

Super Easy Active Balanced

Quarterly Investment Option Update

30 June 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 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	Multi-manager

Asset Allocation	Benchmark (%)
International shares	32
Australian Shares	27
Australian Fixed Interest	15
Listed Property and Infrastructure	11
International Fixed Interest	10
Cash	5
Defensive Alternatives	0
Growth Alternatives	0

Actual Allocation	%
International Shares	34.39
Australian Shares	25.98
Listed Property and Infrastructure	10.54
International Fixed Interest	5.96
Australian Fixed Interest	14.97
Cash	8.16

Fund Performance

The option delivered a strong return over the June quarter, and over the 2018-19 financial year, as most asset classes continued to rebound from their December lows.

Developed market shares rose 3.5% over the June quarter (in local currency terms), boosted by the increasing likelihood of monetary policy easing by central banks to combat slowing global growth (in local currency terms). Australian shares outperformed most major share markets and returned 7.8% over the quarter, helped by the re-election of the Coalition Government and a reduction in the official interest rate by the Reserve Bank of Australia.

In what may seem counterintuitive, safe-haven assets such as bonds and other fixed income holdings rallied alongside shares, supported by expectations of further monetary policy easing. Alternatives, property and infrastructure assets rose, but by less than listed markets.

While the returns experienced over the first half of 2019 have been impressive, they are likely to moderate in the next half of the year. Most of the strength year-to-date has been driven by an expectation that easing monetary policy and fiscal stimulus will prolong the already historic length of this market cycle and support economic growth.

To see meaningful upside from here, there needs to be signs that global growth is reaccelerating and geopolitical risks, like the US-China trade dispute, are resolving. A more likely scenario is that markets will trade sideways until the outlook for global growth becomes clear. We hold a broadly neutral exposure to shares, having increased our allocation to Australian shares as easing monetary policy should be supportive. We have also increased our exposure to alternatives to improve diversification away from shares. With interest rates at these levels, we expect low returns from bonds, however they remain an important source of diversification.

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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