

AMP Lifecycle Active 1960s

Quarterly Investment Option Update

30 September 2018

Aim and Strategy

Aims to achieve a rate of return of 2.5% above the Consumer Price Index, after fees and superannuation tax, over the suggested investment timeframe.

This investment option gives you an investment solution that takes you all the way through your superannuation savings journey. This approach, known as lifecycle investing, delivers an investment strategy that continuously evolves to align with the changing stages of an investor's life. It takes the hard work out of deciding how to invest your savings by providing the simplicity of a single investment choice.

This investment option is an age-based investment, meaning that the strategy of this investment option will change progressively over an investor's lifetime to meet the objective of the average investor born during the 1960s.

For investors approaching retirement, investments will focus more on preserving the capital built up and reducing risk.

International investments may be partially or fully hedged back to Australian dollars. Subject to certain conditions, the underlying investments may use derivatives (such as options, futures, forwards and swaps) and engage in short selling.

Asset Allocation	Benchmark (%)
Global shares	25
Australian shares	19
Listed property & infrastructure	3
Unlisted property & infrastructure	8
Growth alternatives	8
Global fixed interest	11
Australian fixed interest	14
Defensive alternatives	5
Cash	7

Actual Allocation	%
Global shares	27.33
Australian shares	24.16
Listed property & infrastructure	2.29
Unlisted property & infrastructure	3.82
Global fixed interest	2.22
Australian fixed interest	10.73
Cash	12.64
Others	16.81

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	10 Years
Relative risk rating	Medium - High
Investment style	Active

Fund Performance

The AMP Lifecycle Active 1960s Fund delivered a positive return in the September quarter, building on the positive return of the previous quarter, as global equity markets continued to rise.

Growth assets proved to be the key driver of Fund returns over the quarter. International equities provided the largest contribution as developed market equities ended the quarter up 5.4% in local currency terms. The US market was a key driver of financial markets as positive economic indicators helped drive US equities 7.7% higher over the period. Other developed markets followed suit into positive territory, but were moderated by continuing concerns over global trade and below consensus economic data releases out of Europe and China. Emerging markets proved less resilient and were flat on the quarter.

Australian equities ended the quarter up +1.8%. Strong performances in the telecommunications and IT sectors pushed the market higher as concerns surrounding the fallout from Royal Commission into Banking and Superannuation, and residential property slowdown constrained returns from financials.

The allocation to Australian fixed interest contributed marginally to total return. The portfolio's smaller allocation to international bonds was flat, as the rise in global bond yields was kept in check by bursts of market volatility. The Fund's other investments in property, infrastructure and alternatives (private equity and hedge funds) experienced generally positive results over the quarter.

Looking ahead, we continue to see an uptrend in equities as global growth remains solid and monetary policy remains accommodative. However, we do expect an increase in market volatility in the future given geopolitical and trade concerns and the late cycle environment. We aim to utilise this volatility to help identify investment opportunities. We remain comfortable in maintaining a bias towards international equities at the expense of Australian equities, given current valuation levels. Our overall bond position remains underweight in favour of cash as we expect bonds to remain vulnerable to any evidence of inflationary pressure or monetary tightening. To further counter short-term volatility, we continue to hold option protection to limit downside risk and protect member capital.

Availability

Product name	APIR
AMP Flexible Super - Super account	AMP2062AU

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