

Super Easy Australian Share

Quarterly Investment Option Update

31 December 2018

Aim and Strategy

The strategy aims to provide returns that track the S&P/ASX 300 Accumulation Index with net dividends reinvested.

Investments into the Australian shares asset class will be attained through the use of low cost index-focused investment managers.

Investment Option Performance

To view the latest investment performances please visit www.amp.com.au

Investment Option Overview

Investment category	Australian Shares
Suggested investment timeframe	5 – 7 years
Relative risk rating	High
Investment style	Index

Asset Allocation	Benchmark (%)
Australian shares	100
Cash	0

Actual Allocation	(%)
Global shares	1.55
Australian Shares	90.59
Listed property & infrastructure	7.43
Cash	0.44

Market Commentary

Australian shares' trajectory followed the US's lead, closing down significantly in the December quarter and returning -8.24% as measured by the S&P/ASX200 total returns Index. This came as traders began to factor in the possibility of a domestic interest rate reduction, rather than a hike sometime in the nearer future, perhaps in 2019 or 2020. Negative sentiment was also added to by political noise, following recent political resignations within the Liberal Party and subsequent moves to the crossbench weakening the government, with an upcoming general election due in May 2019. Despite reasonable corporate profitability and earnings growth, the economic backdrop is presenting some significant hurdles for equities to overcome, such as weak economic growth, poor levels of consumer spending and perhaps most significantly, a falling house market with high and still-increasing levels of supply, falling demand and rising vacancy rates. The health care segment was one of the better performers over the period, given the "flight to safety" which occurred over the period.

Outlook

Australian shares remain exposed to a Chinese slowdown and the recent global sell-off. Banking profitability is also likely to be constrained by increased macro-prudential regulation, capital-holding requirements and a shifting banking structural landscape. Banking stocks are likely to see ongoing volatility until the Royal Commission's final findings are released in full in early 2019. Credit will continue to be subdued as banks tighten lending standards. Economic uncertainty could also be amplified by a volatile political situation as we approach the general election in 2019. In the current environment, investors should benefit by being highly selective and focussing on companies with strong business fundamentals.

Availability

Product name	APIR
AMP Flexible Super - Retirement account	AMP1618AU
AMP Flexible Super - Super account	AMP1609AU

Contact Details

Web: www.amp.com.au

Email: 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.