

# AMP Conservative

## Quarterly Investment Option Update

31 March 2020

### 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 |

| Asset Allocation                     | Benchmark (%) |
|--------------------------------------|---------------|
| 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             |

| Actual Allocation                    | %     |
|--------------------------------------|-------|
| International Shares                 | 14.13 |
| Australian Shares                    | 8.99  |
| Listed Property and Infrastructure   | 2.62  |
| Unlisted Property and Infrastructure | 8.62  |
| Growth Alternatives                  | 3.08  |
| International Fixed Interest         | 16.59 |
| Australian Fixed Interest            | 23.76 |
| Defensive Alternatives               | 3.92  |
| Cash                                 | 18.31 |

## Market Review

The first quarter of 2020 began with the renewed conflicts between the US and Iran and the US-China trade tensions which were later resolved and share markets were encouraged by initial signs the global economy was improving. However, as March approached, the global surge in COVID-19 cases outside of China led to a pandemic. At the end of the quarter, despite the continued rise in new COVID-19 cases (especially in the US and Italy) and signs of a slowdown in global economic activity, share markets had a strong rebound in response to further announcements of unprecedented stimulus measures by governments and central banks.

The Federal Reserve reduced interest rates by a further 100 basis points to 0.00%–0.25% and commenced its quantitative easing. The US government announced the largest fiscal package, worth \$US2 trillion. The Bank of Canada lowered its overnight rate target to 0.75% and launched a credit facility program.

In Europe, the UK officially left the European Union on 31 January. The European Central Bank launched a new Pandemic Emergency Purchase Programme, worth €750 billion. The Bank of England lowered its Bank Rate further and launched a new substantial quantitative easing program whilst the UK government announced its credit guarantees.

In Asia, China's central bank announced a reduction in reserve ratios for banks. The Bank of Japan provided a significant liquidity injection and expanded its quantitative easing program.

## 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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