AMP MySuper 1990s Plus

Quarterly Investment Option Update

31 December 2022

Aim and Strategy

The strategy aims to achieve a rate of return of 3.5% pa above the inflation rate (measured by the Consumer Price Index), after fees and superannuation tax, over the suggested investment timeframe. Returns from both capital growth and income are provided through a diversified portfolio. AMP's MySuper investment option gives you an investment solution that takes you all the way through your superannuation savings journey. This approach, known as lifestages 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 your lifetime as appropriate for the average investor born during the 1990s or later. This means that younger investors will have higher exposure to growth investment strategies because they have a longer period to retirement and can afford to take more risk. However, for investors closer to retirement, investments will have greater focus on seeking to preserve the capital built up and reducing risk whilst maintaining some exposure to growth assets. 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 this product, please visit www.amp.com.au/performance

Investment Option Overview

Investment category	Multi-Sector
Suggested minimum investment timeframe	10 years
Standard Risk Measure	6/High
Investment style	Active
Manager style	Multi-manager

Asset Allocation	Benchmark (%)
Global Shares	43
Australian Shares	36
Property	7
Infrastructure	6
Fixed Interest	4
Alternatives	3
Cash	1

Actual Allocation	%
Global Shares	36.38
Australian Shares	35.21
Listed Property and Infrastructure	6.83
Unlisted Property and Infrastructure	5.92
Growth Alternatives	8.53
International Fixed Interest	3.50
Cash	3.63

Fund Performance

After what was a largely difficult year across most major markets, the final quarter of 2022 brought some relief for investors. Positive returns across most asset classes saw investment option performance end the year on an encouraging note after being constrained by higher inflation, rising interest rates and global growth concerns for most of 2022.

Given the young nature of investors, the 1990s investment option continues to implement a focus on accumulation of wealth, investing in higher risk, high reward asset classes. This is done primarily in equities; though complimented by allocations to alternatives, direct property and direct infrastructure. Going into year-end, the investment option was well positioned to participate in the market rebound in the December quarter, with Australian equities and international equities generating a positive return as inflationary pressures showed signs of easing. Relative to the market index, international equities allocations performed broadly in line, as a strong performance in developed market allocations was offset by weakness in emerging market and private equity holdings. Australian equity gains were slightly constrained due to weaker stock selection by managers Bennelong and ECP. Allocations to alternatives, direct property, direct infrastructure and credit generated small gains over the period, although did fall short of equity market gains.

The investment option outperformed its CPI objective over the quarter and remains behind over 12 months, following the sharp rise in CPI in combination with broad based corrections across equity and bond markets.

As we move into 2023, the impact of higher inflation and interest rates, as well as geopolitical concerns, remain a constant threat. However, with expectations of a recession largely priced into global markets and signals of inflationary and interest rate pressures beginning to level out, we remain cautiously optimistic for the year ahead.

Market Review

The December quarter saw continued choppy conditions across many markets, similar to that experienced throughout the rest of 2022. While driven by familiar themes, broader market sentiment was pulled in contrary directions, perhaps due to differing timeframes of investor outlooks, as shorter-term traders unsurprisingly continued to focus on inflation prints and the pathway of rate rises, medium-term considerations tended to centre around the growing likelihood of recession, while many longer-term investors looked beyond impending recessionary conditions to what opportunities a post-downturn recovery in economic growth, along with potentially lower inflation, may bring. Around the globe, central bankers' comments remained generally hawkish, even towards the end of the quarter, despite a clear slowing in the pace of hikes. Amid all this, continued geopolitical and diplomatic developments added complexity to the broader global outlook, with Russia's war on Ukraine and Chinese government policy both remaining in the spotlight. In the meantime, the US unveiled its next generation stealth bomber, the B21, arguably adding significant weight to NATO's strategic and tactical deterrence. Elsewhere, long-standing political tensions continued to simmer between Greece and Turkey. Finally, China suddenly began its exit from its draconian 'COVID-zero' policy, injecting a shot of optimism into the global outlook, particularly in Asian emerging markets.

Availability

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