

AMP Conservative

Quarterly Investment Option Update

30 June 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

Investment Option Overview

| | |
|---|---------------|
| Investment category | Multi-Sector |
| Suggested minimum investment timeframe | 3 years |
| Relative risk rating | Low |
| Investment style | Active |
| Manager style | 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 | 13.09 |
| Australian Shares | 11.36 |
| Listed Property and Infrastructure | 2.89 |
| Unlisted Property and Infrastructure | 7.95 |
| Growth Alternatives | 2.85 |
| International Fixed Interest | 17.08 |
| Australian Fixed Interest | 23.07 |
| Defensive Alternatives | 3.14 |
| Cash | 18.57 |

Market Review

As expected, global markets were heavily impacted by COVID-19 government restrictions and the flow-on effects of lockdown. Equities were volatile as shifting sentiment created swings between a risk-on and risk-off bias. Despite this, there was a net sharp rally over the quarter in equity markets as some COVID-19 lockdown measures started to be unwound. This leaves equity markets open to the risk of a correction. COVID-19 impacts were aggravated by increasingly acrimonious relations between the US and China. In addition, there is the risk of further waves of COVID-19, especially in the more densely populated countries, and the potential for economies to fall back once working capital supplied by government policies peters out and companies review their strategies and demand. The World Bank, the Organisation for Economic Co-operation and Development, and the International Monetary Fund all indicate they expect the worst global recession since the Great Depression.

In the US, the Federal Reserve (Fed) significantly increased its COVID-19-related lending programmes. Fed Chairman Jerome Powell suggested the central bank will use its "full range of tools" and act "forcefully, proactively and aggressively until it is confident the economy is on the road to recovery". He also said the central bank still had plenty of options available, with the expectation that monthly bond purchases will increase.

Availability

| Product Name | APIR |
|---------------------------------------|------------|
| AMP Flexible Super - Retirement | AMP1323AU |
| Flexible Lifetime - Allocated Pension | AMP0596AU |
| Flexible Lifetime - Term Pension | AMP0896AU |
| SignatureSuper - Allocated Pension | AMP1132AU* |

*Closed to new investors

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