AMP Listed Property Trusts

Quarterly Investment Option Update

31 December 2021

Aim and Strategy

To provide a total return (income and capital growth) after costs and before tax, above the S&P/ASX 200 A-REIT Accumulation Index on a rolling 12-month basis. The portfolio primarily invests in Australian Real Estate Investment Trusts (AREITs) and real estate securities listed, or about to be listed in the Australian Securities Exchange (ASX). Investment is diversified across property industry across property industry sectors including retail, office and industrial. The portfolio may also invest in listed real estate, listed on exchanges outside of Australia. The portfolio may invest up to 100% in Australian and international listed property trusts, with at least 80% exposure to securities listed, or about to be listed on the ASX. The portfolio may also invest up to 10% in cash.

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 (%)
Australian property securities	100
Cash	0

Actual Allocation	%
Australian Shares	3.56
Listed Property and Infrastructure	95.34
Cash	1.10

Sector Allocation	%
Industrial REITs	33.02
Diversified REITs	30.88
Retail REITs	19.52
Specialised REITs	6.34
Office REITs	4.80
Residential REITs	2.22
Health Care REITs	1.38
Cash	1.10
Real Estate Development	0.75

Top Holdings	%
Goodman Group	33.02
Scentre Group	10.17
Charter Hall Group	9.74
Mirvac Group	8.00
Dexus	4.80
GPT Group/The	4.45
Stockland	3.55
National Storage REIT	3.20
Home Consortium Ltd	3.20
Shopping Centres Australasia P	2.85

Region Allocation	%
Australasia	98.90
Cash	1.10

Fund Performance

The Fund delivered a positive return, outperforming the ASX 200 A-REIT total return index over the quarter.

At an overall sector level, the Fund's underweight allocation to diversified REITs and an overweight allocation to specialised REITs were the largest contributors to relative returns; whilst overweight allocations to health care REITs and residential REITS were the largest detractors.

From a sector asset allocation perspective, specialised REITs, industrial REITs, and office REITs were the largest contributors to relative returns; whilst health care REITs, residential REITs, and real estate development were the largest detractors.

In terms of stock selection, diversified REITs, retail REITs, and specialised REITs were the largest contributors to relative return; whilst office REITS and residential REITS were the main detractors.

At an individual stock level, the top three contributors to relative return were from overweight positions in Goodman Group, Charter Hall Group, and an underweight position Stockland; whilst the largest three detractors were from overweight positions in Home Consortium, Ingenia Communities Group, and Ryman Healthcare.

Market Review

The Australian listed real estate market rallied strongly over the December quarter, outperforming the broader Australian sharemarket. Early in the period, important vaccination milestones were reached, and the major economies of New South Wales and Victoria reopened. Underlying inflation was within the Reserve Bank of Australia's target range, and it subsequently announced that it would remove its 0.1% yield target for April 2024 bonds, reflecting expectations of a stronger economy post lockdowns, higher inflation and the possibility of a higher target cash rate before 2024, which would diminish the effectiveness of the yield target. Global central banks also maintained accommodative monetary policy settings. Later in the period, the emergence of the 'Omicron' variant of COVID-19 provided a major source of uncertainty, however this was largely shrugged off. State governments chose to avoid shutdowns to contain the fast-spreading variant, but instead pushed for more widespread vaccinations, boosters and testing. The listed real estate market was also buoyed by several companies providing positive operations updates and valuation uplifts. This was particularly evident in the retail segment, as it bounced back from a horrendous 2020 following the onset of the pandemic. The industrial segment continued to benefit from its exposure to long-term secular growth trends such as e-commerce, data connectivity and retail supply-chain logistics, and the residential segment was buoyed by the upward price cycle, with borrowing rates remaining very low. Sentiment improved in the office segment due to the vaccination milestones reached, however there remained some concern about the medium-term demand for office space given the broad acceptance of more flexible working arrangements.

Outlook

The Australian listed real estate market 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, as although it seems to be more infectious, the symptoms seem to be less severe than 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.

Availability

Product Name	APIR
SignatureSuper	AMP0777AU*
SignatureSuper - Allocated Pension	AMP1134AU*
SignatureSuper Term Pension	AMP1134AU*

*Closed to new investors

Contact Details

Web: www.amp.com.au
Email: askamp@amp.com.au
Phone: 131 267

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