

Specialist Property and Infrastructure

Quarterly Investment Option Update

30 September 2019

Aim and Strategy

To provide total returns (income and capital growth) after costs and before tax, above the return of 20% of the S&P/ASX200 A-REIT Accumulation, 35% FTSE EPRA NAREIT Developed Net Total Return (hedged to the Australian dollar), 30% Dow Jones Brookfield Global Infrastructure Net Accumulation (hedged to the Australian dollar) and 15% Mercer/IPD Australia Core Wholesale Property Fund indices on a rolling three-year basis. The strategy provides exposure to a diversified portfolio of direct property, listed property and infrastructure securities, both in Australia and around the world. The portfolio may also invest in direct infrastructure from time to time. The strategy diversifies its direct property and listed property and infrastructure securities exposure across a range of both active and passive strategies. The strategy may invest up to 10% in cash however, in certain market conditions may hold higher levels of cash.

Investment Option Performance

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

Investment Option Overview

Investment category	Property and infrastructure
Suggested minimum investment timeframe	5 years
Relative risk rating	High
Investment style	Active
Manager style	Multi-manager

Asset Allocation	Benchmark (%)
Listed Property and Infrastructure	85
Unlisted Property and Infrastructure	15
Cash	0

Actual Allocation	%
International Shares	2.77
Australian Shares	19.81
Listed Property and Infrastructure	71.68
Unlisted Property and Infrastructure	4.57
Cash	1.17

Top Holdings	%
Lendlease APPF Retail Fund	4.54
Goodman Group	4.14
Scentre Group	3.32
Enbridge Inc	3.16
American Tower Corp	3.01
Sempra Energy	2.39
TC Energy Corp	2.33
Kinder Morgan Inc	2.11
Dexus	2.05
Mirvac Group	1.92

Region Allocation	%
North America	45.61
Australasia	26.56
Europe ex UK	11.84
United Kingdom	6.10
Asia ex Japan	4.63
Japan	4.12
Cash	1.14
Others	0.00

Fund Performance

The Fund produced another strong absolute return in the September quarter, performing closely to the benchmark, which was strong despite ongoing global concerns around growth. Over the quarter, the best performing underlying allocations were the AMP Capital Global Listed Property Fund, which returned 5.81% over the period and the AMP Capital Global Listed Infrastructure Fund, which returned 4.58% over the period. The weakest performer was the AMP Capital Australian Listed Property Fund, which returned a still-positive 0.89%.

Market Review

Global listed real estate markets generally rose over the September quarter, with the US and European markets performing well while Asia Pacific markets posted mixed returns. The Hong Kong market again suffered, as it continued to fall in the face of ongoing local political issues and global trade and economic concerns. Globally, listed real estate markets were broadly supported as investors sought safe-havens amid heightened concerns about Brexit and the escalating US-China trade dispute, and the likely impact these will have on global economic conditions. Listed property real estate markets also benefitted as central banks eased monetary policy conditions during the period, which saw the US Federal Open Market Committee deliver two cuts of 0.25% apiece to the official target interest rate range at its July and September meetings. US 10-year treasury yields fell to 3-year lows and were down 0.35% to 1.66% during the period.

The attack on Saudi Arabian crude oil infrastructure during the quarter was a strong reminder of global risks. However, given the cash flow stability of energy midstream companies, they have less leverage to oil price volatility compared to exploration, production and service companies. That said, a higher crude oil price environment is positive for sentiment. In addition, compression in the cost of capital could also speed up pipeline development projects which would be beneficial to, for example, Enbridge's Line 3 as well as TC Energy Corp's Keystone XL project.

Outlook

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Availability

Product Name	APIR
AMP Flexible Lifetime Super	AMP0861AU
AMP Flexible Super - Retirement account	AMP1359AU
AMP Flexible Super - Super account	AMP1488AU
CustomSuper	AMP0861AU
Flexible Lifetime - Allocated Pension	AMP0877AU
Flexible Lifetime - Investments (Series 1)	AMP1007AU*
Flexible Lifetime - Investments (Series 2)	AMP1423AU
Flexible Lifetime - Term Pension	AMP0931AU
SignatureSuper	AMP0954AU
SignatureSuper - Allocated Pension	AMP1161AU
SignatureSuper Select	AMP0954AU

*Closed to new investors

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