AMP MySuper Balanced

Quarterly Investment Option Update

31 December 2017

Aim and Strategy

Aim and strategy: To provide moderate to high returns primarily from capital growth with some income over the long term through a diversified portfolio, with a higher exposure to growth assets (such as shares and property). The exposure to the different sources of risk and return will typically be through index exposure to a range of traditional listed markets. This investment option's asset allocation is actively managed to take advantage of long-term under and over-valuations between asset classes.
This investment option aims to achieve a rate of return above the Consumer Price Index of 4.0 per cent, after fees and superannuation tax, over a 10 year period.
International investments may be partially or fully hedged back to Australian dollars. Subject to certain conditions, the underlying investments may use derivatives (such as options, futures, forwards and swaps) and engage in short selling.
The performance benchmark is the average weighted return of the benchmark indices used for each asset class.

Investment Option Performance

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

Availability

Product name	APIR
AMP Flexible Super - Super account	AMP1904AU

Investment Option Overview

Investment category	Diversified
Suggested investment timeframe	10 Years
Relative risk rating	Medium to High

Asset Allocation	Benchmark	Range (%)
Australian Shares	28	12-32
Global Shares	32	15-48
Australian Property	6	0-10
Global Property		
Global Infrastructure	6	0-10
Australian Bonds	12	0-30
Global Bonds	11	0-30
High Yield Bonds	0	0
Cash	5	2-40

Top Ten Australian Shares Exposure	%
COMMONWEALTH BANK AUST	7.84
BHP Billiton Ltd	6.42
Australia & New Zealand Banking Group Ltd	6.11
Westpac Banking Corp	5.88
National Australia Bank Ltd	4.44
Rio Tinto Ltd	4.41
Suncorp Group Ltd	3.41
Macquarie Group Ltd	3.11
Wesfarmers Ltd	2.60
CSL Ltd	2.59

Top Ten International Shares Exposure	%
APPLE INC	2.08
HENDERSON GLOBAL EQUITY MULTI STRATEGY FUND	1.53
Alphabet Inc	1.50
Microsoft Corp	1.46
Amazon.com Inc	1.08
Facebook Inc	1.02
JPMorgan Chase & Co	0.88
EXXON MOBIL CORPORATION	0.72
Johnson & Johnson	0.69
Berkshire Hathaway Inc	0.67

Actual Allocation	%
International Shares	39.88
Australian Equities	26.76
Australian Fixed Interest	10.27
Cash	9.30

Actual Allocation	%
International Fixed Interest	9.28
International Listed Property	4.51

Investment Option Commentary and Outlook

The AMP MySuper Diversified Balanced Fund returned a positive 2.7% in the December quarter. Encouraging economic releases and robust corporate earnings results boosted investor sentiment globally, which reflected favourably on risk-based assets.

Along with a strong quarterly result, the Fund's performance for 2017 was extremely good. The acceleration in synchronised global growth in markets over the year provided the foundation for strong performance across most asset classes. Global equity markets were stand out performers. US and Japanese equity markets gained over 20%, whilst Europe concluded the year up more than 12%, lagging the wider market primarily due to the appreciation in the Euro. The Australian market also had a solid year, however underperformed global markets. Whilst strong commodity prices aided the market, lacklustre corporate earnings, regulatory pressures and a lack of wage growth weighed on the performance of Australian equities. As improving economic conditions encouraged inflationary pressures in the latter half of the year, both the European Central Bank (ECB) and the US Federal Reserve (Fed) tightened their monetary policies. This saw fixed income markets remain relatively flat when compared to risk assets

For the start of 2018, we remain relatively comfortable in maintaining a bias towards international equities through Europe. With a maturing business cycle in the US, increasing global equity valuations and gradual tightening of global monetary policy, markets could see some volatility through 2018. Our overall bond position remains underweight in favour of cash as we expect this asset class to be sensitive to any growth in inflation or suggested tightening in monetary policy.

Contact Us

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