

# AMP Conservative

Quarterly Investment Option Update

31 December 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](http://www.amp.com.au)

## Investment Option Overview

|   |               |
|---|---------------|
| <b>Investment category</b>                    | Multi-Sector  |
| <b>Suggested minimum investment timeframe</b> | 3 years       |
| <b>Relative risk rating</b>                   | Low           |
| <b>Investment style</b>                       | Active        |
| <b>Manager style</b>                          | Multi-manager |

| <b>Asset Allocation</b>              | <b>Benchmark (%)</b> |
|--------------------------------------|----------------------|
| 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                    |

| <b>Actual Allocation</b>             | <b>%</b> |
|--------------------------------------|----------|
| International Shares                 | 15.16    |
| Australian Shares                    | 10.39    |
| Listed Property and Infrastructure   | 3.04     |
| Unlisted Property and Infrastructure | 7.38     |
| Growth Alternatives                  | 2.77     |
| International Fixed Interest         | 16.54    |
| Australian Fixed Interest            | 22.96    |
| Defensive Alternatives               | 3.51     |
| Cash                                 | 18.25    |

## Market Review

The start of the quarter saw initial concerns of the risk of a recession. However, as the quarter progressed, US economic data was generally positive overall. Market sentiment further improved following the conclusion of the US -China trade disputes. US gross domestic product grew at an annualised rate of 1.9% in the third quarter. In October, the Federal Funds Rate was reduced by 25 basis points to 1.50-1.75%. Meanwhile President Trump's impeachment had little impact on financial markets.

In Europe, business conditions were flat in December but remain up from their low adding to confidence that Eurozone growth may be improving. During the quarter, the European Central Bank made no changes to interest rates. Meanwhile, in December the Swedish central bank raised rates from -0.25% to zero, ending roughly five years of negative rates.

In the UK, the Conservative party won the general election and will seek to prevent an extension of the Brexit transition period beyond the end of 2020. During the quarter, the Bank of England left rates on hold.

In Asia, Japan's gross domestic product growth for the September quarter was revised upward. The government announced fiscal stimulus plans in December whilst the Bank of Japan left monetary policy on hold. In China, industrial production and retail sales were stronger-than-expected in November suggesting positive signs for growth. China's central bank lowered its one-year loan prime rate in November by five basis points to 4.15%.

## 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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