absolute gain in the December quarter to end what was a strong year for the Fund. Encouraging economic releases and robust corporate earnings results boosted investor sentiment globally, reflecting favourably on risk-based assets.

The Fund's allocation to international equities provided the largest contribution to the Fund's overall return over the quarter. Supportive currency movements, improved corporate earnings and lower than anticipated geopolitical risks were the key drivers of growth in developed international markets holdings. Australian equities ended the quarter strongly with the market rallying strongly into year-end. Energy, information technology and materials were the best performing sectors; while utilities, financials and industrials were relatively poor performers (despite still doing well in absolute terms). The Fund's allocation to global listed property also aided returns for the period. Defensive assets in the fund – particularly fixed interest – underperformed equity markets due to the gradual tightening of monetary policy globally and improving economic growth outlook.

For the start of 2018, we remain relatively comfortable in maintaining a bias towards international equities given our continued positive outlook on global growth. However, with a maturing business cycle in the US, increasing global equity valuations and gradual tightening of global monetary policy, we remain cognisant that markets could see some volatility through 2018. Our overall bond position remains underweight in favour of cash as we expect bonds to remain vulnerable to any further evidence of inflationary pressure or monetary tightening.

## Contact Us

**Web:** [www.amp.com.au](http://www.amp.com.au)

**Email:** [askamp@amp.com.au](mailto:askamp@amp.com.au)

**Phone:** 131 267 (Mon. to Fri. 8:30am to 6:00pm AEST)

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