

# Specialist Property and Infrastructure

Quarterly Investment Option Update

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

## Investment Option Overview

<b>Investment category</b>	Property and infrastructure
<b>Suggested minimum investment timeframe</b>	5 years
<b>Relative risk rating</b>	High
<b>Investment style</b>	Active
<b>Manager style</b>	Single

<b>Asset Allocation</b>	<b>Benchmark (%)</b>
Listed Property and Infrastructure	100
Cash	0
Unlisted Property and Infrastructure	0

<b>Actual Allocation</b>	<b>%</b>
International Shares	2.58
Australian Shares	17.24
Listed Property and Infrastructure	74.36
Unlisted Property and Infrastructure	4.48
Cash	1.34

<b>Top Holdings</b>	<b>%</b>
Lendlease APPF Retail Fund	4.45
ENBRIDGE INC	3.59
Goodman Group	3.40
AMERICAN TOWER CORP	2.99
Scentre Group	2.79
WILLIAMS COMPANIES INC	2.69
SEMPRA ENERGY	2.43
TC Energy Corp	2.40
National Grid PLC	2.12
RAI Way SpA	2.09

<b>Region Allocation</b>	<b>%</b>
North America	45.52
Australasia	23.77
Europe ex UK	11.95
United Kingdom	6.94
Asia ex Japan	5.34
Japan	3.75
Cash	2.72
Others	0.00

## Fund Performance

The Fund produced another strong absolute return in the December quarter and outperformed its benchmark. Over the three months, the best performing underlying allocation was the AMP Capital Global Listed Infrastructure Fund, which returned 5.09%, comfortably outperforming its benchmark. The AMP Capital Global Listed Property Fund meanwhile returned 1.61% and also comfortably outperformed. Finally, the bottom performer was the AMP Capital Australian Listed Property Fund, which returned -1.02% over the period, approximately matching the benchmark.

## Market Review

Global listed real estate markets were mixed during the December quarter, but generally underperformed broader share markets as some ongoing geopolitical uncertainties relating to US-China trade tensions and Brexit dissipated during the period. Most significantly, the looming mid-December deadline for additional US tariffs on Chinese products resulted in the two countries reaching a Phase One trade deal during December which saw investors switch out of defensive assets, such as listed real estate, into more cyclical assets. Elsewhere, the UK's General Election during December resulted in Boris Johnson's Conservative party sweeping to a landslide victory, driving a rally in UK listed real estate which was the best-performing of the major markets during the period, followed by Europe.

Australian listed real estate meanwhile fell modestly over the December quarter, underperforming the broader domestic share market as geopolitical risk reduced and encouraged traders to switch to less defensive assets.

Strong returns were seen from listed infrastructure markets over the quarter amid continued global monetary easing, significant trade tensions subsiding and better-than-expected economic data emerging.

## Outlook

Global listed real estate markets are likely to be further impacted by short-term volatility that is affecting all risk assets, while investor focus remains on trade tensions, geopolitical uncertainty and concerns about slowing economic growth. However, listed real estate plays a defensive role in portfolios and is therefore likely to remain well supported while volatility is elevated.

The outlook for global listed infrastructure remains very positive, supported by robust economic activity and industry-wide structural investment tailwinds. The investment team continues to rely on its investment process, focusing on the long-term cash flow generation of core infrastructure assets, which we firmly believe is the best way to value these companies.

## 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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