

# Future Directions High Growth

Quarterly Investment Option Update

30 September 2018

## Aim and Strategy

To provide high returns over the long term through a diversified portfolio. The portfolio aims to achieve a rate of return above inflation after costs over a seven-year period. The Future Directions High Growth option is a multi-manager option that gives investors access to a diversified portfolio that primarily invests in shares with some exposure to property and alternative assets. The multi manager option diversifies at asset and manager level investing in both AMP Capital and external managers. The key benefits are:

- active management: within the assets class for example, choosing stocks and allocating between asset classes
- a broad range of asset classes including investments into unlisted property and infrastructure
- an experienced investment team

Actual Allocation	(%)
Global shares	45.83
Australian shares	34.98
Listed property & infrastructure	1.70
Unlisted property & infrastructure	1.07
Growth alternatives	12.57
Defensive alternatives	0.88
Cash	2.97

## 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	7 years
Relative risk rating	High
Investment style	Multi-Manager

Asset Allocation	Benchmark (%)
Global shares	43
Australian shares	39
Listed property & infrastructure	3
Unlisted property & infrastructure	4
Growth alternatives	10
International fixed interest	0
Australian fixed interest	0
Defensive alternatives	0
Cash	1

## Portfolio Summary

- > Returns continued their positive run, with the Fund on track for a strong 2018.
- > International equities provided the largest contribution to performance over the quarter.
- > We aim to utilise any volatility to help identify investment opportunities to enhance returns.

## Fund Performance

The Fund delivered 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 delivered a solid positive return for investors so far this year and is on track for a strong 2018.

International equities provided the largest contribution, as developed market equities ended the quarter up 5.4% in local currency terms. Positive economic data helped drive US equities 7.7% higher over the period. Returns across other developed markets were positive, but 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. Currency movements also provided an uplift for Australian-based international equity investors as the Australian dollar depreciated.

Australian equities ended the quarter up 1.8%, driven by strong performance in the telecommunications and IT sectors. This helped offset weaker share price performance in the financial sector and the residential property market concerns of investors.

Direct property and infrastructure investments also continued to exhibit positive returns for 2018. Alternative strategies (hedge funds and private equity) also contributed to returns over the quarter, however underperformed listed equity markets. Nonetheless, these strategies continue to act as important diversifiers from equity risk, particularly in the current late stage in the market cycle.

## Outlook

Looking ahead, we continue to see an uptrend in shares 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 to enhance returns. We remain comfortable in maintaining a bias towards international equities at the expense of Australian equities, given current valuation levels.

## Availability

Product name	APIR
AMP Flexible Lifetime Super	AMP0657AU*
AMP Flexible Super - Retirement account	AMP1355AU*
AMP Flexible Super - Super account	AMP1484AU*
CustomSuper	AMP0657AU
Flexible Lifetime - Allocated Pension	AMP0604AU*
Flexible Lifetime - Term Pension	AMP0927AU*
Flexible Lifetime - Investments (Series 1)	AMP0692AU*
Flexible Lifetime - Investments (Series 2)	AMP1419AU*
SignatureSuper	AMP0801AU
SignatureSuper - Allocated Pension	AMP1082AU
SignatureSuper Select	AMP0801AU

\*Closed to new investors

## Contact Details

**Web:** [www.amp.com.au](http://www.amp.com.au)

**Email:** [askamp@amp.com.au](mailto:askamp@amp.com.au)

**Phone:** 131 267 (Mon. to Fri. 8:30am to 6:00pm AEST)



### What you need to know

This publication has been prepared by AMP Life Limited ABN 84 079 300 379, AFSL No. 233671 (AMP Life). The information contained in this publication has been derived from sources believed to be accurate and reliable as at the date of this document. Information provided in this investment option update are views of the underlying Investment Manager only and not necessarily the views of the AMP Group. No representation is given in relation to the accuracy or completeness of any statement contained in it. Whilst care has been taken in the preparation of this publication, to the extent permitted by law, no liability is accepted for any loss or damage as a result of reliance on this information. AMP Life is part of the AMP Group. In providing the general advice, AMP Life and AMP Group receives fees and charges and their employees and directors receive salaries, bonuses and other benefits.

The information in this document is of a general nature only and does not take into account your financial situation, objectives and needs. Before you make any investment decision based on the information contained in this document you should consider how it applies to your personal objectives, financial situation and needs, or speak to a financial planner.

The investment option referred to in this publication is available through products issued by AMP Superannuation Limited ABN 31 008 414 104, AFSL No. 233060 (ASL), AMP Capital Funds Management Limited ABN 15 159 557 724, AFSL 426455 (AMPCFM), ipac asset management limited ABN 22 003 257 225, AFSL 234655 (ipac) and/or AMP Life. Before deciding to invest or make a decision about the investment options, you should read the current Product Disclosure Statement for the relevant product, available from the issuer or your financial planner.

Any references to the "Fund", strategies, asset allocations or exposures are references to the underlying managed fund that the investment option either directly or indirectly invests in (underlying fund). The investment option's aim and strategy mirrors the objective and investment approach of the underlying fund. An investment in the investment option is not a direct investment in the underlying fund.

No other company in the AMP Group nor underlying fund manager guarantees the repayment of capital or the performance of any product or particular rate of return referred to in this document. Past performance is not a reliable indicator of future performance.