

Zurich American Century Global Growth



Quarterly Investment Option Update

31-December-2017

Availability

Product name	APIR
AMP Flexible Super – Choice (Retirement)	AMP1363AU
AMP Flexible Super – Choice (Super)	AMP1492AU
CustomSuper	AMP1031AU
Flexible Lifetime – Allocated Pension	AMP1020AU
Flexible Lifetime – Super	AMP1031AU
Flexible Lifetime – Term Pension	AMP1041AU
SignatureSuper	AMP2011AU
SignatureSuper – Allocated Pension	AMP2017AU
Flexible Lifetime Investment	AMP1054AU
Flexible Lifetime Investment (Series 2)	AMP1427AU
MultiFund Flexible Income Plan	AMP1063AU

Investment Option Performance

Investment performances are subject to product fees and where relevant tax as outlined in the product PDS. Therefore investment performance may differ between products. In addition, activity on your account such as contributions and deductions will also impact the investment performance specific to you. To view the latest investment performances for each product, please visit www.amp.com.au. You can also view the last investment performance specific to you by visiting your My Portfolio account.

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Overview

Aim & Strategy: To provide investors with long-term capital growth by using a distinctive growth oriented investment strategy designed for long-term investors who want to capitalise on the unique opportunities presented by fast-growing companies around the world. The portfolio invests in securities listed on international stock exchanges and aims to outperform the MSCI World ex-Australia Index in Australian dollars over periods of five or more years.

Investment category: Global shares – growth

Suggested Investment Timeframe: 7+ years

Standard Risk Measure: 6/ High

Asset Allocation	Actual (%)	Range (%)
International Shares	97.4	90 - 100
Cash	2.6	0 - 10

Holdings

Industry Exposure	%
Consumer Discretionary	10.2
Consumer Staples	7.5
Energy	5.8
Financials	21.0
Health Care	13.5
Industrials	11.0
Information Technology	21.1
Liquids	2.6
Materials	3.9
Real Estate	3.3
Telecommunication Services	0.0
Utilities	0.0

Regional Exposure	%
Europe	22.0
Latin America	2.0
Liquids	2.6
North America	62.7
Pacific	10.6

Top Ten Securities	%
Alphabet	3.2
Facebook Inc.	2.6
Pioneer Natural Resources	2.1
Home Depot Inc.	2.1
American Express Co.	1.9
UnitedHealth Group	1.9
Visa Inc.	1.8
Equinix	1.8
Adobe Systems	1.7
Intercontinental Exchange	1.7

Market Commentary

Global equities performed well over the quarter. Global equity valuations remain high, but earnings growth has supported sustained stock market gains. Bottom-up estimates suggest fourth-quarter earnings growth will remain strong, with US earnings supported by tax reform and potential capital expenditure spending increases. Meanwhile, monetary policies remain supportive of risk assets, while inflation expectations remain muted.

Investment Option Commentary

Key contributors included Tencent Holdings and Kering. Tencent Holdings advanced after reporting better-than-expected revenue and earnings growth. The company has also been realising success in its cloud and payments businesses and plans to increase its investment in digital content, including a recent investment in an online ticketing platform. Kering rallied on the back of a successful product and store restructuring initiative for its flagship Gucci brand. During the third quarter, group revenue accelerated, driven by Gucci revenues. The investment team believe the improving trends at Kering remain sustainable.

Key detractors included Celgene and Newell Brands. Celgene reported disappointing revenue for a key drug and abandoned a leading compound in clinical development to treat Crohn's disease, which challenges the growth outlook. Newell Brands has been delivering on cost synergies from its merger with Jarden Industries, but inconsistent top-line growth offset gains. Weak demand from large distribution partners negatively impacted revenue growth. Both positions have been exited.

Outlook

Within technology, the Fund owns a collection of businesses that facilitate the continued migration of spending into online channels. These include investments in several leading global online advertising platforms, the leading provider of digital content creation software, and a collection of payment providers.

Within the financials sector, the Fund owns emerging markets banks which the investment team believe can sustain growth given a combination of low credit penetration and improving economic activity. The fund also owns several non-bank financial companies that provide mission-critical data and analytics to their respective customers.

Within health care, the investment team reduced exposure to drug companies and increased investments in medical device, diagnostic tools, and outsource manufacturing services. These companies are benefiting from increased research and development investment and expanding new product pipelines and approvals.

What you need to know

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