

AMP Lifecycle Active 1960s

Quarterly Investment Option Update

31 December 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	26.50
Australian shares	24.35
Listed property & infrastructure	2.27
Unlisted property & infrastructure	3.92
Global fixed interest	2.28
Australian fixed interest	11.91
Cash	11.42
Others	17.36

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

Investment Option Commentary

Performance was lower over the December quarter. Shares were the main detractor from performance, with markets subject to significant selling pressure towards the end of 2018. This was due to uncertainty regarding the pace of future interest rate increases in the US, weakening economic data across developed markets, growing concern over the threat of a protracted US-China trade war, and a disorderly Brexit process in the UK.

Developed share markets returned -13.3% over the quarter, and Australian shares returned -8.2%. However, concerns over the state of the global economy and suggestions that the US Federal Reserve might be less aggressive with rate hikes than previously anticipated, helped push bond yields down. Lower bond yields supported the option's allocations to fixed income, property and infrastructure assets. Bonds, direct infrastructure, property and cash were diversifying, and all rose to partially offset the falls of share markets.

The weak end to 2018 added an air of uncertainty for investors heading into 2019. Volatility is likely to remain high in 2019 as concerns surrounding global monetary conditions and geopolitical risks continue. However, economic indicators continue to show that underlying economic growth remains healthy. Company earnings, business confidence and employment across developed economies remain positive and monetary policy, while tighter, remains at historically accommodative levels. Given this, we continue to have a favourable view of global shares over the medium term. 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.

Availability

Product name	APIR
AMP Flexible Super - Super account	AMP2062AU

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