

Cautious Index

Quarterly Investment Option Update

31 December 2019

Aim and Strategy

To provide returns primarily from income as well as some capital growth over the short to medium term, by investing mainly in defensive assets with some exposure to growth assets. Exposure to individual asset classes will be attained through the use of index focussed investment managers. This investment option seeks to provide an index focussed solution to diversified investing. Through a process of diversified market analysis combined with selection of the most appropriate investment managers for each underlying asset class, this investment option is designed to provide market tracking returns over the suggested investment timeframe. Global shares may be partially or fully hedged back to Australian Dollars.

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 to Medium
Investment style	Index
Manager style	Multi-manager

Asset Allocation	Benchmark (%)
Australian Fixed Interest	N/A
Australian Shares	N/A
Cash	N/A
Defensive Alternatives	N/A
Growth Alternatives	N/A
International Fixed Interest	N/A
International shares	N/A
Listed Property and Infrastructure	N/A
Unlisted Property and Infrastructure	N/A

Actual Allocation	%
International Shares	12.37
Australian Shares	10.29
Listed Property and Infrastructure	10.30
Growth Alternatives	7.45
International Fixed Interest	16.14
Australian Fixed Interest	18.93
Cash	24.52

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 Lifetime Super	AMP1520AU
CustomSuper	AMP1520AU
Flexible Lifetime - Allocated Pension	AMP1532AU
SignatureSuper	AMP1544AU
SignatureSuper - Allocated Pension	AMP1556AU

Contact Details

Web: www.amp.com.au

Email: askamp@amp.com.au

Phone: 131 267



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