

Property Index

Quarterly Investment Option Update

30 September 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 for each product, please visit www.amp.com.au

Investment Option Overview

Investment category	Property and infrastructure
Suggested minimum investment timeframe	7 years
Relative risk rating	Very High
Investment style	Index
Manager style	Single

Asset Allocation	Benchmark (%)
Listed Property and Infrastructure	100
Cash	0

Actual Allocation	%
International Shares	2.58
Listed Property and Infrastructure	96.44
Cash	0.98

Sector Allocation	%
Diversified REITs	35.90
Retail REITs	31.58
Industrial REITs	18.20
Office REITs	12.26
Specialised REITs	1.07
Cash	0.98
Others	0.01

Top Holdings	%
Goodman Group	18.20
Scentre Group	16.75
Dexus	10.35
Mirvac Group	9.69
GPT Group/The	9.50
Stockland	8.86
Vicinity Centres	6.60
Charter Hall Group	4.32
Unibail-Rodamco-Westfield	2.58
Cromwell Property Group	1.91

Region Allocation	%
Australasia	99.02
Cash	0.98

Market Review

The Australian listed real estate market rose by 0.95% in the September quarter (as measured by the S&P/ASX 200 A-REIT total return index), underperforming the broader share market. During July and August, listed real estate fared better than shares, after the Reserve Bank of Australia lowered the official cash rate by 0.25% early in the period to a record low of 1.00%, with expectations growing for further monetary easing following the release of very weak core consumer price index inflation data for June quarter. An escalating US-China trade dispute also weighed on markets, until optimism returned later in the period around trade talks and easier monetary conditions globally, which saw capital shift into less defensive assets. Australian 10-year bond yields reached new record lows, falling 0.30% to 1.02% over the period.

The corporate reporting season during the period showed a clear divergence in the performance of logistics and office real estate companies which were strong, and retail real estate companies which were lacklustre.

Outlook

A low interest rate environment and a generally supportive macro-economic outlook, beyond short term risks, are likely to continue to support reasonable medium-term returns in the Australian listed real estate market, albeit they will be more constrained than seen recently. Industrial properties exposed to longer-term secular growth trends such as e-commerce, data connectivity and logistics are expected to perform well. 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. The retail market faces the challenges of e-commerce, structural changes and shifting customer habits; however well-located centres that offer an attractive leisure environment are likely to grow earnings faster than commoditised peripheral venues.

Availability

Product Name	APIR
AMP Flexible Lifetime Super	AMP1524AU
CustomSuper	AMP1524AU
Flexible Lifetime - Allocated Pension	AMP1536AU
SignatureSuper	AMP1548AU
SignatureSuper - Allocated Pension	AMP1560AU

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