



AMP Capital Global Property Securities

Quarterly Investment Option Update

31 December 2021

Aim and Strategy

To provide total returns (income and capital growth) after costs and before tax, above the FTSE EPRA/NAREIT Developed Net Total Return Index (hedged back to Australian dollars) on a rolling three-year basis, by investing in property securities listed on sharemarkets around the world. Securities in which the portfolio invests are diversified across a range of asset classes, property sectors and geographic regions. The portfolio includes investments in real estate investment trusts and property securities companies across the Americas, Europe and Asia Pacific. The portfolio is managed by an investment team made up of on-the-ground regional investment specialists based in Sydney, Chicago, London and Hong Kong, implementing a research driven process that integrates a macroeconomic (top-down) approach to regional and country allocation, with a stock specific (bottom-up) selection process.

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 | 5 years |
| Relative risk rating | Very High |
| Investment style | Active |
| Manager style | Single |

| Asset Allocation | Benchmark (%) |
|---------------------------|----------------------|
| Global listed real estate | 100 |
| Cash | 0 |

| Actual Allocation | % |
|------------------------------------|----------|
| International Shares | 13.98 |
| Listed Property and Infrastructure | 83.99 |
| Cash | 2.03 |

| Sector Allocation | % |
|------------------------------------|----------|
| Specialised REITs | 18.55 |
| Residential REITs | 17.20 |
| Industrial REITs | 15.81 |
| Retail REITs | 12.03 |
| Office REITs | 7.22 |
| Real Estate Operating Companies | 7.03 |
| Health Care REITs | 5.98 |
| Diversified REITs | 5.86 |
| Diversified Real Estate Activities | 4.75 |
| Hotel & Resort REITs | 2.17 |
| Cash | 2.03 |
| Real Estate Development | 1.36 |

| Top Holdings | % |
|--------------------------------|----------|
| Prologis Inc | 7.53 |
| Equinix Inc | 4.26 |
| Welltower Inc | 3.47 |
| Public Storage | 3.38 |
| Simon Property Group Inc | 3.11 |
| Digital Realty Trust Inc | 3.02 |
| Alexandria Real Estate Equitie | 2.88 |
| Equity Residential | 2.48 |
| Extra Space Storage Inc | 2.46 |
| Sun Communities Inc | 2.38 |

| Region Allocation | % |
|-------------------|-------|
| North America | 62.79 |
| Asia | 15.54 |
| Europe | 15.39 |
| Australasia | 4.24 |
| Cash | 2.03 |

Fund Performance

The Fund produced a strong positive return and outperformed its benchmark over the December quarter. Sector allocation was the key driver of the Fund's outperformance, while country allocation and stock selection modestly detracted from relative performance. Regarding sector allocation, the main positive contributors were an overweight exposure to diversified, and underweight exposures to retail, industrial and office. The main detractors were underweight exposures to self storage and net lease. Meanwhile, on a regional basis, the main detractor was an underweight exposure to North America, while the main contributor was an underweight exposure to the Asia Pacific. Regarding stock selection, the main detractor was an underweight position in Extra Space Storage, while the main contributor was an overweight position in Digital Core REIT Management.

Market Review

Global listed real estate markets rose strongly over the December quarter, especially the Nordic and US markets. Early in the period, the US market was boosted by strong company earnings, solid economic data, and core inflation was not as high as feared. Despite this, globally there were ongoing concerns about inflation and increasing interest rates, which were allayed as central banks indicated they would maintain accommodative monetary policy settings over the near-term. Later in the period, the emergence of the 'Omicron' variant of COVID-19 provided a major source of uncertainty, however investors largely shrugged this off and markets rallied higher. Many governments chose to avoid shutdowns to contain the fast-spreading variant, but instead pushed for more widespread vaccinations, boosters and testing. Markets were also supported by improving employment conditions and not even higher US inflation could contain the rallies.

Outlook

Global listed real estate markets will continue to be subject to near-term volatility, which is affecting all risk assets. The 'Omicron' variant of COVID-19 has increased uncertainty and although initial signs are encouraging, in that its severity seems to be less than or equal to the 'Delta' variant, we will remain on high alert over the next few weeks as we gain a better sense of the severity of the disease and its resistance to vaccines. Thereafter, we will be able to more accurately assess the risk of any pandemic-induced economic slowdown. Wages growth and its impact on inflation will also be a key risk into the new year.

Availability

| Product Name | APIR |
|--------------------------------------------|-------------|
| Flexible Lifetime - Investments (Series 2) | AMP2043AU** |
| SignatureSuper | AMP1602AU |
| SignatureSuper - Allocated Pension | AMP1626AU |

**Closed to new and existing investors

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