

# AMP Active Balanced

## Quarterly Investment Option Update

30 September 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](http://www.amp.com.au)

### Investment Option Overview

<b>Investment category</b>	Multi-Sector
<b>Suggested minimum investment timeframe</b>	5 years
<b>Relative risk rating</b>	High
<b>Investment style</b>	Active
<b>Manager style</b>	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	34.58
Australian Shares	26.01
Listed Property and Infrastructure	10.74
International Fixed Interest	5.94
Australian Fixed Interest	14.90
Cash	7.83

## Fund Performance

The Option delivered a positive return for the September quarter. Despite volatility during the period, positive returns were generated across most underlying asset classes with contributions from both growth and defensive assets.

Since our last update, market sentiment was boosted by further global monetary easing in the form of interest rate cuts to combat slowing global growth. However, much of the impact of rate cuts was suppressed by lacklustre corporate earnings, waning business and consumer confidence, and uncertainties around the US-China trade talks. By quarter-end, developed equity markets had risen only slightly, up 1.5% (in local currency terms) and Australian equities returned 2.4%. Emerging market equities suffered in this setting, as the additional impact of slowing Chinese growth constrained performance. The rising concerns about the global outlook and accompanying rate cuts supported allocations to more defensive, yield-driven allocations including property, infrastructure and bonds. The performance of alternative strategies was mixed.

For the final quarter of 2019, we remain cautiously optimistic as global markets face a variety of unpredictable threats. Continued concerns around US-China trade tensions, a no-deal Brexit and slowing global growth are likely to increase recessionary risks. This, in combination with the low interest rate setting, supports fixed income markets; although expensive valuations may limit any upside. For equities, the current environment is less supportive, particularly if risks worsen. In order for sentiment to improve, it will take a settling of the trade concerns and a boost in the outlook for global growth. Until then markets are likely to trade sideways. Given the lack of market directionality, we maintain a broadly neutral allocation across most asset classes, with a minor tilt in favour of Australian equities. We have also held our overweight exposure to alternatives to improve diversification away from equities, given potential risks. The Option also maintains a sizeable allocation to defensive assets such as bonds and cash, which should assist in the event of potential equity market declines. Overall, returns are likely to moderate by year-end.

## Availability

Product Name	APIR
AMP Flexible Lifetime Super	AMP1934AU*

\*Closed to new investors

## Contact Details

**Web:** [www.amp.com.au](http://www.amp.com.au)

**Email:** [askamp@amp.com.au](mailto:askamp@amp.com.au)

**Phone:** 131 267



### 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 (AMP Active Balanced). 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.