

# AMP Balanced Growth

Quarterly Investment Option Update

30 June 2018

## Aim and Strategy

To provide moderate to high returns over the medium to long term through a portfolio diversified across the main asset classes, but with an emphasis on shares and property.

## 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>	AMP0165AU
<a href="#">AMP Flexible Super - Retirement account</a>	AMP1321AU
<a href="#">AMP Flexible Super - Super account</a>	AMP1451AU
<a href="#">AMP Growth Bond</a>	AMP1190AU
<a href="#">CUSTOM SUPER</a>	AMP0165AU
<a href="#">Flexible Income Plan - Investment Linked Allocated Pension</a>	AMP1184AU
<a href="#">Flexible Lifetime - Allocated Pension</a>	AMP0594AU
<a href="#">Flexible Lifetime - Term Pension</a>	AMP0894AU
<a href="#">Investment Linked Deferred Annuity</a>	AMP0715AU
<a href="#">Investment Linked Regular Premium</a>	AMP0215AU
<a href="#">Investment Linked Single Premium</a>	AMP0078AU
<a href="#">METCASH SUPERANNUATION PLAN</a>	AMP0165AU
<a href="#">MultiFund Flexible Income Plan</a>	AMP0475AU
<a href="#">Signature Super</a>	AMP0749AU
<a href="#">Signature Super Allocated Pension</a>	AMP1130AU

Asset Allocation	Benchmark	Range (%)
Australian Shares	33	26-40
Global Shares	24.5	15-30
Growth Alternatives	1.5	0-6
Australian Property	6	0-10
Global Property	4	0-16
Australian Bonds	12.5	5-18
Global Bonds	12.5	5-18
Cash	6	0-16

Top Ten Australian Shares	%
COMMONWEALTH BANK AUST	7.34
BHP Billiton Ltd	6.94
Westpac Banking Corp	5.60
CSL Ltd	5.59
Australia & New Zealand Banking Group Ltd	5.01
National Australia Bank Ltd	4.67
WESFARMERS LTD	3.37
Macquarie Group Ltd	3.05
WOOLWORTHS GROUP LTD	2.58
Rio Tinto Ltd	2.51

## Investment Option Overview

<b>Investment category</b>	Diversified - Balanced
<b>Suggested investment timeframe</b>	5 years
<b>Relative risk rating</b>	Medium
<b>Investment style</b>	Active

Top Ten International Shares Exposure	%
Alphabet Inc	2.39
Visa Inc	1.90
Microsoft Corp	1.72
Mastercard Inc	1.65
AbbVie Inc	1.65
Facebook Inc	1.60
WELLS FARGO & COMPANY	1.37
XPO Logistics Inc	1.30
Kraft Heinz Co/The	1.08
APPLE INC	1.02

Actual Allocation	%
Australian Equities	28.78
International Equities - Unhedged	24.01
Australian Fixed Interest	12.50
International Equities - Hedged	8.31
Unlisted Real Assets	8.22
Cash	5.87
Alternative Assets Defensive	3.54
Listed Real Assets	3.18
International Fixed Interest	3.09
Alternative Assets Growth	2.50

## Portfolio Summary

- > The AMP Balanced Fund gained over the June quarter.
- > Growth assets provided the largest contribution as equity markets rose
- > We remain overweight international equities and cash and underweight Australian equities and bonds

## Investment Option Commentary

Following a weak start to the year, the AMP High Growth Fund yielded a robust return for the June quarter. Despite several global concerns for investors throughout the period, most asset classes ended the period higher, concluding what was a solid 12 months for the Fund.

The Australian share market performed solidly, up 7.0% on the quarter. Gains were largely driven by the resource sector (up 16.0%) on the back of higher commodity prices and a higher US dollar which boosted the returns of businesses with offshore earnings. Developed international equity markets were also particularly strong through the quarter (up 3.0%), helped by improved global growth, supportive interest rate settings and a positive earnings season. For Australian dollar-based investors, the depreciation of the currency also provided a further boost to the performance of unhedged international equities (up 5.5%). Global listed property also performed well rising 2.7%. The performance of Australian fixed income was relatively subdued as investors favoured growth assets during the quarter.

We anticipate markets will be increasingly sensitive to any emerging signs of inflation and central banks adjustments to monetary policy. There are several geopolitical concerns specifically the threat of a China/US trade war which may continue to add uncertainty in the market. Whilst we continue to believe equity markets will perform moderately well we remain cognisant of the potential of increased volatility in the months ahead. We maintain a bias towards international equities. Our bond position remains underweight in favour of cash, as we believe that bonds are at risk from investors potentially underestimating inflationary pressure and future interest rate increases in the US.

## Contact Us

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