

AMP Capital Premium Growth

Quarterly Investment Option Update

30 June 2019

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 for each product, please visit www.amp.com.au

Investment Option Overview

Investment category	Multi-Sector
Suggested minimum investment timeframe	5 years
Relative risk rating	Medium to High
Investment style	Active
Manager style	Single

Asset Allocation	Benchmark (%)
Australian Fixed Interest	N/A
Australian Shares	N/A
Cash	N/A
Defensive Alternatives	N/A
Growth Alternatives	N/A
International Fixed Interest	N/A
International Shares	N/A
Listed Property and Infrastructure	N/A
Others	N/A
Unlisted Property and Infrastructure	N/A

Actual Allocation	%
International Shares	59.87
Australian Shares	9.09
Unlisted Property and Infrastructure	7.03
Growth Alternatives	24.50

Fund Performance

The Fund produced a solid return for the quarter. Markets continued to enjoy strong performance, underpinned by renewed monetary easing from central banks and expectations of more to follow. Australia has outperformed in both equity and bond markets, as the Reserve Bank of Australia (RBA) moved quickly to cut rates twice, after almost three years of holding steady at 1.5%. The fund benefitted from the buoyant markets, with global equities being the strongest contributor. Global listed infrastructure also performed strongly. The Fund's diverse structure, with greater exposure to international and value-related strategies, did however see it lag more concentrated equity funds over the three months.

Portfolio Positioning

The Fund made no major changes during the quarter.

Market Review

Global equities remained resilient during the quarter, despite the International Monetary Fund downgrading global growth forecasts. However, the risks around growth and the strong gains in shares this year have increased the probability of a correction. Central banks are retaining their bias towards accommodative measures as visibility on growth fades.

Despite the rise in equity values, there has been some flight-to-safety as trade war and geo-political risks increase, and this has seen bond yields fall, resulting in a positive correlation between bond and equity prices.

Despite the ongoing global trade tensions, hopes remain that a practical and sustainable resolution to the US-China dispute will be reached. However, market optimism is fragile and there remain significant risks. The US's approach appears to be widening in scope if anything, with its removal of India's preferential trade status and associated implementation of tariffs. In addition, the potential for armed conflict between the US and Iran has heightened the geo-political risk environment. There were thus great expectations for positive communications and outcomes for world trade at the G20 meeting in Japan at the tail-end of the quarter, particularly from sideline talks between country heads.

Outlook

The global outlook is looking reasonably positive considering the lessening of some of the pressures that unnerved markets last year, such as trade tensions. Although the International Monetary Fund (IMF) have downgraded global growth expectations for 2019 to 3.3% (from 3.5%), looking ahead there is reason for some optimism. China's data continues to improve and company earnings expectations have continued to be wound back to more realistic levels, where globally analysts expect approximately 5% earnings growth this year. Whilst the Premium Growth Fund's more diverse mix of investments is expected to lag a surging stock market, it will still be well placed to benefit; especially so once some of the alternative strategies recover.

Availability

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

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