

# Responsible Investment Leaders Growth

Quarterly Investment Option Update

30 September 2018

## Aim and Strategy

To provide a total return (income and capital growth) after costs and before tax, above the return from the relevant benchmarks of the underlying investments on a rolling five-year basis. The portfolio invests in all asset classes, but with an emphasis on growth assets (shares and property). With the exception of cash and listed property, the portfolio is managed using a responsible investment approach.

## 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 - 7 years
<b>Relative risk rating</b>	High
<b>Investment style</b>	Multi-Manager

<b>Asset Allocation</b>	<b>Benchmark (%)</b>
Global shares	42
Australian shares	36
Listed property & infrastructure	6
Unlisted property & infrastructure	3
Growth alternatives	2
Global fixed interest	5
Australian fixed interest	4
Cash	2

<b>Sector Allocation</b>	<b>%</b>
Global shares	42.01
Australian shares	35.04
Listed property & infrastructure	7.85
Fixed Interest	6.03
Cash	7.93
Other	1.14

## Portfolio Summary

- > The Option gained over the September quarter as equity markets strengthened.
- > The Option slightly outperformed the benchmark over the period, due to an overweight allocation to international equities.

## Fund Performance

The 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 Option has delivered a solid return so far for investors in 2018.

International equities provided the largest contribution to total 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. Most developed markets followed the US equities into positive territory and demonstrated resilience to the continual concerns over global trade and below consensus economic data releases out of Europe and China. On the whole, developed market equities ended the quarter up 5.4% in local currency terms. Emerging markets, however, proved less resilient and were flat on the quarter. Nonetheless, currency movements aided returns for unhedged international equity holdings for Australian-based investors as the Australian dollar depreciated over the period. Australian equities ended the quarter up by 1.8%. Strong performances in the telecommunications and IT sectors pushed the market higher as concerns surrounding the fallout from the Royal Commission into Banking and Superannuation and residential property slowdown constrained returns from financials. The Option's other investments in property, infrastructure and alternatives (private equity, hedge funds) experienced generally positive results over the quarter with property, infrastructure and most alternative strategies generating gains.

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	AMP1035AU
AMP Flexible Super - Retirement account	AMP1373AU
AMP Flexible Super - Super account	AMP1502AU
CustomSuper	AMP1035AU
Flexible Lifetime - Allocated Pension	AMP1024AU
Flexible Lifetime - Term Pension	AMP1045AU
Flexible Lifetime - Investments (Series 1)	AMP1058AU
Flexible Lifetime - Investments (Series 2)	AMP1436AU
SignatureSuper	AMP0979AU
SignatureSuper - Allocated Pension	AMP1175AU

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