

Specialist Property and Infrastructure

Quarterly Investment Option Update

30 September 2018

Aim and Strategy

To provide total returns (income and capital growth) after costs and before tax, above the performance benchmark (20% – S&P/ASX200 A-REIT Accumulation Index / 35% – FTSE EPRA NAREIT Developed Net Total Return Index (hedged to the Australian dollar) / 30% – Dow Jones Brookfield Global Infrastructure Net Accumulation Index (hedged to the Australian dollar) / 15% – Mercer/IPD Australia Core Wholesale Property Fund Index) on a rolling three-year basis. The strategy provides exposure to a diversified portfolio of direct property, listed property and infrastructure securities, both in Australia and around the world. The portfolio may also invest in direct infrastructure from time to time. The strategy diversifies its direct property and listed property and infrastructure securities exposure across a range of both active and passive strategies. Active strategies are diversified across a range of active investment managers by using a multi-manager approach. Exposures to active managers are to managers who demonstrate competitive advantages within the various investment styles that are used when investing in the Australian and international property and infrastructure markets. The strategy may invest up to 10% in cash however, in certain market conditions may hold higher levels of cash. The strategies diversifies investment styles that are used when investing in the Australian and international property and infrastructure markets to minimise the risk of underperformance should one particular investment style be out of favour within a particular investment timeframe.

Investment Option Performance

To view the latest investment performances please visit www.amp.com.au

Investment Option Overview

Investment category	Property and Infrastructure
Suggested investment timeframe	5 years
Relative risk rating	High
Investment style	Multi-Manager

Asset Allocation	Benchmark (%)
Listed property & infrastructure	85
Unlisted property & infrastructure	15
Cash	0

Region Allocation	(%)
North America	39.08
Australasia	36.48
Europe ex UK	9.12
United Kingdom	5.73
Asia ex Japan	4.37
Japan	3.06
Cash	1.99
Others	0.17

What Happened Last Period

- > The Fund produced a positive return in the September quarter and outperformed the benchmark.
- > Both Global and Australian listed real estate generated positive returns during the period, while listed infrastructure was marginally negative.
- > We continue to see the potential for future outperformance as investors seek quality defensive assets that provide sustainable yield profiles in the current low interest rate environment.

Fund Performance

The Specialist Property and Infrastructure Fund was positive in the September quarter and outperformed the benchmark for the period. Underlying allocations generally produced positive absolute returns, with the exception of the AMP Capital Global Infrastructure Securities Fund, which produced a marginal negative performance over the period. The AMP Capital Wholesale Office Fund was the top absolute performer, while the AMP Capital Global Property Securities Fund made a modest positive return. Meanwhile, the AMP Australian Property Index Fund roughly tracked the index as expected, which led to another a positive absolute return.

Outlook

For global listed infrastructure and listed real estate, we continue to see the potential for future outperformance as investors seek quality defensive assets that provide sustainable yield profiles in the current low interest rate environment.

Global listed real estate is expected to continue to deliver reasonably attractive medium-term returns, assuming that the economic outlook remains positive, trade tensions do not escalate and that rises in global interest rates remain gradual and predictable. However, investors should expect higher levels of volatility as monetary stimulus is withdrawn from the financial system.

Availability

Product name	APIR
AMP Flexible Super - Super account	AMP1488AU
CustomSuper	AMP0861AU
Flexible Lifetime - Allocated Pension	AMP0877AU
SignatureSuper Select	AMP0954AU
AMP Flexible Lifetime Super	AMP0861AU
AMP Flexible Super - Retirement account	AMP1359AU
Flexible Lifetime - Investments (Series 1)	AMP1007AU
Flexible Lifetime - Investments (Series 2)	AMP1423AU
SignatureSuper	AMP0954AU
SignatureSuper - Allocated Pension	AMP1161AU
AMP Growth Bond	AMP1192AU
Flexible Lifetime - Term Pension	AMP0931AU

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