



AMP MySuper 1990s

Quarterly Investment Option Update

30 September 2020

Aim and Strategy

Aims to achieve a rate of return of 4.5% pa above the Consumer Price Index, after fees and superannuation tax, over the suggested investment timeframe. This investment option gives you an investment solution that takes you all the way through your superannuation savings journey. This approach, known as lifecycle investing, delivers an investment strategy that continuously evolves to align with the changing stages of an investor's life. It takes the hard work out of deciding how to invest your savings by providing the simplicity of a single investment choice. This investment option is an age-based investment, meaning that the strategy of this investment option will change progressively over an investor's lifetime to meet the objective of the average investor born during the 1990s. This means that younger investors will have higher-growth investment strategies because they have a long period to retirement and can afford to take more risk. However, for investors approaching retirement, investments will focus more on preserving the capital built up and reducing risk. International investments may be partially or fully hedged back to Australian dollars. Subject to certain conditions, the underlying investments may use derivatives (such as options, futures, forwards and swaps) and engage in short selling.

Investment Option Performance

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

Investment Option Overview

Investment category	Multi-Sector
Suggested minimum investment timeframe	10 years
Relative risk rating	6 / High
Investment style	Active
Manager style	Multi-manager

Asset Allocation	Benchmark (%)
International shares	36
Australian Shares	33
Growth Alternatives	15
Unlisted Property and Infrastructure	9
Australian Fixed Interest	4
Listed Property and Infrastructure	2
Cash	1
Defensive Alternatives	0
International Fixed Interest	0

Actual Allocation	%
International Shares	38.82
Australian Shares	30.72
Listed Property and Infrastructure	3.82
Unlisted Property and Infrastructure	6.86
Growth Alternatives	9.68
International Fixed Interest	6.18
Australian Fixed Interest	3.04
Cash	0.89

Fund Performance

AMP MySuper 1990s delivered a positive return over the September quarter, building on the strong gains of the June quarter. Growth assets again proved to be the key driver of the overall return, as global markets enjoyed a relatively encouraging period, despite volatility.

While many economies around the world entered recession, in July and August share markets rallied. Buoyed by strong growth in the US technology sector and sustained monetary and fiscal policy stimulus, both the domestic and international shares allocations generated strong gains. However, by September share markets diverged as fears about 'second waves' of COVID-19 and further lockdowns dampened investor sentiment. Over the quarter, the S&P/ASX 200 index declined -0.4% while the MSCI World ex Australia index rose 6.9% (in local currency terms). Credit markets also rallied due to the 'risk-on' tone of the period as bond yields remained range bound. Unlisted assets were broadly flat as the impact of COVID-19 continued to weigh on asset prices.

In this volatile environment, the option performed relatively well largely due to active management. In particular, remaining overweight global shares, rather than Australian shares, boosted overall return. In addition, strong stock selection in the active Australian share allocation resulted in it finishing well ahead of the index. An overweight allocation to credit also boosted relative performance, however a small overweight allocation to foreign currencies weighed on returns as the Australian dollar appreciated.

Looking ahead, the final quarter of the year is poised to be eventful for markets. With the US election, the potential of further fiscal stimulus and news of a vaccine for COVID-19, markets are likely to be volatile. Given the option's large allocation to growth assets, it is important for members to remain focused on the long term because there is still time to recover from potential market falls. We continue to prefer global shares, rather than Australian shares and hold tilts into credit markets. Small positions in alternatives add diversification while retaining a focus on capital growth.

Market Review

Global equities rose during most of the quarter as the balance of data and economic expectations was initially viewed positively and on hopes that a COVID-19 vaccine might be available in a compressed timeframe. However, by quarter end, global equity markets suffered a pullback, led by the technology sector which later broadened to other sectors. Energy was also impacted as the oil price pulled back. For COVID-19, conditions and outlook remained uncertain. The global death count from the pandemic has now exceeded the one million mark.

Escalating tensions between the US and China have also elevated uncertainty. The US has rejected China's territorial claims to the South China Sea and has ended Hong Kong's special trade status with the US, requesting support in its stance from its allies. The US administration has also moved to put restrictions on some Chinese companies operating in the US, including TikTok and WeChat, although the US courts have moderated some of these decisions.

In the US, there is likely to be further downward pressure on the US dollar as quantitative easing measures continue to ramp up. An ongoing US dollar retracement would be consistent with improving global growth relative to that in the US and the US Federal Reserve's aggressive quantitative easing programme, which is significantly increasing the supply of US dollars.

Availability

Product Name	APIR
AMP Flexible Super - Super	AMP1903AU
CustomSuper	AMP1903AU
Flexible Lifetime - Super	AMP1903AU
SignatureSuper	AMP1891AU
SignatureSuper Select	AMP1891AU
SuperLeader	AMP1897AU

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