

AMP Australian Property

Quarterly Investment Option Update

30 September 2020

Aim and Strategy

To generate long-term returns from investing in Australian property. This portfolio predominately invests in a range of listed property trusts and cash, and may hold exposures to unlisted property.

Investment Option Performance

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

Investment Option Overview

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

Asset Allocation	Benchmark (%)
Unlisted Property and Infrastructure	45
Listed Property and Infrastructure	40
Cash	15

Actual Allocation	%
Listed Property and Infrastructure	39.81
Unlisted Property and Infrastructure	42.49
Cash	17.71

Region Allocation	%
Australasia	100.00

Market Review

The Australian listed real estate market rose strongly in the September quarter, with the S&P/ASX 200 A-REIT index returning 6.96% on a total return basis. The impacts of COVID-19 continued to dominate markets, which initially benefited as most states continued to reopen, however gains were muted by a second wave of infections in Victoria and the reintroduction of lockdown measures in July. Thereafter, listed real estate was buoyed by positive surprises coming out of the financial year 2019-20 reporting season, as expectations had previously been very low based on soft rent collections. Markets were also supported as new Victorian COVID-19 cases started to trend downwards, several vaccines entered final trials and interest rates remained very low, with the central bank also extending its term funding facility to underpin business lending later in the period. Australian 10-year bond yields declined by 0.08% to 0.79% over the period.

Outlook

Unlisted commercial property is likely to see reasonable returns, particularly in sectors which are less sensitive to the economic cycle. Retail property remains weak and may be more exposed to the COVID-19 induced economic downturn, depending on the asset. However, extremely low bond yields should provide some support for unlisted asset valuations.

Availability

Product Name	APIR
Flexible Lifetime - Super	AMP0439AU*

*Closed to new investors

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Please note that slight asset allocation deviations from 100% may be caused by rounding, asset categorisation and/or hedging.