

# AMP Lifecycle Active 1990s

Quarterly Investment Option Update

30 September 2018

## Aim and Strategy

Aims to achieve a rate of return of 4.5% pa 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 1990s.

This means that younger investors will have higher-growth investment strategies because they have a long period to retirement and can afford to take more risk. However, 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                      | 35            |
| Australian shares                  | 32            |
| Listed property & infrastructure   | 8             |
| Unlisted property & infrastructure | 5             |
| Growth alternatives                | 15            |
| Global fixed interest              | 0             |
| Australian fixed interest          | 4             |
| Defensive alternatives             | 0             |
| Cash                               | 1             |

| Actual Allocation                  | (%)   |
|------------------------------------|-------|
| Global shares                      | 39.52 |
| Australian shares                  | 28.15 |
| Listed property & infrastructure   | 2.15  |
| Unlisted property & infrastructure | 3.72  |
| Australian fixed interest          | 3.46  |
| Cash                               | 8.46  |
| Others                             | 14.53 |

## Investment Option Performance

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

## Investment Option Overview

|                                |              |
|--------------------------------|--------------|
| Investment category            | Multi-sector |
| Suggested investment timeframe | 10 Years     |
| Relative risk rating           | High         |
| Investment style               | Active       |

## Fund Performance

The AMP Lifecycle 1990s fund returned a strong 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 now returned a solid 5.7% for investors in 2018.

International equities provided the largest contribution to Fund return over the quarter. Positive economic indicators and rising treasury yields in the US have helped drive US equities 7.7% higher over the period and most developed markets followed US equities into positive territory, demonstrating resilience to the continual concerns over global trade and below consensus economic data releases out of Europe and China. On a whole, developed market equities ended the quarter up 5.4% in local currency terms. Emerging markets proved less resilient and were flat over the quarter. Currency movements also aided returns of international equities for Australian-based investors as the Australian dollar depreciated over the past three months.

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 a residential property slowdown constrained returns from financials.

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 as the result of 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 and away from Australian equities, given current valuation levels.

## Availability

| Product name                       | APIR      |
|------------------------------------|-----------|
| AMP Flexible Super - Super account | AMP2059AU |

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