

Super Easy Active Balanced

Quarterly Investment Option Update

31 March 2019

Aim and Strategy

To provide primarily capital growth with some income after costs and before tax, above the strategy's performance benchmark on a rolling 3 year basis, by investing across a range of asset types, with high exposure to growth assets. The strategy aims to provide investors with exposure to a diversified range of Australian and international growth sources across asset classes including shares, Australian listed property trusts, and global listed property securities.

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	5 years
Relative risk rating	Medium to High
Investment style	Index

Asset Allocation	Benchmark (%)
International shares	30
Australian shares	30
Listed property & infrastructure	11
Growth alternatives	0
International fixed interest	9
Australian fixed interest	15
Defensive alternatives	0
Cash	5

Actual Allocation	%
International shares	32.93
Australian shares	26.69
Listed property & infrastructure	10.03
International fixed interest	4.92
Australian fixed interest	13.96
Cash	7.35
Others	4.12

Fund Performance

The year started on a positive note for investors and the Option delivered a strong return over the March quarter. This offset the losses experienced in the final quarter of 2018 and lifted the annual return into positive territory. Shares provided the largest source of return, given their sizeable rebound from December lows. Across the portfolio, the start of the new year brought with it a fresh wave of optimism. Shares, fixed income and listed real assets all posted gains over the March quarter. Developed share markets rallied 12.7% on the back of improved trade rhetoric between the US and China, supportive central bank comments, and a positive reporting season. Emerging markets rose 9.8%, boosted by Chinese stimulus measures. The Australian share market climbed just shy of 11% over the quarter, helped by the conclusion of the Banking Royal Commission and a robust domestic reporting season. The Option's allocations to bonds, and other fixed income assets, benefited from lower interest rates over the period. Interest rates were largely range-bound for most of the quarter, but softer economic data releases in March, accompanied by the more dovish tone from central banks, drove global interest rates down. Alternatives, property and infrastructure assets rose, although the gains were less than those experienced in listed markets.

We continue to believe the current environment should be supportive of share market performance through 2019, as global valuations are not overstretched and monetary and fiscal policies remain accommodative. However, we expect trading conditions to be volatile, and the recent strength in share markets increases the risk of a short-term pullback. We have a broadly neutral exposure to global shares but continue to favour international markets over Australia. We have also increased our weight to bonds, having maintained a significant underweight exposure for some time. We maintain that diversification and active management across asset classes will be important in navigating through this late cycle.

Availability

Product name	APIR
AMP Flexible Super - Retirement account	AMP1985AU
AMP Flexible Super - Super account	AMP1936AU
Flexible Lifetime - Allocated Pension	AMP1987AU*

*Closed to new investors

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