

# Alternative Index

Quarterly Investment Option Update

30 September 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/performance](http://www.amp.com.au/performance)

## Investment Option Overview

|   |                        |
|---|------------------------|
| <b>Investment category</b>                    | Alternative strategies |
| <b>Suggested minimum investment timeframe</b> | 5 years                |
| <b>Relative risk rating</b>                   | 4 / Medium             |
| <b>Investment style</b>                       | Index                  |
| <b>Manager style</b>                          | Single                 |

| <b>Asset Allocation</b>  | <b>Benchmark (%)</b> |
|--------------------------|----------------------|
| Growth Alternatives      | 100                  |
| Cash                     | 0                    |
| <b>Actual Allocation</b> | <b>%</b>             |
| Growth Alternatives      | 100.00               |

## Market Review

Global equities rose during most of the quarter as the balance of data and economic expectations was initially viewed positively and on hopes that a COVID-19 vaccine might be available in a compressed timeframe. However, by quarter end, global equity markets suffered a pullback, led by the technology sector which later broadened to other sectors. Energy was also impacted as the oil price pulled back. For COVID-19, conditions and outlook remained uncertain. The global death count from the pandemic has now exceeded the one million mark.

Escalating tensions between the US and China have also elevated uncertainty. The US has rejected China's territorial claims to the South China Sea and has ended Hong Kong's special trade status with the US, requesting support in its stance from its allies. The US administration has also moved to put restrictions on some Chinese companies operating in the US, including TikTok and WeChat, although the US courts have moderated some of these decisions.

In the US, there is likely to be further downward pressure on the US dollar as quantitative easing measures continue to ramp up. An ongoing US dollar retracement would be consistent with improving global growth relative to that in the US and the US Federal Reserve's aggressive quantitative easing programme, which is significantly increasing the supply of US dollars.

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

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