

# Super Easy Property

Quarterly Investment Option Update

31 March 2019

## Aim and Strategy

The strategy aims to provide returns that track the S&P/ASX 200 A-REIT Index with net dividends reinvested. Exposure to the Property asset class will be attained through the use of low cost index-focused investment managers.

## Investment Option Performance

To view the latest investment performances please visit [www.amp.com.au](http://www.amp.com.au)

## Investment Option Overview

<b>Investment category</b>	Property and Infrastructure
<b>Suggested investment timeframe</b>	7 years
<b>Relative risk rating</b>	High
<b>Investment style</b>	Index

<b>Asset Allocation</b>	<b>Benchmark (%)</b>
Listed property & infrastructure	100
Unlisted property & infrastructure	0
Cash	0

## Market Review

The Australian listed real estate market rose strongly over the March quarter (up by 14.75% as measured by the S&P/ASX 200 A-REIT total return index) and outperformed the broader Australian share market, as investors shifted capital into more defensive assets. This shift was spurred by slowing global growth, central banks becoming more dovish and a subsequent falls in 10-year government bond yields. Australian 10-year bond yields fell significantly over the period, by 0.54% to 1.78%, and dipped to record lows. Overall, the listed property securities market remains buoyant, with a number of significant transactions announced during the period. Retail conditions remain tough, with earnings growth largely elusive. Companies with exposure to the gloomy residential market have recently reported strong operating margins, but significantly lower sales volumes as the housing markets of Sydney and Melbourne continues to fall.

## Outlook

A low interest rate environment and a generally supportive macro-economic outlook are likely to continue to support reasonable medium-term returns in the Australian commercial listed real estate market. Retail property faces the challenge of e-commerce, structural changes and shifting customer habits. Well-located centres that offer an attractive leisure environment are likely to grow earnings faster than commoditised peripheral venues. The office market continues to benefit from strong business confidence and global investor interest; hence it appears reasonably well positioned to absorb upcoming additional supply in the major capital cities. Residential markets in the east coast capital cities are likely to be the worst affected, with tighter bank lending standards, increased supply, high levels of personal debt, falling immigration and the absence of wage growth all impacting valuations.

## Availability

Product name	APIR
AMP Flexible Super – Retirement account	AMP1619AU
AMP Flexible Super - Super account	AMP1610AU

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