

# Cautious Index

Quarterly Investment Option Update

31 March 2020

## 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](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 to Medium
<b>Investment style</b>	Index
<b>Manager style</b>	Multi-manager

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

<b>Actual Allocation</b>	<b>%</b>
International Shares	11.77
Australian Shares	9.95
Listed Property and Infrastructure	8.23
Growth Alternatives	7.15
International Fixed Interest	17.48
Australian Fixed Interest	20.52
Cash	24.89

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

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