



AMP Australian Property

Quarterly Investment Option Update

31 December 2019

Aim and Strategy

To generate long-term returns from investing in Australian property. This portfolio predominately invests in a range of listed property trusts and cash, and may hold exposures to unlisted property.

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	7 years
Relative risk rating	Medium to High
Investment style	Active
Manager style	Single

Asset Allocation	Benchmark (%)
Unlisted Property and Infrastructure	45
Listed Property and Infrastructure	40
Cash	15

Actual Allocation	%
Listed Property and Infrastructure	39.99
Unlisted Property and Infrastructure	46.69
Cash	13.32

Region Allocation	%
Australasia	100.00

Market Review

Australian listed real estate fell modestly over the December quarter, underperforming the broader sharemarket. During October, listed real estate continued to attract capital flows into more defensive assets, such as listed real estate, after the RBA lowered the official cash rate by 0.25% to a record low of 0.75%. However, thereafter listed real estate lagged the broader sharemarket's returns, as several ongoing geopolitical risks finally abated. In particular, previous gains in listed real estate were pared back late in the period as the US and China reached a "phase 1" trade deal, which saw investors switch out of defensive assets. Australian 10-year bond yields rose 0.35% to 1.37% over the quarter. In contrast to strong conditions in the office and industrial segments, the ongoing difficult conditions facing the retail sector was evidenced when department-store chain Harris Scarfe was placed into receivership and will reportedly undergo a major restructuring, including the closure of 40% of its stores, before being sold to new owners. Meanwhile, in the residential segment, conditions continued to improve, with dwelling prices in Sydney and Melbourne increasing rapidly from their mid-year lows and auction clearance rates remaining elevated. However, in October the share of new housing finance attributed to investors reached its lowest since the early 2000s.

Outlook

Unlisted commercial property is likely to see reasonable returns. Although retail property is weak, lower-for-longer bond yields will help underpin unlisted asset valuations.

Availability

Product Name	APIR
AMP Flexible Lifetime Super	AMP0439AU*

*Closed to new investors

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