

AMP Cash Plus

Quarterly Investment Option Update

31 December 2019

Aim and Strategy

To provide a return above the Bloomberg AusBond Bank Bill Index on a rolling 12-month basis, subject to the provision of the guarantee as described below. The portfolio invests in a diversified range of investment grade Australian money market securities, including cash-like securities with short-term maturities such as prime bank bills, commercial paper and term deposits. The portfolio may also invest in medium-term securities including floating rate notes and asset-backed securities. The portfolio may use derivatives such as options, futures or forward rate agreements to protect against risks, enhance returns or increase or reduce exposure to physical investments where this is consistent with the investment objectives. Guarantee: AMP Life guarantees that the unit price will never fall. This may mean that at times the unit price will not immediately rise with upward movements in asset values.

Investment Option Performance

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

Investment Option Overview

Investment category	Cash
Suggested minimum investment timeframe	1 year
Relative risk rating	Very Low
Investment style	Active
Manager style	Single

Asset Allocation	Benchmark (%)
Cash	100

Actual Allocation	%
International Fixed Interest	5.99
Australian Fixed Interest	80.83
Cash	13.18

Market Review

On 1 October, the RBA dropped the official cash rate 25 basis points to a new record low of 0.75%. The central bank cited downside risks to the global economy, weaker than expected growth in Australia, forward indicators pointing to a likely slowing in jobs growth, and subdued wages growth and inflation. In addition, whilst signs of a turnaround in housing markets were noted, falling housing construction was recognised as was a desire to support employment and income and provide confidence that inflation will pick up. The cash rate was then held steady for the remainder of the December quarter, with the RBA taking a patient approach and showing a preference to "wait and assess" rather than rush rates closer to zero. Some economists now believe that some form of quantitative easing may be required sometime in 2020 in order to move inflation higher. In credit markets, Australian three and six-month bank bill rates ended December at 0.92% and 1.03% respectively, compared to 0.95% and 1.05% one quarter prior.

Availability

Product Name	APIR
AMP Flexible Lifetime Super	AMP0288AU*
CustomSuper	AMP0288AU
Flexible Lifetime - Allocated Pension	AMP0595AU*
Flexible Lifetime - Term Pension	AMP0895AU*
SignatureSuper	AMP0771AU
SignatureSuper - Allocated Pension	AMP1079AU

*Closed to new investors

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