

AMP High Growth

Quarterly Investment Option Update

30 June 2018

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	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

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	37.79
International Equities - Unhedged	29.69
International Equities - Hedged	10.30
Australian Fixed Interest	5.62
Listed Real Assets	5.20
Unlisted Real Assets	4.51
Alternative Assets Defensive	3.42
Alternative Assets Growth	2.16
International Fixed Interest	1.54
Cash	-0.23

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.

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