

# AMP Capital Premium Growth

Quarterly Investment Option Update

31 December 2018

## Aim and Strategy

To provide high growth over the long term, using a more diversified range of specialist equity, multi-asset, sector-specific and non-traditional investment strategies than traditional high-growth portfolios. This includes alternative investments and strategies. Investments are assessed taking into account a range of factors, including return potential and the ability to reduce risk through diversification.

## 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>               | Growth        |

| <b>Asset Allocation</b>      | <b>Ranges (%)</b> |
|------------------------------|-------------------|
| Australian and global shares | 30-100            |
| Listed real assets           | 0-30              |
| Direct assets                | 0-15              |
| Growth alternatives          | 0-40              |
| Fixed income and credit      | 0-50              |
| Cash                         | 0-10              |

| <b>Actual Allocation</b>           | <b>(%)</b> |
|------------------------------------|------------|
| Global shares                      | 59.56      |
| Australian shares                  | 8.24       |
| Unlisted property & infrastructure | 6.25       |
| Growth alternatives                | 25.21      |
| Cash                               | 0.74       |

## Investment Option Commentary

Global markets experienced much greater turbulence in the last quarter of the year. A combination of the US central bank raising rates, slowing global growth, escalating trade tensions and collapsing oil prices sent global equity markets into a sharp correction. The MSCI World ex Australia (hedged AUD) index fell 13.6% in the fourth quarter, whilst more defensive bonds finally did rally in the selloff and returned 2.5%. Value stocks and strategies in general struggled in this market, despite normally outperforming over longer periods.

## Outlook

The global outlook remains reasonably positive given positive economic and earnings growth, strong employment and low interest rates. It is struggling, however, with the withdrawal of liquidity in the US as rates have been increased and with the increase in geopolitical tensions; the US trade stance and more recently the Government shutdown being prime examples.

The recent volatility has moved equity markets back towards much lower market valuations, despite positive earnings and the change in tone from the US Federal Reserve potentially providing more support. The 2019 outlook remains reasonably promising given the potential for more closely synchronised growth between the US and rest of the world, slowing rate increases and we believe a reduced likelihood of severe underperformance in value strategies going forward.

## Availability

| Product name                            | APIR      |
|---|-----------|
| AMP Flexible Lifetime Super             | AMP9030AU |
| AMP Flexible Super - Retirement account | AMP9031AU |
| AMP Flexible Super - Super account      | AMP9029AU |
| Flexible Lifetime - Allocated Pension   | AMP9032AU |
| SignatureSuper                          | AMP9033AU |
| CustomSuper                             | AMP9030AU |
| SignatureSuper - Allocated Pension      | AMP9034AU |

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