# AMP MySuper

## A lifecycle investment solution

**Issued December 2024**

All investment option returns are quoted post investment fees and taxes

# Contents

# Message from your fund manager

Welcoming a new year is always a worthwhile opportunity to reflect on the one that was. As investors we ask – what were the key dynamics and events that drove markets and returns? Looking back on 2024, we recall inflation fell - even though 'cost of living' concerns persisted, interest rates began to come down globally, market optimism swelled on the AI surge, geopolitics remained complex and uncertain, and incumbent governments around the world were repudiated electorally, culminating in the election of Donald Trump in November.

We are also interested in which asset classes produced the strongest returns; and which were at the bottom of the table? In 2024 global shares again came out on top, thanks in particular to the US market and its tech sector, while at the other end global bonds delivered only modest returns and Australian unlisted property struggled. In between these extremes, most growth assets performed admirably, including key share markets (with Australian and emerging markets posted double digit gains) as well as high yield fixed income.

We are pleased to report the AMP MySuper Lifecycle Options were especially well-positioned for these conditions, delivering double digit investment returns for members for the year. For example, the flagship AMP MySuper 1970s Option achieved an annual return of 15% (after investment fees, costs and tax). The breadth of contributions to this result was also pleasing, with all the portfolio's underlying asset class allocations achieving positive absolute returns (except for the aforementioned unlisted property sector).

This reflects not only the right strategic weights to asset classes, but also constructive tactical decisions through 2024. For example, our strategy to maintain an overweight position in shares, which we expected to perform strongly during the year, was successful, as was maintaining a relatively low allocation to direct property. We have also increased our exposure to private debt and diversified credit, sectors that have delivered high and consistent returns, as well as further diversification in asset exposure. The portfolios also benefited from strong outperformance by our active managers, particularly in equities and credit.

The AMP Investments team is delighted to have once again delivered excellent returns for our superannuation members, helping them retire with greater financial confidence. Ultimately, investing successfully for our members is about determining how the future will be different to the present and, as an active manager, having the conviction to position our diversified portfolios to reflect our vision of the future. At times, this may mean actively tilting between asset classes to capture short-term value, or capitalising on emerging investment opportunities. The core however of our portfolio, and our approach, is always diversification. We believe this is the cornerstone of sustainable investment returns over the long-term.

**Anna Shelley**
Chief Investment Officer

## MySuper Performance

| Performance | 3 months (%) | 1 year (% p.a.) | 3 years (% p.a.) | 5 years (% p.a.) | 7 years (% p.a.) | 10 years (% p.a.) |
|---|---|---|---|---|---|---|
| AMP MySuper 1990s Plus | 3.4 | 15.1 | 6.1 | 7.5 | 7.5 | 7.9 |
| AMP MySuper 1980s | 3.4 | 15.2 | 6.2 | 7.7 | 7.6 | 8.1 |
| AMP MySuper 1970s | 3.4 | 15.0 | 6.3 | 7.4 | 7.3 | 7.8 |
| AMP MySuper 1960s | 2.3 | 11.5 | 4.4 | 5.3 | 5.6 | 5.9 |
| AMP MySuper 1950s | 1.8 | 9.8 | 3.0 | 3.9 | 4.3 | 4.6 |
| AMP MySuper Capital Stable | 1.6 | 10.0 | 2.9 | 3.8 | 4.3 | 4.5 |

# What happened in Markets?

## Global

The December quarter saw growth assets rise strongly. The major story of the period was the re-election of Donald Trump, who secured a majority in both the US house and the senate, providing the Republicans a strong platform to enact their agenda. Republican policy leading up to the election centred around the US economy, global conflicts and border control.

Drilling and fracking for oil and gas is set to significantly rise, while national spending, tax and regulations are all flagged to be cut. The drop in government revenue will likely be offset by higher tariff rates on imports to the US. Aside from the US election results, the quarter saw further interest rate cuts around the globe, including two in the US, as global inflation pressures continued to cool, especially within the services sector. US economic growth figures released during the quarter also remained strong, though European figures indicated conditions close to recessionary levels.

In Asia, confidence remained elevated in Japan on continued signs the economy may be emerging from decades of low growth, while in China sentiment took a hit on the election of Donald Trump given potential increases in tariffs on Chinese exports, despite a wide range of both fiscal and monetary stimulus measures being rolled out.

## Australia

With significant headwinds, Australian economic growth has remained marginally positive. However, on a per capita basis a record seven consecutive quarters of negative growth have now been recorded. The RBA, unlike its peers, has not started cutting rates as underlying inflation pressures have been a little high for the central bank's liking, plus the domestic employment landscape remained surprisingly tight. Australia's headline inflation however is now firmly within the target band, thanks to government rebates, while trimmed mean inflation is already very close to levels seen in other developed countries. This led the RBA to turn more dovish in the December meeting, setting the scene for a potential rate cut in the first half of 2025. Consumer spending remained poor, but started to pick up ahead of the holiday spending season. Corporate earnings are also still reasonable, while a weaker Australian dollar is benefitting Australian exporters.

## International shares

International shares rose further in the December quarter, ending the period up by around 2.0% in local currency terms. In Australian dollar terms however the return was much greater, at 12.1%, as the domestic currency fell significantly over the period amid evolving interest rate expectations. Notably, RBA commentary became more dovish, particularly relative to overseas central banks such as the US Fed, where rate expectations for aggressive cuts through 2025 were tempered. Gains in sharemarkets were mostly seen mid-quarter, as markets jumped on the back of the US election results, with traders factoring in expectations of higher growth, lower taxes and further deregulation from the new administration. Further rate cuts around the world also aided the market optimism. Whilst gaining ground in Australian dollar terms, emerging markets meanwhile pulled back by around 4.4% over the period, driven primarily by the threat of tariffs being placed on exports to the US by the incoming administration. Of the major emerging markets, Chinese shares were the standout negative performer, whilst geopolitical issues placed pressure on shares in South Korea and budgetary issues caused Brazilian shares to fall. (All returns are quoted in local currency terms and on a total-return basis, unless otherwise stated).

## Outlook

The overall macro environment for global shares looks reasonable, with interest rates now falling in most regions on the back of significantly decreased levels of inflation and low, but still-positive economic growth. Of course, geopolitical and some valuation-related risk exists, which may result in some shorter-term volatility, however these factors could also surprise on the positive side. Regardless, for longer-term investors, we believe a diverse basket of businesses, bought at reasonable prices, particularly those with strong competitive advantage that generate high amounts of cash from their shareholders' capital, will serve investors well over the long-term.

## Australian shares

Australian shares closed the December quarter down by 0.8%, as measured by the ASX200 total return index, lagging international counterparts. Market sentiment oscillated throughout the period, with shares initially pulling back in October driven by a weak global lead and falls in key commodities, before rising strongly in November on the back of the US election results, then retreating again in December amid continued weak economic growth and sticky domestic inflation. Materials and real estate were the weakest performing sectors, while financials and industrials outperformed. The Australian economy has been somewhat behind the ball relative to many developed peers, with interest rates having not been cut in 2024 due to comparatively higher underlying inflation and despite lacklustre GDP growth - particularly on a per capita basis. Signs inflation is finally approaching target levels however are now emerging.

## Outlook

Corporate earnings in Australia, while still struggling in some areas, have generally shown resilience, though forward looking earnings expectations have fallen slightly in recent months. Generally, containing costs remains a priority over more aggressive targeting of top line growth. While the low-growth economic environment remains difficult, the stability of Australian earnings and dividends over the long-term, and their ability to generate a growing, tax-effective income stream should be kept in mind. Over the long-term, we believe Australian shares will continue to rise, with volatility being necessary to provide opportunities for higher returns.

## International bonds

The December quarter saw rising yields, increased yield volatility and negative returns for developed bond markets due to a number of factors such as geopolitics, central bank rhetoric and fluctuating inflation rates. In the US, bond yields rose across US treasury maturities. The initial reaction to Donald Trump's victory was to price in elevated US fiscal risks and a potentially higher inflation outlook. In addition, hawkish comments from Fed Chair Powell indicated less urgency to reduce rates, resulting in a scaling back of market expectations for monetary policy easing in 2025. Treasury yields fell following Trump's market-friendly Treasury Secretary nomination, but soon resumed their rise on signs of sticky inflation and more hawkish forecasts from the Fed. In Europe and the UK, bond yields rose amid elevated inflation and wage growth, as well as political turmoil in France. Japanese government bond yields also rose, as the market continued to price in expected interest rate hikes from the BoJ in 2025.

Regarding global credit, spreads tightened across both investment grade and high yield markets, with riskier sectors delivering better returns. This was driven by expectations of pro-business policies under a Trump administration and a general risk-on stance post the US election. US high yield and investment grade spreads tightened to historical lows, with strong technical demand continuing.

Global bonds, as measured by the Bloomberg Global Aggregate index ($A hedged), returned -1.22% in Australian dollar terms. Global investment grade and high yield credit meanwhile returned -1.86% and 0.87% respectively, as measured by the Bloomberg Global Aggregate Corporate index ($A hedged) and Bloomberg Global High Yield index ($A hedged).

## Outlook

Global bond markets are likely to continue to focus on the expected paths for US interest rates. Large drawdowns in recent years, resulting in bonds being available at significantly cheaper prices, continue to lead us to believe returns going forward will likely be reasonable; perhaps around current running yield or a little more, as inflation slows and central banks cut rates. Furthermore, bonds will likely serve as a diversifier to growth assets, particularly during economic slowdown. Stickier than expected inflation remains a risk, as this could cause further delays to additional interest rate cuts.

## Australian bonds

Australian government bonds outperformed global peers over the December quarter, with the 10-year Commonwealth yield rising by 39 basis points, to 4.36%. The RBA left the cash rate unchanged at 4.35% during the quarter, though replaced its neutral policy bias of "not ruling anything in or out" with more dovish language such as "the board is gaining confidence that inflation is moving sustainably towards target". The RBA assessed that economic data had been mixed, but on balance softer than forecast earlier in the quarter. The RBA also noted further progress had been made in closing the output gap and as a result, by quarter-end, expectations grew for rate cuts earlier than previously expected in 2025.

Australian bonds, as measured by the Bloomberg AusBond Composite (All Maturities) index, returned -0.26% over the period, while the AusBond Credit index returned 0.67% in Australian dollar terms. The inflation-linked market, as measured by the Bloomberg AusBond Inflation Government (All Maturities) index, delivered a return of -1.52% over the same timeframe.

## Outlook

Like their global counterparts, Australian bond valuations have improved significantly in recent years and have moved closer to fair value as yields have risen. We therefore believe forward-looking returns are now significantly more compelling than in recent history when interest rates were close to zero.

## Cash

The RBA again kept the official cash rate on hold over the December quarter, at 4.35%. RBA commentary however turned slightly more dovish, with many tipping an early-year rate cut given falling inflation and barely positive domestic economic growth. In domestic money markets meanwhile, bank bill swap rates closed the quarter at approximately 4.4% for three months (flat) and 4.5% for six months (slightly down from 4.6%).

# AMP MySuper
# 1990s Plus

## The 1990s Plus investor

AMP MySuper 1990s Plus is for younger Australians, some of whom will have just entered the workforce. As these members are at the beginning of their working life, their investment horizon is very long term. Their focus is on aggressively growing their superannuation portfolio.

The best way for them to do this is by investing in asset classes that are expected to generate the highest returns. This is why AMP MySuper 1990s Plus invests primarily in shares, also with exposure to property and alternative assets such as private equity and infrastructure. Of course, higher returns also means greater risk, but this makes sense for younger members. Because retirement is decades away for these members, they have more time to weather the ups and downs of the market and recover from any market losses while still building wealth over the long term.

**Fund objective**

AMP MySuper 1990s Plus aims to achieve a rate of return of 3.75% pa above the inflation rate (measured by the Consumer Price Index), after investment fees, costs and superannuation tax, over a 10-year timeframe. Returns from both capital growth and income are provided through a diversified portfolio.

**Investor profile**
- **Standard risk measure:** 6/High
- **Suggested minimum investment timeframe:** 10 years

**Performance**
The AMP MySuper 1990s Plus option returned 3.4% for the December quarter.

## Quarter Highlights

A positive 2024 for risk assets reflected well on the AMP 1990s Plus Option, which generated a strong double-digit return for investors over the year and positive return over the quarter.

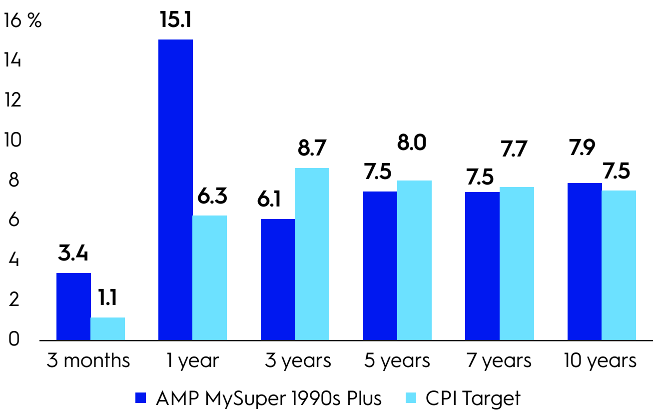
For risk assets, despite a constrained year-end as the Fed became more "hawkish" than investors expected, overall sentiment in 2024 was positive. Allocations in developed markets delivered over 20% and 2% for the year and quarter respectively (in local currency terms), with the US "Magnificent Seven" stocks leading the way. Emerging markets similarly delivered positive returns for year, but largely underperformed US markets as economic headwinds in China limited gains, despite some improvement in latter half of 2024. For the final quarter itself, performance was constrained given the threat of increasing trade tariffs and geopolitical pressures. Domestically, Australian share allocations followed global trends, though underperformed due to weakness in commodities and its economic outlook.

Fixed income allocations also performed well, with high yield credit markets generating upwards of 8% in 2024 as spreads tightened. For the quarter however, fixed income performance was more muted, given hawkish dialogue from central banks. Unlisted real assets' performance was somewhat constrained over the year and quarter amid mixed valuations.

In this environment, the Option outperformed its CPI objective over the year and quarter, thanks to the significant gains in shares and reduced inflation.

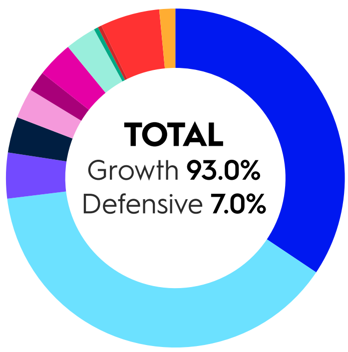
Looking ahead, we anticipate 2025 to be a decent year for markets. Investors however should not expect the gains seen in 2024. Geopolitical risks, potential economic stagnation and stretched share market valuations all remain front of mind for investors as we head into the new year. In this environment, we remain highly diversified across asset classes and strategies.

## Performance




Inception date is 2 January 2014.
Performance as at 31 December 2024. Returns net of Investment fees and superannuation tax.

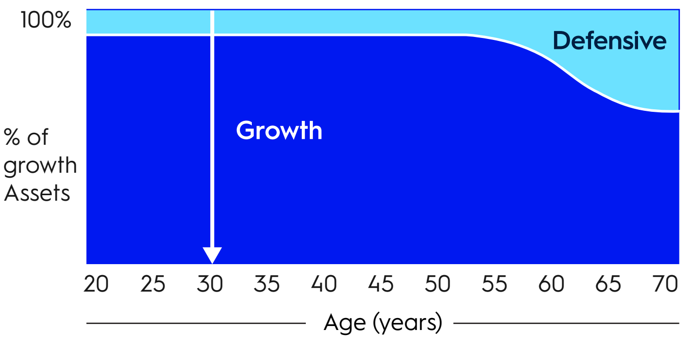
## Asset allocation




- Australian equities **34.4%**
- International equities **38.7%**
- Emerging markets equities **4.4%**
- Private equity **3.4%**
- Listed property **2.9%**
- Direct property **1.9%**
- Listed infrastructure **3.4%**
- Direct infrastructure **3.0%**
- Alternatives **0.4%**
- International bonds **0.4%**
- Diversified credit **5.7%**
- Cash **1.5%**

Current asset allocation and top holdings as at 31 December 2024.

## Glide path




## Top holdings

| Australian Equities | Weight (%) | International Equities | Weight (%) |
|---|---|---|---|
| Commonwealth Bank of AUSTRALIA | 2.6 | NVIDIA Corp | 1.9 |
| BHP Group Ltd | 2.3 | Apple Inc | 1.6 |
| CSL Ltd | 1.8 | Microsoft Corp | 1.5 |
| National Australia Bank Ltd | 1.4 | Alphabet Inc | 1.1 |
| Westpac Banking Corporation Corp | 1.1 | Amazon Com Inc | 1.1 |

# AMP MySuper 1980s

## The 1980s investor

Members in AMP MySuper 1980s are aged in their thirties and early forties. As such, they still have the majority of their working life ahead of them. Their priority is rapid accumulation of assets in order to build a base from which superannuation wealth can grow.

This priority means investing in higher return asset classes. Higher returns mean more rapid growth in portfolio value. AMP MySuper 1980s invests primarily in shares, also with exposure to property and alternative assets such as private equity and infrastructure. This is a higher risk strategy, but is appropriate for members born in the 1980s. As it is a long time before they will retire, these members have more time to recover from any market declines and can afford to take on a high degree of risk while working towards their accumulation objective.

**Fund objective**

AMP MySuper 1980s aims to achieve a rate of return of 3.75% pa above the inflation rate (measured by the Consumer Price Index), after investment fees, costs and superannuation tax, over a 10-year timeframe. Returns from both capital growth and income are provided through a diversified portfolio.

**Investor profile**
- **Standard risk measure:** 6/High
- **Suggested minimum investment timeframe:** 10 years

**Performance**
The AMP MySuper 1980s option returned 3.4% for the December quarter.

## Quarter Highlights

A positive 2024 for risk assets reflected well on the AMP MySuper 1980s Option, which generated a strong double-digit return for investors over the year and a positive return for the quarter.

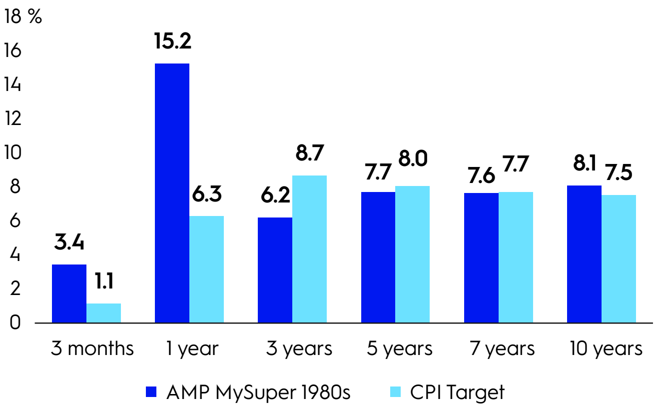
For risk assets, despite a constrained year-end as the Fed became more "hawkish" than investors expected, overall sentiment in 2024 was positive. Allocations in developed markets delivered over 20% and 2% for the year and quarter respectively (in local currency terms), with the US "Magnificent Seven" stocks leading the way. Emerging markets similarly delivered positive returns for year, but largely underperformed US markets as economic headwinds in China limited gains, despite some improvement in latter half of 2024. For the final quarter itself, performance was constrained given the threat of increasing trade tariffs and geopolitical pressures. Domestically, Australian share allocations followed global trends, though underperformed due to weakness in commodities and its economic outlook.

Fixed income allocations also performed well, with high yield credit markets generating upwards of 8% in 2024 as spreads tightened. For the quarter however, fixed income performance was more muted, given hawkish dialogue from central banks. Unlisted real assets' performance was somewhat constrained over the year and quarter amid mixed valuations.

In this environment, the Option outperformed its CPI objective over the year and quarter, thanks to the significant gains in shares and reduced inflation.

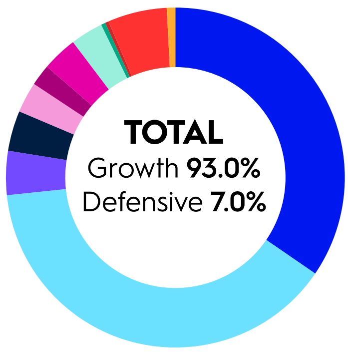
Looking ahead, we anticipate 2025 to be a decent year for markets. Investors however should not expect the gains seen in 2024. Geopolitical risks, potential economic stagnation and stretched share market valuations all remain front of mind for investors as we head into the new year. In this environment, we remain highly diversified across asset classes and strategies.

## Performance




Inception date is 2 January 2014.
Performance as at 31 December 2024. Returns net of Investment fees and superannuation tax.

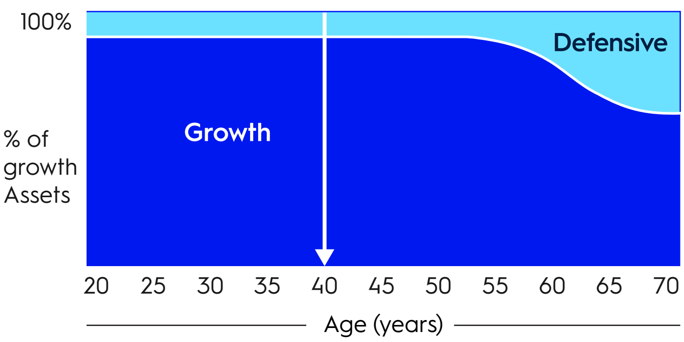
## Asset allocation




- Australian equities **34.6%**
- International equities **38.8%**
- Emerging markets equities **4.2%**
- Private equity **3.8%**
- Listed property **2.9%**
- Direct property **2.0%**
- Listed infrastructure **3.4%**
- Direct infrastructure **3.1%**
- Alternatives **0.4%**
- International bonds **0.3%**
- Diversified credit **5.6%**
- Cash **0.8%**

Current asset allocation and top holdings as at 31 December 2024.

## Glide path




## Top holdings

| Australian Equities | Weight (%) | International Equities | Weight (%) |
|---|---|---|---|
| Commonwealth Bank of AUSTRALIA | 2.7 | NVIDIA Corp | 1.9 |
| BHP Group Ltd | 2.3 | Apple Inc | 1.6 |
| CSL Ltd | 1.8 | Microsoft Corp | 1.6 |
| National Australia Bank Ltd | 1.4 | Alphabet Inc | 1.1 |
| Westpac Banking Corporation Corp | 1.2 | Amazon Com Inc | 1.1 |

# AMP MySuper 1970s

## The 1970s investor

Though firmly established in their careers with a decade or two of work experience, members of AMP MySuper 1970s still have a substantial portion of their working life ahead of them. Retirement remains in the distant future, so the primary goal remains growth and expansion of their growing superannuation portfolio.

This goal translates to a mix of assets still taking on risk to grow the portfolio, with shares comprising the largest holding. Alongside shares are meaningful weights to property and alternative assets such as private equity and infrastructure which, though growth in nature, play a diversifying role against the share market. The investment time horizon for AMP MySuper 1970s members can still be considered long-term, so a higher risk strategy is still appropriate. Time is on the side of these members, they have time to bounce back from any declines in portfolio value due to market fall.

**Fund objective**

AMP MySuper 1970s aims to achieve a rate of return of 3.75% pa above the inflation rate (measured by the Consumer Price Index), after investment fees, costs and superannuation tax, over a 10-year timeframe. Returns from both capital growth and income are provided through a diversified portfolio.

**Investor profile**
- **Standard risk measure:** 6/High
- **Suggested minimum investment timeframe:** 10 years

**Performance**
The AMP MySuper 1970s Fund returned 3.4% for the December quarter.

## Quarter Highlights

A positive 2024 for risk assets reflected well on the 1970s Option, which generated a strong double-digit return for investors over the year and a positive return for the quarter.

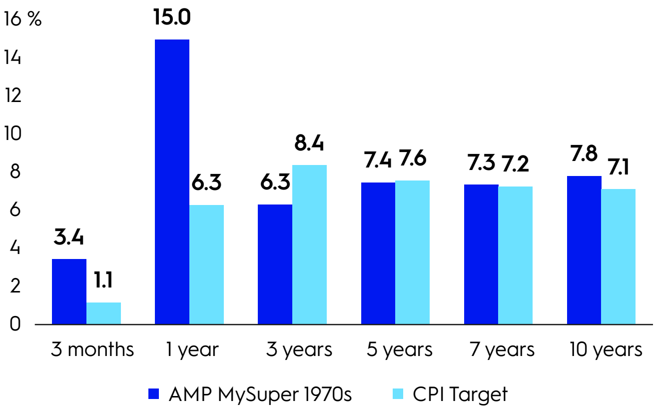
For risk assets, despite a constrained year-end as the Fed became more "hawkish" than investors expected, overall sentiment in 2024 was positive. Allocations in developed markets delivered over 20% and 2% for the year and quarter respectively (in local currency terms), with the US "Magnificent Seven" stocks leading the way. Emerging markets similarly delivered positive returns for year, but largely underperformed US markets as economic headwinds in China limited gains, despite some improvement in latter half of 2024. For the final quarter itself, performance was constrained given the threat of increasing trade tariffs and geopolitical pressures. Domestically, Australian share allocations followed global trends, though underperformed due to weakness in commodities and its economic outlook.

Fixed income allocations also performed well, with high yield credit markets generating upwards of 8% in 2024 as spreads tightened. Credit and bond allocations eked out a positive return against the background of increasing economic uncertainty in Europe and mixed rate outlooks for global central banks. For the quarter, fixed income however was more muted given hawkish dialogue from central banks. Unlisted real assets' performance was somewhat constrained over both the year and quarter amid mixed valuations.

In this environment, the Option outperformed its CPI objective over the year and quarter, thanks to the significant gains in shares and reduced inflation.

Looking ahead, we anticipate 2025 to be a decent year for markets. Investors however should not expect the gains seen in 2024. Geopolitical risks, potential economic stagnation and stretched share market valuations all remain front of mind for investors as we head into the new year. In this environment, we remain highly diversified across asset classes and strategies.

## Performance

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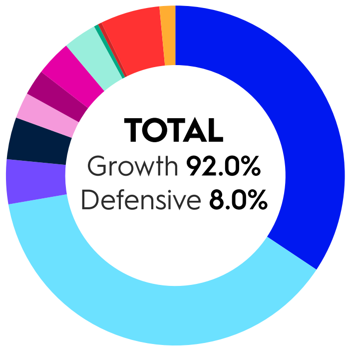
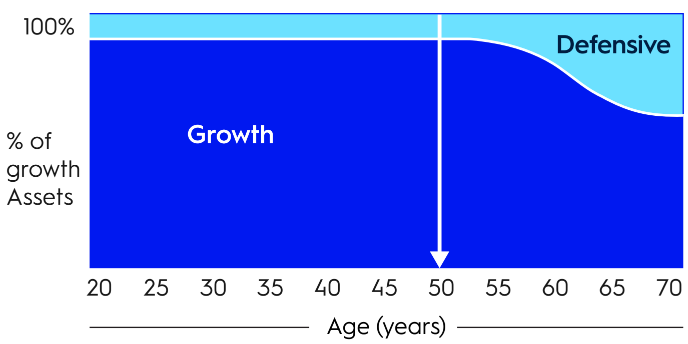
## Asset allocation




- Australian equities **34.3%**
- International equities **37.9%**
- Emerging markets equities **4.3%**
- Private equity **4.0%**
- Listed property **2.5%**
- Direct property **2.4%**
- Listed infrastructure **3.4%**
- Direct infrastructure **3.2%**
- Alternatives **0.4%**
- International bonds **0.4%**
- Diversified credit **5.7%**
- Cash **1.5%**

Current asset allocation and top holdings as at 31 December 2024.

## Glide path




## Top holdings

| Australian Equities | Weight (%) | International Equities | Weight (%) |
|---|---|---|---|
| Commonwealth Bank of AUSTRALIA | 2.6 | NVIDIA Corp | 1.9 |
| BHP Group Ltd | 2.3 | Apple Inc | 1.6 |
| CSL Ltd | 1.8 | Microsoft Corp | 1.5 |
| National Australia Bank Ltd | 1.4 | Alphabet Inc | 1.1 |
| Westpac Banking Corporation Corp | 1.1 | Amazon Com Inc | 1.1 |

# AMP MySuper 1960s

## The 1960s investor

AMP MySuper 1960s investor could be considered to be at somewhat of a superannuation crossroad. They have worked hard to build a sound superannuation asset base in order to fund their retirement goals. That retirement is still a way off, but looming ever-larger.

The asset mix of AMP MySuper 1960s reflects this point in their life. On one hand, asset accumulation remains a clear priority; the option must seek out higher returns in order to continue to grow the superannuation base. Accordingly, growth assets such as shares comprise more than half of the portfolio. On the other hand, the need to protect the existing capital base has become increasingly greater as members edge towards retirement. This requires a decent position in more defensive assets that will provide more downside protection. With its meaningful exposures to bonds and cash, the 1960s option provides for this.

**Fund objective**

AMP MySuper 1960s aims to achieve a rate of return of 3.25% pa above the inflation rate (measured by the Consumer Price Index), after investment fees, costs and superannuation tax, over a 10-year timeframe. Returns from both capital growth and income are provided through a diversified portfolio.

**Investor profile**
- **Standard risk measure:** 6/High
- **Suggested minimum investment timeframe:** 10 years

**Performance**
The AMP MySuper 1960s Fund returned 2.3% for the December quarter.

## Quarter Highlights

A positive 2024 for risk assets reflected well on the 1960s Option, which generated a strong double-digit return for investors over the year and a positive return for the quarter.

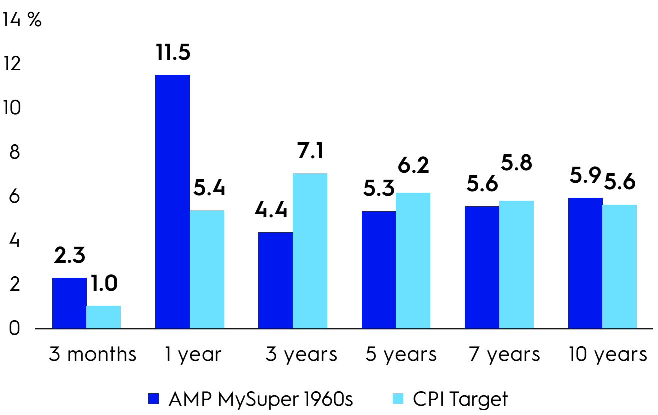
For risk assets, despite a constrained year-end as the Fed became more "hawkish" than investors expected, overall sentiment in 2024 was positive. Allocations in developed markets delivered over 20% and 2% for the year and quarter respectively (in local currency terms), with the US "Magnificent Seven" stocks leading the way. Emerging markets similarly delivered positive returns for year, but largely underperformed US markets as economic headwinds in China limited gains, despite some improvement in latter half of 2024. For the final quarter itself, performance was constrained given the threat of increasing trade tariffs and geopolitical pressures. Domestically, Australian share allocations followed global trends, though underperformed due to weakness in commodities and its economic outlook.

Fixed income allocations also performed well, with high yield credit markets generating upwards of 8% in 2024 as spreads tightened. Credit and bond allocations eked out a positive return against the background of increasing economic uncertainty in Europe and mixed rate outlooks for global central banks. For the quarter, fixed income however was more muted given hawkish dialogue from central banks. Unlisted real assets' performance was somewhat constrained over both the year and quarter amid mixed valuations.

In this environment, the Option outperformed its CPI objective over the year and quarter, thanks to the significant gains in shares and reduced inflation.

Looking ahead, we anticipate 2025 to be a decent year for markets. Investors however should not expect the gains seen in 2024. Geopolitical risks, potential economic stagnation and stretched share market valuations all remain front of mind for investors as we head into the new year. In this environment, we remain highly diversified across asset classes and strategies.

## Performance

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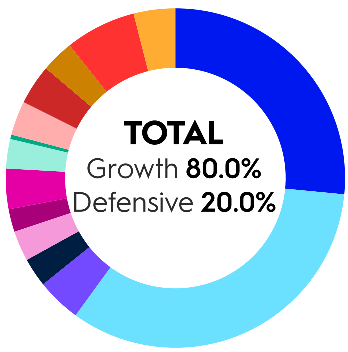
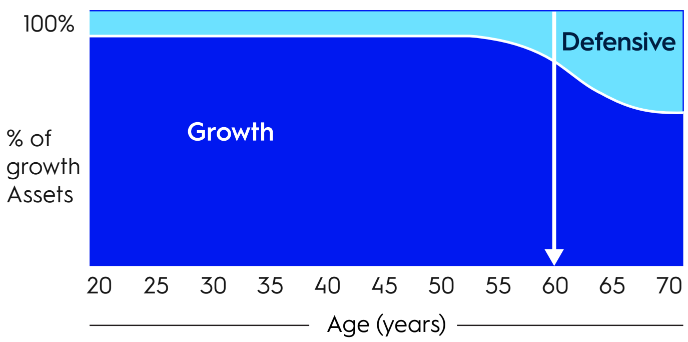
## Asset allocation




- Australian equities **26.5%**
- International equities **33.5%**
- Emerging markets equities **4.2%**
- Private equity **2.8%**
- Listed property **2.9%**
- Direct property **2.2%**
- Listed infrastructure **3.9%**
- Direct infrastructure **2.8%**
- Alternatives **0.4%**
- Australian bonds **3.3%**
- International bonds **3.8%**
- International investment grade credit **3.1%**
- Diversified credit **6.7%**
- Cash **4.0%**

Current asset allocation and top holdings as at 31 December 2024.

## Glide path




## Top holdings

| Australian Equities | Weight (%) | International Equities | Weight (%) |
|---|---|---|---|
| Commonwealth Bank of AUSTRALIA | 1.7 | NVIDIA Corp | 1.7 |
| BHP Group Ltd | 1.5 | Apple Inc | 1.5 |
| CSL Ltd | 1.2 | Microsoft Corp | 1.5 |
| National Australia Bank Ltd | 0.9 | Alphabet Inc | 1.1 |
| Westpac Banking Corporation Corp | 0.7 | Amazon Com Inc | 1.1 |

# AMP MySuper 1950s

## The 1950s investor

Members in AMP MySuper 1950s are approaching the end of their working life and, as such, are beginning to focus more intently on preparing for retirement. After many years in the workforce, these members have built up a solid superannuation base, but as they are near to retirement, their investment horizon is relatively short. Therefore, we are conservative in terms of the degree of investment risk taken in AMP MySuper 1950s.

Some exposure to shares and other risky assets is necessary to continue to grow the portfolio to fund retirement, however, the asset mix of the 1950s option reflects a moderately risk-averse strategy overall, designed first and foremost to protect the capital members have built. Around half of the option is invested bonds, cash and other defensive assets. This limits the potential impact of share market falls and other market shocks on members' retirement savings.

**Fund objective**

AMP MySuper 1950s aims to achieve a rate of return of 2.75% pa above the inflation rate (measured by the Consumer Price Index), after investment fees, costs and superannuation tax, over a 10-year timeframe. Returns from both capital growth and income are provided through a diversified portfolio.

**Investor profile**
- **Standard risk measure:** 6/High
- **Suggested minimum investment timeframe:** 4 years

**Performance**
The AMP MySuper 1950s Fund returned 1.8% for the December quarter.

## Quarter Highlights

A broadly positive 2024 for both defensive and risk assets reflected well on the AMP MySuper 1950s Option, which generated a strong return for investors over the year and quarter.

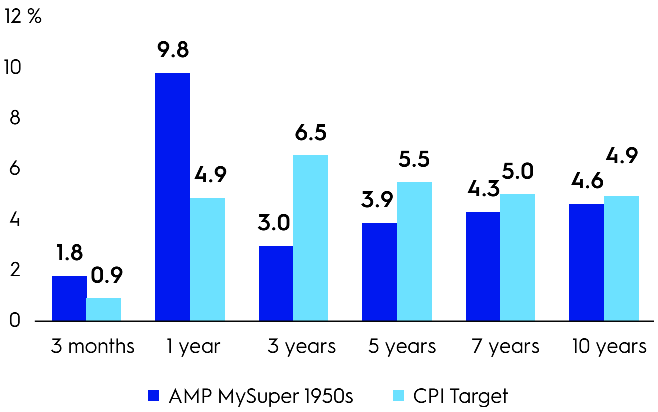
The Option's sizeable fixed income allocations generated a robust return for the year, with high yield credit markets in particular generating upwards of 8% for 2024 as spreads tightened. Credit and bond allocations managed to eke out a positive return amid increasing economic uncertainty in Europe, in addition to mixed rate outlooks for global central banks. For the quarter, fixed income performance was more muted given hawkish dialogue from central banks. Unlisted real assets were somewhat constrained over the year and quarter amid mixed valuations across different assets.

For risk assets, despite a constrained year-end as the Fed became more "hawkish" than investors expected, overall sentiment in 2024 was positive. Allocations in developed markets delivered over 20% and 2% for the year and quarter respectively (in local currency terms), with US economic exceptionalism and the "Magnificent Seven" stocks leading the way as US holdings broadly outperformed global counterparts. Emerging markets similarly delivered positive returns for year, but largely underperformed US markets as economic headwinds in China limited gains, despite some improvement in latter half of 2024. For the final quarter itself, performance was constrained given the threat of increasing trade tariffs and geopolitical pressures. Domestically, Australian share allocations followed global trends, though underperformed due to weakness in commodities and its economic outlook.

In this environment, the Option outperformed its CPI objective over the year and quarter, thanks to the significant gains in shares and reduced inflation.

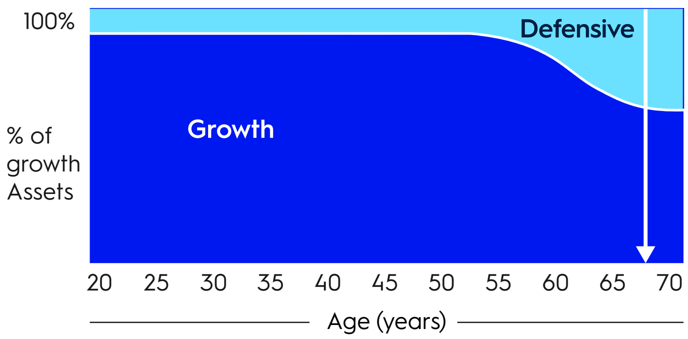
Looking ahead, we anticipate 2025 to be a decent year for markets. Investors however should not expect the gains seen in 2024. Geopolitical risks, potential economic stagnation and stretched share market valuations all remain front of mind for investors as we head into the new year. In this environment, we remain highly diversified across asset classes and strategies.

## Performance

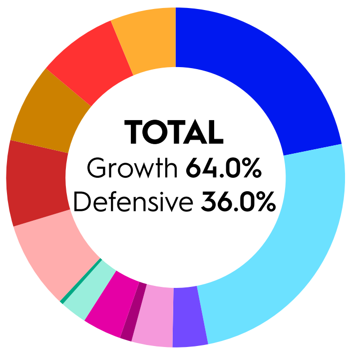



Inception date is 2 January 2014.
Performance as at 31 December 2024. Returns net of Investment fees and superannuation tax.

## Glide path




## Asset allocation

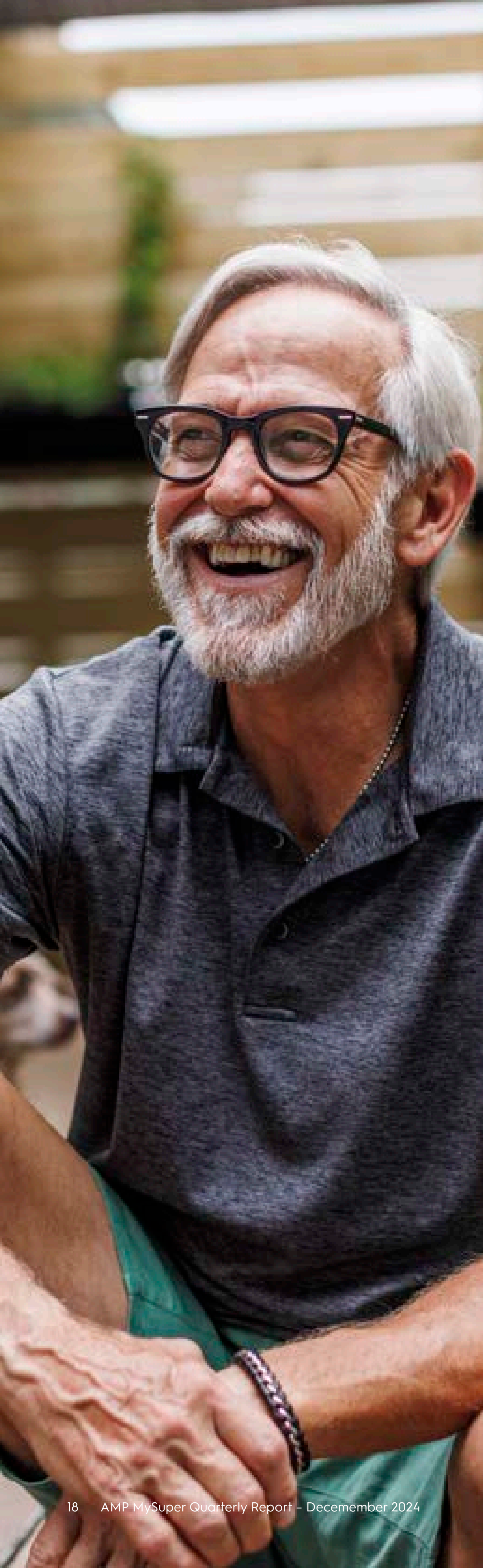



- Australian equities **21.8%**
- International equities **25.1%**
- Emerging markets equities **3.4%**
- Listed property **3.9%**
- Direct property **1.1%**
- Listed infrastructure **3.7%**
- Direct infrastructure **2.6%**
- Alternatives **0.4%**
- Australian bonds **8.3%**
- International bonds **8.2%**
- International investment grade credit **7.6%**
- Diversified credit **7.6%**
- Cash **6.3%**

Current asset allocation and top holdings as at 31 December 2024.

## Top holdings

| Australian Equities | Weight (%) | International Equities | Weight (%) |
|---|---|---|---|
| Commonwealth Bank of AUSTRALIA | 1.3 | NVIDIA Corp | 1.2 |
| BHP Group Ltd | 1.2 | Apple Inc | 1.0 |
| CSL Ltd | 1.0 | Microsoft Corp | 1.0 |
| National Australia Bank Ltd | 0.7 | Alphabet Inc | 0.8 |
| Macquarie Group Ltd | 0.6 | Amazon Com Inc | 0.7 |



# AMP MySuper Capital Stable

## The Capital Stable investor

AMP MySuper Capital Stable is designed for members already in retirement. As these members are no longer earning a full working salary, they are no longer contributing to their superannuation account. The focus is on protecting the balance they have built. This is particularly important as members will be looking to this superannuation balance to generate the income stream required to fund their ongoing expenses and lifestyle.

Capital preservation is the priority. Reflecting this priority, AMP MySuper Capital Stable comprises a mix of predominantly lower risk assets such as bonds and cash. Where there is investment in more growth-oriented assets, the preference is for more defensive, yield-focused types like global listed property. This makes for a more stable return profile, and supports the income generation requirements of the Capital Stable option.

**Fund objective**

Fund Objective AMP MySuper Capital Stable option aims to achieve a rate of return of 2.75% pa above the inflation rate (measured by the Consumer Price Index), after investment fees, costs and superannuation tax, over a 10-year timeframe. Returns from both capital growth and income are provided through a diversified portfolio.

**Investor profile**

- **Standard risk measure:** 6/High
- **Suggested minimum investment timeframe:** 4 years

**Performance**

The AMP MySuper Capital Stable Fund returned 1.6% for the December quarter.

## Quarter Highlights

A broadly positive 2024 for both defensive and risk assets reflected well on the AMP MySuper Capital Stable Option, which generated a strong return for investors over the year and quarter.

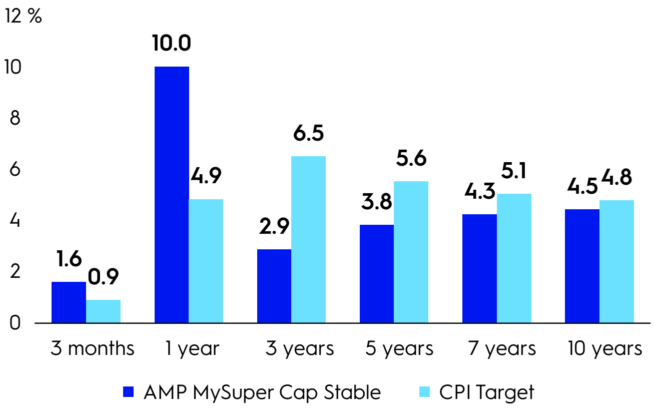
The Option's sizeable fixed income allocations generated a robust return for the year, with high yield credit markets in particular generating upwards of 8% for 2024 as spreads tightened. Credit and bond allocations managed to eke out a positive return amid increasing economic uncertainty in Europe, in addition to mixed rate outlooks for global central banks. For the quarter, fixed income performance was more muted given hawkish dialogue from central banks. Unlisted real assets were somewhat constrained over the year and quarter amid mixed valuations across different assets.

For risk assets, despite a constrained year-end as the Fed became more "hawkish" than investors expected, overall sentiment in 2024 was positive. Allocations in developed markets delivered over 20% and 2% for the year and quarter respectively (in local currency terms), with US economic exceptionalism and the "Magnificent Seven" stocks leading the way as US holdings broadly outperformed global counterparts. Emerging markets similarly delivered positive returns for year, but largely underperformed US markets as economic headwinds in China limited gains, despite some improvement in latter half of 2024. For the final quarter itself, performance was constrained given the threat of increasing trade tariffs and geopolitical pressures. Domestically, Australian share allocations followed global trends, though underperformed due to weakness in commodities and its economic outlook.

In this environment, the Option outperformed its CPI objective over the year and quarter, thanks to the significant gains in shares and reduced inflation.

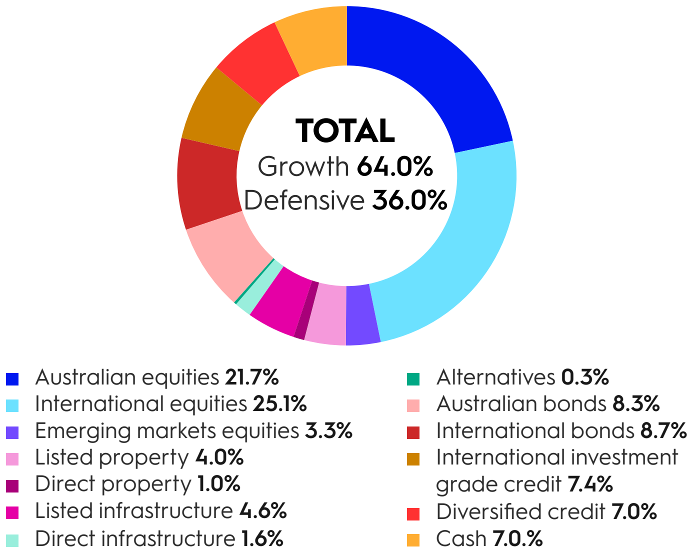
Looking ahead, we anticipate 2025 to be a decent year for markets. Investors however should not expect the gains seen in 2024. Geopolitical risks, potential economic stagnation and stretched share market valuations all remain front of mind for investors as we head into the new year. In this environment, we remain highly diversified across asset classes and strategies.

## Performance



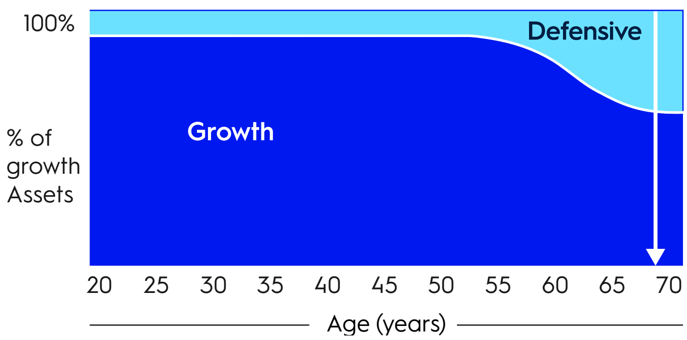

Inception date is 2 January 2014.
Performance as at 31 December 2024. Returns net of Investment fees and superannuation tax.

## Asset allocation




Current asset allocation and top holdings as at 31 December 2024.

## Glide path




## Top holdings

| Australian Equities | Weight (%) | International Equities | Weight (%) |
|---|---|---|---|
| Commonwealth Bank of AUSTRALIA | 1.3 | NVIDIA Corp | 1.3 |
| BHP Group Ltd | 1.2 | Apple Inc | 1.1 |
| CSL Ltd | 0.9 | Microsoft Corp | 1.0 |
| National Australia Bank Ltd | 0.7 | Alphabet Inc | 0.8 |
| Macquarie Group Ltd | 0.6 | Amazon Com Inc | 0.8 |

# Who manages
# AMP MySuper?

**The Portfolio Management team has overall responsibility for the investment performance of the full range of diversified portfolios, which covers both market-linked and goal based funds.**

**The team set the strategic/neutral asset allocation and implement dynamic asset allocation decisions in conjunction with our Investment Strategy & Economics Team. The team also manage currency exposure, cash flow, liquidity, fee budgets and risk management of our diversified funds.**

The AMP MySuper Portfolio Management Team sits within AMP Investments.

AMP Investments is one of Australia's most experienced multi-asset and diversified investment managers.

AMP's purpose is to help clients by seeking to provide outstanding investment outcomes. This means performance balanced by risk management, giving you confidence that AMP is committed to helping clients meet their goal.

AMP is a leading investment house with over $76.4 billion[1] in funds under management. Our experience and leadership across asset classes not only provides insights into ever-changing markets, but also means we are at the forefront of developing contemporary investment solutions for clients.

We believe better outcomes start with a deep understanding of clients' needs. Our culture of collaboration drives our people to share insights and to innovate. This way of working, combined with AMP's expertise across asset classes, means clients benefit from deeper insights and stronger investment solutions.

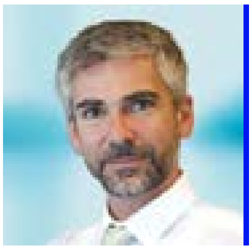
Our process is designed to deliver outstanding investment outcomes for clients. We are as focused on risk management as we are on opportunities. Investment decisions are based on rigorous and repeatable research and modelling, leveraging the depth of investment knowledge across AMP.

1. As of 31 December 2024. Represents draw down amount on a fully funded basis.

## Meet the AMP MySuper Portfolio Management Team

### Anna Shelley

Anna is the Chief Investment Officer, AMP Investments and the Portfolio Manager for AMP's default Corporate Super offerings. Anna is responsible for overseeing the Group's specialised portfolio management capability. This capability includes the management of AMP's full rage of diversified portfolios. Before joining AMP, Anna was CIO of Catholic Super.



### Stuart Eliot

As Head of Portfolio Management for AMP Investments, Stuart Eliot brings more than 30 years of diverse financial markets experience to the stewardship of our client's funds. Most recently he spent 12 years with Pendal Group where he was Senior Portfolio Manager, Multi-Asset Investments since 2016, and previously Portfolio Manager, Diversified Funds since 2009. In these roles Stuart was responsible for strategic and dynamic asset allocation, portfolio management and investment research, including a strong focus on responsible investing. Prior to joining Pendal, he held senior investment banking, trading and quantitative research roles, encompassing multiple asset classes, at several leading investment banks. Stuart holds a BComm (Actuarial Studies) from Macquarie University.

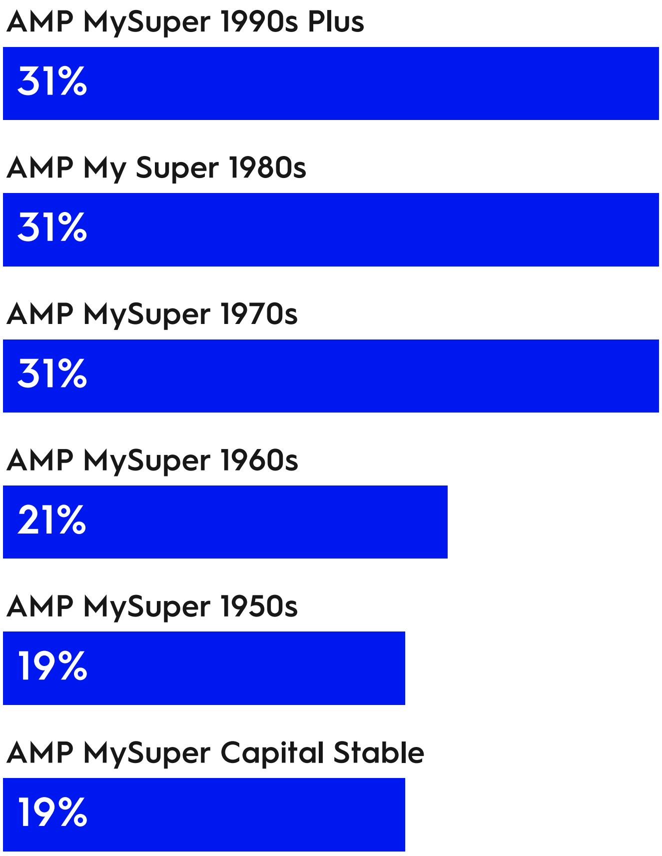
### Stephen Flegg

Stephen is the Senior Portfolio Manager for over $20 billion of diversified index portfolios and is also responsible for the North Professional range of actively managed diversified funds. He has worked at AMP for over 10 years and holds a Bachelor of Commerce from the University of Queensland, Masters of Economics from the University of Sydney, Masters of Applied Finance from Kaplan Professional and a Graduate Diploma of Teaching.

# Currency management

Our currency positioning is actively managed, monitored and reported at the fund level. Each of the lifecycle funds has a neutral position to foreign currency exposure with ranges around this neutral position that permit the portfolio manager to take active positions based on our dynamic asset allocation model. The neutral exposure to foreign currency for each lifecycle option is shown below.

Neutral exposure to foreign currency
(% of total fund)



## What you need to know



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