

Property Index

Quarterly Investment Option Update

31 March 2020

Aim and Strategy

The strategy aims to provide returns that track the S&P/ASX 200 A-REIT Index with net dividends reinvested. Exposure to the Property asset class will be attained through the use of low cost index-focused investment managers.

Investment Option Performance

To view the latest investment performances for each product, please visit www.amp.com.au

Investment Option Overview

Investment category	Property and infrastructure
Suggested minimum investment timeframe	7 years
Relative risk rating	Very High
Investment style	Index
Manager style	Single

Asset Allocation	Benchmark (%)
Listed Property and Infrastructure	100
Cash	0

Actual Allocation	%
International Shares	1.60
Listed Property and Infrastructure	96.63
Cash	1.77

Sector Allocation	%
Diversified REITs	34.36
Industrial REITs	23.80
Retail REITs	23.77
Office REITs	13.93
Cash	1.77
Specialised REITs	1.52
Residential REITs	0.99

Top Holdings	%
Goodman Group	23.80
Dexus	12.09
Scentre Group	10.21
Mirvac Group	10.14
GPT Group/The	8.59
Stockland	7.55
Vicinity Centres	4.07
Charter Hall Group	3.90
Shopping Centres Australasia P	2.59
Charter Hall Long Wale REIT	2.29

Region Allocation	%
Australasia	98.23
Cash	1.77

Market Review

After rallying strongly early in the quarter, the Australian listed real estate market fell very sharply over February and March. The sector underperformed the broader Australian share market, which also fell significantly, due to deeper concerns about the spread of COVID-19 and the economic impact of the extensive containment measures. In this highly uncertain environment, many Australian listed real estate companies withdrew their earnings guidance for financial year 2019-20 whilst some suspended dividends.

Late in the quarter some support was received from the Federal Government in the form of unprecedented stimulus packages, totalling around A\$200 billion or 10% of GDP, designed to financially see Australians through a harsh (albeit likely temporary) downturn. The RBA also cut the official cash rate to a new low of 0.25%, as well as announcing it would purchase government bonds to maintain the 3-year bond yield at 0.25%. It will also provide cheap funding to Australian banks to support lending to small and medium-sized businesses. The Australian Prudential Regulation Authority also relaxed some capital controls. In other measures, the Federal Government announced a six-month moratorium on evictions of tenants experiencing financial distress. In response, Australian banks will allow both residential and commercial landlords to delay loan repayments by up to six months.

Outlook

Australian listed real estate will likely be subject to near-term volatility, which is affecting all markets, due to deepened concerns about the spread of COVID-19 and the impact of the extensive containment measures on economic activity in Australia and globally. Social distancing is expected to dramatically impact the retail segment as foot traffic weakens and consumer confidence falls. In what was already difficult conditions, retail landlords are likely to come under pressure as tenants push for rent relief or experience credit issues. The residential segment is also expected to come under pressure as unemployment rises. The office segment should be more resilient as office leases are generally long term, and the industrial segment should remain robust, especially properties exposed to the expected increases in online shopping and data usage.

Availability

Product Name	APIR
AMP Flexible Lifetime Super	AMP1524AU
CustomSuper	AMP1524AU
Flexible Lifetime - Allocated Pension	AMP1536AU
SignatureSuper	AMP1548AU
SignatureSuper - Allocated Pension	AMP1560AU

Contact Details

Web: www.amp.com.au

Email: askamp@amp.com.au

Phone: 131 267



What you need to know

This publication has been prepared by AMP Life Limited ABN 84 079 300 379, AFSL No. 233671 (AMP Life). The information contained in this publication has been derived from sources believed to be accurate and reliable as at the date of this document. Information provided in this investment option update are views of the underlying Investment Manager only and not necessarily the views of the AMP Group. No representation is given in relation to the accuracy or completeness of any statement contained in it. Whilst care has been taken in the preparation of this publication, to the extent permitted by law, no liability is accepted for any loss or damage as a result of reliance on this information. AMP Life is part of the AMP Group. In providing the general advice, AMP Life and AMP Group receives fees and charges and their employees and directors receive salaries, bonuses and other benefits.

The information in this document is of a general nature only and does not take into account your financial situation, objectives and needs. Before you make any investment decision based on the information contained in this document you should consider how it applies to your personal objectives, financial situation and needs, or speak to a financial planner.

The investment option referred to in this publication is available through products issued by AMP Superannuation Limited ABN 31 008 414 104, AFSL No. 233060 (ASL), AMP Capital Funds Management Limited ABN 15 159 557 724, AFSL 426455 (AMPCFM), ipac asset management limited ABN 22 003 257 225, AFSL 234655 (ipac) and/or AMP Life. Before deciding to invest or make a decision about the investment options, you should read the current Product Disclosure Statement for the relevant product, available from the issuer or your financial planner.

Any references to the "Fund", strategies, asset allocations or exposures are references to the underlying managed fund that the investment option either directly or indirectly invests in (Property Index). The investment option's aim and strategy mirrors the objective and investment approach of the underlying fund. An investment in the investment option is not a direct investment in the underlying fund.