

AMP Monthly Income Fund No.1

Quarterly Investment Option Update

30 June 2018

Aim and Strategy

To provide for a distribution rate of 1.00% per month and to achieve an underlying balance of capital growth and income over the medium to long term, primarily through a diversified portfolio of shares, property, fixed interest, and cash.

Investment Option Performance

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

Availability

Distribution Rate 1.00% per month

Product name	APIR
Flexible Lifetime Investment	GIO0001AU
Flexible Lifetime Investment (Series 2)	AMP1442AU

Investment Option Overview

Investment category	Diversified - Moderately Conservative
Suggested investment timeframe	3 - 5 years
Relative risk rating	Low - Medium
Investment style	Active

Asset Allocation	Benchmark	Range (%)
Australian Shares	44	22-50
Global Shares	3	0-5
Australian Property	8	0-15
Global Property		
Australian Bonds	34	25-50
Cash	11	5-15

Actual Allocation	%
Australian Equities	45.03
Australian Fixed Interest	34.22
Cash	11.42
International Shares	5.85
Listed Property	3.47

Top Ten Australian Shares Exposure	%
BHP Billiton Ltd	10.47
Australia & New Zealand Banking Group Ltd	6.75
COMMONWEALTH BANK AUST	6.47
WOOLWORTHS GROUP LTD	3.43
Macquarie Group Ltd	3.23
Woodside Petroleum Ltd	3.22
APA Group	3.13
Westpac Banking Corp	3.09
QBE Insurance Group Ltd	2.84
Estia Health Ltd	2.68

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

Investment Option Commentary and Outlook

The Monthly Income Fund No. 1 returned 4.0% over the June quarter, recouping the losses experienced over the preceding three months.

The Australian market performed solidly, rising by over 8% on a total return basis during the quarter. The gains were largely driven by the resources sector (up 16%) on the back of higher commodity prices and the higher US dollar which boosted the returns of Australian-based businesses with offshore earnings. Developed international equity markets were also particularly strong through the quarter (up 3.4% in local currency terms), helped by further evidence of 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 offshore equities (5.5% over the quarter).

Australian fixed income allocations had a muted impact on overall performance over the quarter as investor confidence improved and investments into growth assets, such as equities, were preferred.

Our portfolio exposures remain biased to income-generating assets and thus remain heavily invested in Australian equities and bonds, with smaller positions in listed property portfolios as alternative sources of yield. The Fund also holds a 6.0% weight to international equities for diversification purposes.

Contact Us

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