

AMP Active Balanced

Quarterly Investment Option Update

30 September 2018

Aim and Strategy

To provide a total return (primarily capital growth with some income) after costs and before tax, above the strategy's performance benchmark on a rolling 3 year basis, by investing across a range of asset types, with high exposure to growth assets. The strategy aims to provide investors with exposure to a diversified range of Australian and international growth sources across asset classes including shares, Australian listed property trusts, and global listed property securities.

Investment Option Performance

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

Investment Option Overview

Investment category	Multi-sector
Suggested investment timeframe	5 Years
Relative risk rating	Medium to High
Investment style	Active

Asset Allocation	Benchmark (%)
Global shares	30
Australian shares	30
Listed property & infrastructure	11
Growth alternatives	0
Global fixed interest	9
Australian fixed interest	15
Defensive alternatives	0
Cash	5

Fund Performance

The AMP Active Balanced Fund delivered a positive return in the September quarter, building on the positive return of the previous quarter, as global share markets continued to rise. The Fund has delivered a solid positive return for investors so far in 2018.

International share markets performed solidly, up 5.4% over the quarter. Positive economic indicators and improved investor sentiment in the US have helped drive US equities 7.7% higher, with most developed markets following US equities into positive territory. Emerging markets shares, however, proved less resilient to trade concerns over the quarter, ending flat. Currency movements aided returns of unhedged international equity holdings for Australian-based investors, as the Australian dollar depreciated over the period.

Australian shares ended the quarter up 1.8%, as strong performances in the telecommunications and IT sectors drove the market higher. The performance of Australian fixed interest was relatively subdued as investors favoured growth assets during the quarter.

Looking ahead, we expect the uptrend in shares to continue, as global growth remains solid and US company earnings are still strong. However, we do expect an increase in market volatility in the future given geopolitical and trade concerns, and the late cycle interest rate environment. We aim to utilise this volatility to help identify investment opportunities. We remain comfortable maintaining a bias towards international shares at the expense of Australian shares, given current valuation levels. Our overall fixed interest position remains underweight in favour of cash, as we expect bonds to remain vulnerable to any evidence of inflationary pressure or monetary tightening.

Availability

Product name	APIR
AMP Flexible Lifetime Super	AMP1934AU*

* Closed to new investors

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What you need to know

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