

Alternative Index

Quarterly Investment Option Update

30 June 2020

Aim and Strategy

To provide returns similar to the Hedge Fund Research Index (Customised) benchmark on a 3 year rolling basis. The option takes long and short positions using derivatives. Investments are made globally across equity, government bond, commodity and currency futures markets. The strategy does not make investments in underlying hedge strategies. Currency exposures are not hedged back to Australian dollars and are instead used as a value add strategy. The strategy is allowed to gear using short positions - no more than 30% of the Net Asset Value of the strategy.

Investment Option Performance

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

Investment Option Overview

Investment category	Alternative strategies
Suggested minimum investment timeframe	5 years
Relative risk rating	Medium
Investment style	Index
Manager style	Single

Asset Allocation	Benchmark (%)
Growth Alternatives	100
Cash	0
Actual Allocation	%
Growth Alternatives	100.00

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
CustomSuper	AMP1826AU
Flexible Lifetime - Allocated Pension	AMP1830AU
Flexible Lifetime - Super	AMP1826AU
SignatureSuper	AMP1834AU
SignatureSuper - Allocated Pension	AMP1838AU

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