

BlackRock Global Allocation

Quarterly Investment Option Update

30 September 2019

Aim and Strategy

The Fund aims to provide high total investment return through a fully managed investment policy utilising international equity securities, debt and money market securities, the combination of which will be varied from time to time both with respect to types of securities and markets in response to change market and economic trends. Total return means the combination of capital growth and investment income.

Currency is actively managed in the Fund around a fully hedged Australian dollar benchmark.

Investment Option Performance

To view the latest investment performances for each product please visit amp.com.au

Equity Sector Allocation	%
Communication Services	7.17%
Consumer Discretionary	5.96%
Consumer Staple	4.24%
Energy	3.42%
Financials	8.45%
Healthcare	8.88%
Industrials	7.20%
Information Technology	9.53%
Materials	2.29%
Real Estate	1.46%
Utilities	1.99%
Index-Related	0.16%

Investment Option Overview

Investment Category	Multi Sector
Suggested Investment timeframe	5 years
Relative risk rating	5 / Medium to high
Investment style	Specialist
Manager style	Single Manager

Asset Allocation	Benchmark (%)	Actual (%)
Equities	60	60.75
Fixed Income	40	36.42
Commodity-Related	0	1.60
Cash Equivalents	0	1.23

Portfolio Summary

The investment option recently increased exposure to companies within both the U.S. consumer discretionary and staples sectors, due to our expectation of resilient U.S. consumer spending against a backdrop of manufacturing weakness. The exposure broadly ranges from U.S. e-commerce companies, to housing-related and restaurant stocks.

Investment Option Commentary

BlackRock continued to increase exposure to the information technology sector via securities which they believe have attractive business models, an expected high ROI, earnings consistency, and are likely to be the beneficiaries of the build out of digital transformation, mainly in the communication equipment, software and data management space.

The investment option's allocation to the energy sector was reduced due to deceleration in industrial energy demand globally, coupled with diminished expectations for secular growth opportunities within the sector. Overall, we remain positive on the midstream industry, favoring storage & transport companies that have simplified their capital structures, reduced leverage and exposure to commodity prices, and eliminated the need for equity to fund their growth plans.

While they continue to believe that duration can act as a partial hedge against equity volatility, the investment option remains broadly underweight duration (2.5 years) versus its benchmark (2.7 years), due primarily to a significant underweight to developed market sovereign bonds. The investment option is overweight duration relative to its benchmark in the U.S. fixed income portion of the portfolio, however, mainly through its exposure to nominal U.S. Treasuries, TIPS, and investment grade U.S. corporate bonds. Due to substantial fluctuations in U.S. Treasury prices, BlackRock have recently adjusted our U.S. duration exposure to be more heavily focused on the short- and long-term segments of the U.S. yield curve, at the expense of the middle-portion of the curve. BlackRock are anticipating a range bound rates market and will actively adjust our duration exposure as valuations evolve.

Although U.S employment and consumer spending data remains resilient, the manufacturing segment of the global economy remains fragile. Nevertheless, despite the continued risks to investment confidence stemming from U.S. / China trade uncertainty, BlackRock continue to believe that the recent pivot by the world's central banks toward greater monetary accommodation, coupled with economic strength of the U.S. consumer (solid labor markets, decent wage gains, and continued strength in consumption activity), has helped create a more supportive backdrop for risky assets

As mentioned, the investment option remains materially underweight both European and Japanese sovereign bonds, due to the prevailing low/negative rate environment in those regions. Nevertheless, BlackRock believe that the ECB's ultra-accommodative monetary policy will continue to drive European peripheral spreads closer to those of German bunds, despite the historically low-rate backdrop. As a result, BlackRock maintain modest (underweight) positions in long-end Spanish and Italian sovereign bonds.

BlackRock maintain a modest position in gold-related securities. They believe gold can add resiliency into the portfolio, particularly in an environment where yields on developed market sovereign bonds have declined materially in recent months.

BlackRock hold cash in the fund as a diversifying asset class to help manage risk in the portfolio. In addition to U.S. Treasury bills, They have exposure to short-term bills in Japan as a cost-efficient way to gain exposure to the Japanese yen.

The investment option continues to maintain a modest overweight to the U.S. dollar, largely at the expense of the euro and the pound, where growth expectations remain weak. The investment option is also modestly underweight certain other developed market currencies, such as the Canadian and Australian dollars, due to their dependence on various commodity exports amid a manufacturing slump. As alluded to above, the investment option maintains a modest overweight to Japanese yen, which has historically provided diversification benefits relative to risky assets.

Availability

Product name	APIR
AMP Flexible Lifetime Super	AMP1815AU
AMP Flexible Super - Retirement account	AMP1785AU
AMP Flexible Super - Super account	AMP1791AU
CustomSuper	AMP1815AU
Flexible Lifetime - Allocated Pension	AMP1809AU
SignatureSuper	AMP1803AU
SignatureSuper Allocated Pension	AMP1797AU

Contact Details

Web: www.amp.com.au
Email: 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) 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 ASL, AMP Life 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.

Neither AMP Life, ASL, any 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.