



# Specialist Property and Infrastructure

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 performance benchmark (20% - S&P/ASX200 A-REIT Accumulation Index / 35% - FTSE EPRA NAREIT Developed Net Total Return Index (hedged to the Australian dollar) / 45% - Dow Jones Brookfield Global Infrastructure Net Accumulation Index (hedged to the Australian dollar) on a rolling three-year basis. The strategy provides exposure to a diversified portfolio of listed property and infrastructure securities, both in Australia and around the world. The portfolio may also invest in direct infrastructure and direct property from time to time. The strategy diversifies its 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 for this product, please visit [www.amp.com.au/performance](http://www.amp.com.au/performance)

## Investment Option Overview

<b>Investment category</b>	Property and infrastructure
<b>Suggested minimum investment timeframe</b>	5 years
<b>Standard Risk Measure</b>	6/High
<b>Investment style</b>	Active
<b>Manager style</b>	Multi-manager

<b>Asset Allocation</b>	<b>Benchmark (%)</b>
Global listed infrastructure	45
Global listed property	35
Australian listed property	20
Cash	0
Unlisted property	0
<b>Actual Allocation</b>	<b>%</b>
Global Shares	4.80
Australian Shares	20.29
Listed Property and Infrastructure	74.53
Unlisted Property and Infrastructure	0.01
Cash	0.37

Top Holdings	%
Goodman Group	5.20
Scentre Group	2.43
Prologis Inc	2.06
Stockland	1.41
PUBLIC STORAGE	1.39
Mirvac Group	1.37
Dexus	1.36
GPT Group/The	1.31
ALEXANDRIA REAL ESTATE E	1.26
Vicinity Ltd	1.26
Region Allocation	%
Australasia	65.54
North America	22.82
Japan	4.02
Asia ex Japan	3.07
Europe ex UK	2.81
United Kingdom	1.36
Cash	0.39

## Fund Performance

The Fund produced a positive return over the December quarter and outperformed the benchmark. Performance of the Fund's underlying allocations was mixed. The index allocation to Australian Listed property produced the best absolute return and was in low double-digit territory for the quarter, approximating its benchmark. Meanwhile the allocation to Macquarie's Global Infrastructure Fund was also strong and significantly outperformed its benchmark. Finally, the allocation to Macquarie's Global Property Securities Fund was also positive, though underperformed its benchmark.

## Market Review

Global listed real estate and infrastructure markets rose over the quarter, amid hopes central banks would pause, or at least further slow interest rate hikes in 2023, given more signs inflation may have peaked. This led to improved investor sentiment for infrastructure assets and broader listed equities, including listed property. China's sudden exit from its socially and economically disastrous COVID restrictions also further buoyed listed markets across the board. In the US, the labour market, a key indicator of nearer-term economic conditions, remains tight, though there are signs of a slight loosening.

In Australia, underlying income and dividends for listed property have been resilient, and broadly in line with market expectations, with rental growth and inflation being key themes across the board. While some headwinds exist in the office and residential sectors, a stabilisation of interest rates is likely to improve conditions.

## Outlook

We believe Australian and global listed property, and infrastructure securities, will continue to be subject to near-term volatility, which is affecting all risk assets as inflation and rising rates continue to cause concern. Central bank policy is likely to remain a prime driver of relative global valuations and we continue to monitor this closely. Importantly, real assets can offer a degree of shelter from inflation, with higher inflation resulting in higher revenue. Over the longer-term, real assets continue to provide desirable characteristics, including stable cashflow and capital growth potential.

Listed property is trading at an attractive valuation level relative to direct property. While we believe the sector will continue to be supported by stable income streams over the long term, we expect the sector to experience further near-term volatility due to macroeconomic and geopolitical headwinds, both globally and in Australia.

## Availability

Product Name	APIR
SignatureSuper	AMP0954AU*
SignatureSuper - Allocated Pension	AMP1161AU*
SignatureSuper Term Pension	AMP1161AU*

\*Closed to new investors

## Contact Details

**Web:** [www.amp.com.au](http://www.amp.com.au)

**Email:** [askamp@amp.com.au](mailto: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.