



AMP Australian Property

Quarterly Investment Option Update

31 December 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	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	39.61
Unlisted Property and Infrastructure	45.53
Cash	14.86

Region Allocation	%
Australasia	100.00

Market Review

The Australian listed real estate market rose strongly in the December quarter, slightly underperforming the broader Australian share market, with the S&P/ASX 200 A-REIT index finishing up by 13.30% on a total return basis. Markets initially rallied as the government announced extensive fiscal stimulus in the Federal Budget and received further monetary policy support in November when the RBA lowered its target cash rate by 0.15% to 0.10% and announced its intention to purchase bonds, among other measures. Listed real estate was also buoyed by COVID-19 vaccine optimism and stronger than expected economic data, with the real estate segments such as retail that were most impacted earlier in the year by lockdowns and other containment measures rallying sharply, especially those with assets in Victoria. However, the ongoing impacts of the pandemic saw the market pull back towards quarter-end, when a COVID-19 outbreak in Sydney led to a lockdown of the affected region and the reclosure of state borders. Despite softer market conditions, resilience in asset valuations and other operations was evidenced in some companies' updates (such as Goodman Group, Dexus and Charter Hall Long Wale REIT), while heightened transaction activity and equity raisings also featured, with the demand for industrial assets continuing amid the accelerated shift to online shopping.

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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