

AMP High Growth

Quarterly Investment Option Update

31 December 2017

Aim and Strategy

Aim and strategy: To provide high returns over the medium to long term through a diversified portfolio investing mostly in shares with some property, fixed interest and alternative assets.

Investment Option Performance

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

Availability

Product name	APIR
AMP Flexible Lifetime Super	AMP0342AU
AMP Flexible Super - Retirement account	AMP1325AU
AMP Flexible Super - Super account	AMP1455AU
CUSTOM SUPER	AMP0342AU
Flexible Lifetime - Allocated Pension	AMP0609AU
Flexible Lifetime - Term Pension	AMP0899AU
METCASH SUPERANNUATION PLAN	AMP0342AU
MultiFund Flexible Income Plan	AMP0354AU
Signature Super	AMP0774AU
Signature Super Allocated Pension	AMP1133AU
Super Leader	AMP1885AU

Asset Allocation	Benchmark	Range (%)
Australian Shares	38	26-50
Global Shares	34	35-55
Growth Alternatives	3.5	0-15
Australian Property	3	0-15
Global Property	2.5	0-18
Global Infrastructure	5	0-12
Defensive Alternatives	2	0-5
Australian Bonds	6	0-12
Global Bonds	3	0-10
Cash	3	0-15

Investment Option Overview

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

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

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

Actual Allocation	%
Australian Equities	35.22
International Equities - Unhedged	29.39
International Equities - Hedged	11.03
Australian Fixed Interest	5.74
Listed Real Assets	5.06
Unlisted Real Assets	4.91
Alternative Assets Defensive	3.48
Cash	2.82
Alternative Assets Growth	2.35

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.

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