

# AMP Capital Premium Growth

Quarterly Investment Option Update

31 December 2017

## Aim and Strategy

Aim and strategy: The Portfolio is designed for investors seeking high growth investment returns over the long-term. The Portfolio employs a range of non-traditional, more specialised investment strategies than those typically used in other portfolios. This includes alternative investments and strategies. Investments are assessed taking into account a range of factors, including return potential and the ability to reduce risk through diversification.

## 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>	AMP1956AU
<a href="#">AMP Flexible Super - Retirement account</a>	AMP1963AU
<a href="#">AMP Flexible Super - Super account</a>	AMP1970AU
<a href="#">Flexible Lifetime - Allocated Pension</a>	AMP1949AU
<a href="#">Flexible Lifetime Investment (Series 2)</a>	AMP1981AU
<a href="#">Signature Super</a>	AMP1731AU

Actual Allocation	%
Alternative Growth	20.6
Australian Shares	9.6
Cash	3.0
International Shares Unhedged	60.4
Real Assets	6.4

## Investment Option Overview

<b>Investment category</b>	Diversified
<b>Suggested investment timeframe</b>	7 years
<b>Relative risk rating</b>	Medium-High
<b>Investment style</b>	Growth

## Investment Option Commentary

The Premium Growth Fund performed well over the quarter amid strong equity markets and ended the year with returns in double-digits. The best performing strategy over the period was the Allan Gray Australian Equities fund, a contrarian fund that tends to do well as earnings recover from depressed levels. Bond markets made small gains over the quarter but started to suffer from rising rates toward the end of the year.

## Portfolio Activity

The Fund rebalanced slightly through the year, as the UBS Dynamic Alpha strategy was exited amid disappointing performance. We rebalanced towards the other strategies, favouring Global Value somewhat, but primarily in a pro-rata fashion.

## Outlook

The global economy continues to enjoy synchronised growth across most countries (over 80% are growing above trend), high earnings growth and strong employment trends. The laggard is inflation, however there are signs of this moving back to normal in 2018 which should be welcomed, but will come with increased uncertainty as to whether it encourages faster monetary tightening. The portfolio is well placed to continue to earn strong returns in this environment, however there is a growing likelihood that volatility will increase amid policy changes as the year progresses, and the Fund's larger allocations to absolute return strategies enhances its ability to weather more adverse market conditions.

## Contact Us

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