

# AMP Balanced Growth

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 relevant benchmarks of the underlying investments on a rolling three-year basis. The investment manager, AMP Capital, invests in a diversified range of Australian and international growth sources across asset classes including shares and listed property trusts.

## Investment Option Performance

To view the latest investment performances please visit [www.amp.com.au](http://www.amp.com.au)

## Investment Option Overview

<b>Investment category</b>	Multi-Sector
<b>Suggested investment timeframe</b>	5 years
<b>Relative risk rating</b>	Medium - High
<b>Investment style</b>	Active

<b>Asset Allocation</b>	<b>Benchmark (%)</b>
Global shares	33
Australian shares	27
Listed property & infrastructure	11
Growth alternatives	6
Global fixed interest	8
Australian fixed interest	10
Defensive alternatives	2.5
Cash	2.5

<b>Actual Allocation</b>	<b>(%)</b>
Global shares	36.12
Australian shares	28.46
Listed property & infrastructure	8.94
Global fixed interest	3.48
Australian fixed interest	13.39
Cash	8.68
Others	0.92

## Portfolio Summary

- > The AMP Balanced Growth Option delivered a positive return in the September quarter.
- > Growth assets provided the largest contribution to returns as equity markets rose.
- > We remain overweight international equities and cash, and underweight Australian equities and bonds.

## Fund Performance

AMP Balanced Growth Option delivered a positive return in the September quarter, building on the positive return of the previous quarter, as global equity 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 equities at the expense of Australian equities, given current valuation levels. Our overall fixed interest positioning 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	AMP0165AU
AMP Flexible Super - Retirement account	AMP1321AU
AMP Flexible Super - Super account	AMP1451AU
AMP Growth Bond	AMP1190AU
CustomSuper	AMP0165AU
Flexible Lifetime - Allocated Pension	AMP0594AU
Flexible Lifetime - Term Pension	AMP0894AU
SignatureSuper	AMP0749AU*
SignatureSuper - Allocated Pension	AMP1130AU*
SuperLeader	AMP1883AU
Flexible Lifetime - Investments (Series 1)	AMP0013AU
Flexible Lifetime - Investments (Series 2)	AMP1391AU

\* Closed to new investors

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