

# Alternative Index

Quarterly Investment Option Update

30 September 2019

## Aim and Strategy

To provide returns similar to the Hedge Fund Research Index (Customised) benchmark on a 3 year rolling basis. The option takes long and short positions using derivatives. Investments are made globally across equity, government bond, commodity and currency futures markets. The strategy does not make investments in underlying hedge strategies. Currency exposures are not hedged back to Australian dollars and are instead used as a value add strategy. The strategy is allowed to gear using short positions - no more than 30% of the Net Asset Value of the strategy.

## Investment Option Performance

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

## Investment Option Overview

<b>Investment category</b>	Alternative strategies
<b>Suggested minimum investment timeframe</b>	5 years
<b>Relative risk rating</b>	Medium
<b>Investment style</b>	Index
<b>Manager style</b>	Single

<b>Asset Allocation</b>	<b>Benchmark (%)</b>
Growth Alternatives	100
Cash	0
<b>Actual Allocation</b>	<b>%</b>
Growth Alternatives	100.00

## Market Review

Increasing predispositions by global central banks to become ever more accommodative during the September quarter have kept the bias on interest rates downwards, making equities relatively attractive and increasing the correlation between equities and bonds. However, the International Monetary Fund revised down its projection for global growth further during the period.

For the US-China trade dispute, which saw further escalation during the period, trust will need to be re-established between both parties at face-to-face meetings before any serious progress can be made. Until then, there is the potential for volatility to ramp-up substantially.

As was widely factored into the market, the US Federal Reserve (Fed) cut the Federal Funds Rate range by 25 basis points to 2.0-2.25% on 31 July; the first cut since the Global Financial Crisis, followed by a further cut of 25 basis points on 18 September to take the rate range to 1.75-2.0%.

In the US economy, the trade deficit continued to widen. However, as a whole, US economic data was generally benign, and the US stock market reached a record high during the quarter. There has been strong consumer-related and business data; however, jobs growth has been somewhat sluggish, and the ISM manufacturing conditions index remains subdued. Recent retail sales have risen more than expected and small business confidence remains strong, although latest labour market indicators have been more mixed.

## Availability

Product Name	APIR
AMP Flexible Lifetime Super	AMP1826AU
CustomSuper	AMP1826AU
Flexible Lifetime - Allocated Pension	AMP1830AU
SignatureSuper	AMP1834AU
SignatureSuper - Allocated Pension	AMP1838AU

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