

AMP Listed Property Trusts

Quarterly Investment Option Update

31 December 2022

Aim and Strategy

To provide total returns (income and capital growth) after costs and before tax above the S&P/ ASX 200 A-REIT Accumulation Index on a rolling 12-month basis.

The portfolio provides exposure to a diversified portfolio of primarily Australian real estate investment trusts (A-REIT) and real estate related securities that are listed, or about to be listed, on the Australian Securities Exchange (ASX). Investment is diversified across property industry sectors including retail, office, industrial and other property related sectors.

The portfolio may invest up to 100% in Australian and international listed property trusts, with at least an 80% exposure to securities listed, or about to be listed on the ASX. The portfolio may also invest up to 10% in cash.

Investment Option Performance

To view the latest investment performances for each product please visit amp.com.au/performance

Investment Option Overview

Investment Category	Australian Listed Real Estate
Suggested Investment timeframe	5 years
Relative risk rating	7/ Very High
Investment style	Fundamental
Manager style	Single Manager

Asset Allocation	Benchmark (%)	Actual (%)
Equities	90-100	97.72
Cash	0-10	2.28

Sector Allocation	%
Data Centre	0.58
Diversified	22.08
HealthCare	1.93
Industrial	30.31
Office	3.11
Resi Rentals	3.20
Retail	25.16
Self Storage	4.22
Other	7.14

Top Holdings	%
Goodman Group Units	27.81
Scentre Group Unit	15.64
Charter Hall Group Stapled Units	6.35
Mirvac Group Stapled Units	5.45
Vicinity Centres	4.46

Investment Option Commentary

After a solid rebound to start the fourth calendar quarter of 2022, A-REITs had a weaker month in December. This mirrored a challenging month for Listed Real Estate globally on the back of signaling given by the Federal Reserve internationally and the Reserve Bank of Australia (RBA) domestically. The RBA announced a further 25bps hike early in December marking the eighth straight cash rate rise for the 2022 calendar year. Macquarie indicated that inflation in Australia remained far too high and returning inflation to its target band remained the goal, suggesting further hikes to come in 2023. The impact of these rate rises continues to be felt in the real economy, however employment and consumption data remain robust, factors that Macquarie are actively monitoring in Australia into 2023. Macquarie expect there to be a significant impact on the consumer with a wave of fixed rate mortgages set to roll off in 2023.

Market Commentary

The renewed rates and inflation concern saw Listed Fund Managers particularly challenged in December. Retail names like Region Group and Scentre Group performed well given their strong stability of near-term earnings.

Despite this short-term noise, the fund remains invested in names that are philosophically aligned with Macquarie's Quality investment philosophy and is concentrated into names which Macquarie believe have an above average total return outlook. Macquarie are particularly focused on the durability of net operating income (NOI) growth in an environment of slowing economic growth, which should be supported by positive supply/demand outlooks for Macquarie's favoured property types of Industrial, Childcare and Storage. Additionally, Macquarie believe the below average capex requirements of these assets is an underappreciated factor that contributes to outsized total returns. Macquarie continue to monitor for companies that have strong balance sheets, which includes lower gearing levels and high degrees of interest rate hedging.

Outlook

Macquarie remain laser focused on company and sector fundamentals and their earnings outlooks and remain confident in the earnings trajectory of the portfolio. As Macquarie have stated previously, Macquarie will continue to allocate Macquarie's risk budget where possible to stock and sector selection, minimizing the macro gyrations where possible. As the economy transitions to a new macro environment of higher rates, inflationary pressures and the growing risk of recession, the focus on sustainable earnings as interest costs rise and quality will make this emphasis even more important.

Availability

Product name	APIR
Signature Super*	AMP0777AU
Signature Super – Term Pension*	AMP1134AU
Signature Super – Allocated Pension*	AMP1134AU

*Closed to new investors

Contact Details

Web: www.amp.com.au

Email: askamp@amp.com.au

Phone: 131 267



What you need to know

This publication has been prepared by AWM Services Pty Limited ABN 15 139 353 496, AFSL No. 366121 (AWM Services). The information contained in this publication has been derived from sources believed to be 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 AMP Limited ABN 49 079 354 519 (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.

The investment option referred to in this publication is available through products issued by N.M. Superannuation Proprietary Ltd ABN 31 008 428 322, AFSL 234654 (NM Super). Before deciding to invest or make a decision about the investment options, you should read the current Product Disclosure Statement (PDS) for the relevant product, available from the issuer or your financial planner.

Any advice 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. In providing any general advice, AMP Group receives fees and charges and their employees and directors receive salaries, bonuses and other benefits.

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. 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 NM Super, AWM Services, any other company in the AMP Group nor the underlying fund manager guarantees the repayment of capital or the performance of any product or particular rate of return referred to in this document, unless expressly stated in the PDS. Past performance is not a reliable indicator of future performance. Any slight asset allocation deviations from 100% may be caused by rounding, asset categorisation and/or hedging.