

AMP Conservative

Quarterly Investment Option Update

30 September 2019

Aim and Strategy

To provide returns greater than those from cash over the short to medium term through a diversified portfolio, with a core of cash and fixed interest and some exposure to shares and property.

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	3 years
Relative risk rating	Low
Investment style	Active
Manager style	Multi-manager

Asset Allocation	Benchmark (%)
Australian Fixed Interest	23
Cash	21
International Fixed Interest	18
International shares	14
Australian Shares	10
Unlisted Property and Infrastructure	7
Listed Property and Infrastructure	3
Defensive Alternatives	2
Growth Alternatives	2

Actual Allocation	%
International Shares	14.91
Australian Shares	9.26
Listed Property and Infrastructure	3.32
Unlisted Property and Infrastructure	7.01
Growth Alternatives	0.43
International Fixed Interest	17.00
Australian Fixed Interest	24.14
Defensive Alternatives	6.12
Cash	17.81

Market Review

Increasing predispositions by global central banks to become ever more accommodative during the September quarter have kept the bias on interest rates downwards, making equities relatively attractive and increasing the correlation between equities and bonds. However, the International Monetary Fund revised down its projection for global growth further during the period.

For the US-China trade dispute, which saw further escalation during the period, trust will need to be re-established between both parties at face-to-face meetings before any serious progress can be made. Until then, there is the potential for volatility to ramp-up substantially.

As was widely factored into the market, the US Federal Reserve (Fed) cut the Federal Funds Rate range by 25 basis points to 2.0-2.25% on 31 July; the first cut since the Global Financial Crisis, followed by a further cut of 25 basis points on 18 September to take the rate range to 1.75-2.0%.

In the US economy, the trade deficit continued to widen. However, as a whole, US economic data was generally benign, and the US stock market reached a record high during the quarter. There has been strong consumer-related and business data; however, jobs growth has been somewhat sluggish, and the ISM manufacturing conditions index remains subdued. Recent retail sales have risen more than expected and small business confidence remains strong, although latest labour market indicators have been more mixed.

Availability

Product Name	APIR
AMP Flexible Super - Retirement account	AMP1323AU
Flexible Lifetime - Allocated Pension	AMP0596AU
Flexible Lifetime - Term Pension	AMP0896AU
SignatureSuper - Allocated Pension	AMP1132AU*

*Closed to new investors

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