

# Property Index\*

Quarterly Investment Option Update

31-December-2017

\*This option is named "Super Easy Property" under the AMP Flexible Super Product line

## Availability

Product name	APIR
AMP Flexible Super – Choice (Retirement)	AMP1619AU
AMP Flexible Super – Choice (Super)	AMP1610AU
CustomSuper	AMP1524AU
Flexible Lifetime – Allocated Pension	AMP1536AU
Flexible Lifetime – Super	AMP1524AU
Signature Super	AMP1548AU
Signature Super – Allocated Pension	AMP1560AU

## Investment Option Performance

Investment performances are subject to product fees and where relevant tax as outlined in the product PDS. Therefore investment performance may differ between products. In addition, activity on your account such as contributions and deductions will also impact the investment performance specific to you. To view the latest investment performances for each product, please visit [www.amp.com.au](http://www.amp.com.au). You can also view the last investment performance specific to you by visiting your My Portfolio account.

## Contact Us

**Web:** [www.amp.com.au](http://www.amp.com.au)

**Email:** [askamp@amp.com.au](mailto:askamp@amp.com.au)

**Phone:** 131 267 (Mon. to Fri 8:30am to 6:00pm AEST)

## Overview

**Aim & Strategy:** To provide returns over the long term in line with an appropriate index by investing in Property Securities. Exposure to this asset class will be attained through the use of index focussed investment managers. The strategy aims to provide returns that track the S&P/ASX 200 A-REIT Index with net dividends reinvested. Currently managed by UBS Asset Management.

**Investment category:** Property

**Suggested Investment Timeframe:** 5 years

**Relative Risk Rating:** Medium to high

**Investment Style:** Index style

Asset Allocation	Benchmark (%)	Range (%)
Listed Australian Shares	100	95-100
Non Benchmark Equities	0	0-5
Cash	0	0-2

## Holdings

Industry Exposure	%
Australian Real Estate Investment Trusts	100

Regional Exposure	%
Australia	100

Top Ten Securities	%
Scentre	18.55
Westfield	15.08
Goodman	11.21
Stockland	9.06
Dexus	8.18
GPT	7.63
Vicinity Centers	7.28
Mirvac Group	7.25
Charter Hall Group	2.31
Investa Office Fund	1.88

## Market Commentary

The Australian REIT market (S&P/ASX 300 A-REIT Accumulation Index) delivered a +7.8% return in the December quarter, slightly outperforming the broader equities return of +7.6% (S&P/ASX 200 Accumulation Index). The main driver of the REIT performance during the December quarter was M&A activity, with Westfield receiving a takeover approach by France's Unibail-Rodamco (UL.NA), to create "the world's premier developer and operator of flagship shopping destinations". Activity at the smaller end included Asian logistics firm ESR Cayman acquiring an 18% stake in PropertyLink (PLG), following an earlier cash-and-stock bid for PLG by Centuria Capital (CNI) and Centuria Industrial REIT (CIP).

## Outlook

The sector is presently paying a 4.9% distribution yield with dividend growth of 4.0% expected in CY18, thus providing a forecast total return of around 9%. This compares to a cash rate of 1.5% and similarly modest offerings from cash management accounts. The sector benefits from low gearing, secure distributions and strong demand for institutional grade real estate from sovereign and pension funds. A continuation of low interest rates and corporate activity / M&A will support the sector, while any softening in bond yields would negatively impact pricing.

## What you need to know

This publication has been prepared by AMP Life Limited ABN 84 079 300 379, AFSL No. 233671 (AMP Life). The information contained in this publication has been derived from sources believe to accurate and reliable as at the date of this document. Information provided in this investment option update are views of the underlying Investment Manager only and not necessarily the views of the AMP Group. No representation is given in relation to the accuracy or completeness of any statement contained in it. Whilst care has been taken in the preparation of this publication, to the extent permitted by law, no liability is accepted for any loss or damage as a result of reliance on this information. AMP Life is part of the AMP Group. In providing the general advice, AMP Life and AMP Group receives fees and charges and their employees and directors receive salaries, bonuses and other benefits.

The information in this document is of a general nature only and does not take into account your financial situation, objectives and needs. Before you make any investment decision based on the information contained in this document you should consider how it applies to your personal objectives, financial situation and needs, or speak to a financial planner.

The investment option referred to in this publication is available through products issued by AMP Superannuation Limited ABN 31 008 414 104, AFSL No. 233060 (ASL) and/or AMP Life. Before deciding to invest or make a decision about the investment options, you should read the current Product Disclosure Statement for the relevant product, available from ASL, AMP Life or your financial planner.

Any references to the "Fund", strategies, asset allocations or exposures are references to the underlying managed fund that the investment option either directly or indirectly invests in (underlying fund). The investment option's aim and strategy mirrors the objective and investment approach of the underlying fund. An investment in the investment option is not a direct investment in the underlying fund.

Neither AMP Life, ASL, any other company in the AMP Group nor underlying fund manager guarantees the repayment of capital or the performance of any product or particular rate of return referred to in this document. Past performance is not a reliable indicator of future performance.