

Let's talk super – Q&A

Superannuation Annual Members' Meeting
Financial year 19/20



Thanks very much to those members who asked questions about their AMP super or pension for the superannuation Annual Members' Meeting (AMM).

What's in this document

The answers are in response to a combination of questions submitted by members on the day of the AMM, plus questions submitted beforehand, that weren't addressed in the AMM.

Many of the questions are about similar topics, so to make it easier to find the answers, we've grouped related themes and topics together. We've also included some examples of specific questions from members, which appear exactly as they were sent to us.

As the meeting was held for members of two different funds – Super Directions Fund and Wealth Personal Superannuation and Pension Fund, this document includes questions from members of both funds. Most answers are generic to both funds, but there are some which are specific to a fund. We've made sure this is clear in the answer.

Please check the **contents page** to find the topic you asked about or are interested in.

Find personalised help

For privacy reasons, we haven't answered any personal super questions here. Instead, we've tried to get in touch with these members to discuss their super or pension needs separately.

Here's where you can access support:

Book a super health check

If you are a SignatureSuper®, CustomSuper® or AMP Flexible Super® member and would like to know more about your super, book a complimentary 20-minute super coaching session. These 1:1 appointments can help you get financially fit and understand your super better.



Book now at ampcorpsuper.i-events.info/super-health-check

Simple super advice

Complimentary simple phone-based advice on select topics at no extra cost. Available to members of the Super Directions Fund and limited to advice on your super within the fund.



Book now at amp.com.au/financial-advice/simplesuper-options

Your adviser

If you have an adviser, they can help with questions about your personal circumstances.



Find an adviser at amp.com.au/financial-advice

Any advice and information provided is general in nature, hasn't taken your circumstances into account, and is provided by N.M. Superannuation Proprietary Limited, which is part of the AMP group (AMP). It's important you consider your personal circumstances, read the product disclosure statements and financial services guides and consider speaking to a professional before deciding what's right for you.

Contents

Q&A categories

> Economic outlook	4	> Insurance	33
> Superannuation performance outlook	6	> North products	35
> About investments	7	> Overseas clients	39
> Investment performance/returns	11	> Legislative changes	40
> Relative investment performance	14	> AMP – general	42
> Ethical investments and climate change	15	> AMP organisational performance	44
> COVID-19 (Coronavirus)	19	> AMP – sale	46
> Super – general	22	> AMP – share price	47
> Super – is it safe?	28	> Advice – service	48
> Product features and benefits	29	> AMM logistics	52
> Super – fees	32		



CATEGORY	ECONOMIC OUTLOOK
Question 1	What's the outlook for the Australian economy and what impacts are global and local events having on the recovery?
Some example questions we received from members	<ul style="list-style-type: none"> > “American elections impact if any on superannuation” > “What is the short term outlook for Australian shares if the difficulties with China continue?” > “With interest rates so low, what to do with the money invested in savings” > “Where do you see the share market going in 2021?” > “What's the forecast for the stock market?”
Answer	<p>We received many questions from members about the economic outlook and impacts. These questions were addressed through Shane Oliver's presentation at the AMM on market performance in 2020 and the economic and investment outlook for 2021.</p> <p>You can find this content, titled AMM meeting, by following this link amp.com.au/amm. (The timestamp for Shane Oliver's section is 30.57).</p>
Question 2	What's the future outlook for the cannabis industry as an investment?
Example member question	<ul style="list-style-type: none"> > “How do [you] rate the prospects of the cannabis industry globally as an investment?”
Answer	<p>Investment managers (such as AMP Capital) are appointed by the Trustee to manage assets. These investment managers form views about the merits of specific investments including emerging options.</p> <p>We recommend speaking to a financial adviser for personal advice about specific sectors or industries.</p>

Question 3

What’s happening in the property market? Can you also provide insight into commercial property considering this would have been impacted by COVID? Eg CBD real estate and the impacts of having less people in the CBD.

Some example questions we received from members

- “Why is the property market on fire – especially in Sydney?”
- “What about buildings in the CBD. More people are going to work from home. The CBD may be dead”

Answer

Property, like any investment, is exposed to both positive and negative market factors. Here is the current outlook:

Positive market factors

- record low mortgage rates
- regulatory easing, including the removal of the responsible lending obligations (RLOs) under the National Consumer Credit Protection Act 2009 (Chapter 1)
- Government housing support measures.

Negative market factors

- property is still expensive (affordability is poor, and household debt is high)
- there is an oversupply of units in some areas
- a hit to household incomes from a long tail of high unemployment
- a collapse in immigration has meant less demand for property (particularly in Sydney and Melbourne)
- there’s a weak rental market in some cities.

Shane Oliver’s presentation at the AMM also covered the property market. You can find this content, titled **AMM meeting**, by following this link amp.com.au/amm. (The timestamp for Shane Oliver’s section is 30.57).

Question 4

How does AMP view the economic environment and where do you expect to see movements? How does this impact super and pension?

Example member question

- “to your second agenda item, I’m interested to understand how AMP views the economic environment “PARTICULARLY where you expect to see movements/ areas to watch AND WHY (I’m interested in the thought process rather than a correct % figure per se)” ...and how it affects your super or pension.”

Answer

Extensive insights about the economic environment and expected changes can be found here: amp.com.au/insights

Shane Oliver’s presentation at the AMM also covered the economic environment. You can find this content, titled **AMM meeting**, by following this link amp.com.au/amm. (The timestamp for Shane Oliver’s section is 30.57).

CATEGORY	SUPERANNUATION PERFORMANCE OUTLOOK
Question 5	How is superannuation expected to perform in 2021?
Some example questions we received from members	<ul style="list-style-type: none"> > “How is 2021 looking in terms of Super growth?” > “As professionals how you think 2021 superannuation will do” > “What do you believe fund performance/growth will be over the 2021 year?”
Answer	<p>Shane Oliver’s presentation at the AMM shared views on market performance in 2020 and the economic and investment outlook for 2021.</p> <p>You can find this content, titled AMM meeting, by following this link amp.com.au/amm. (The timestamp for Shane Oliver’s section is 30.57).</p>

CATEGORY

ABOUT INVESTMENTS

Question 6

How has COVID-19 affected investment decisions and what plans are there to change investment options? And if so, in what areas?

Some example questions we received from members

- “Future direction of investments – in what areas?”
- “What changes are you making to your long term growth strategy in the current global market place in terms of stock allocation across different asset classes and even sectors?”
- “With the turbulent market due to politics and pandemic, are there strategic change[s] to investments from AMP?”

Answer

The volatility and large falls experienced in investment markets during the initial stages of the COVID-19 pandemic has highlighted that the AMP MySuper lifecycle super investment works – protecting older members against sharp market falls when they can least afford it.

In early 2020 older member investments performed relatively better than the younger member investments, because they were more likely to hold more defensive asset classes like cash and fixed interest. However more recently, younger members have enjoyed strong gains as their higher exposure to growth assets like equities, has maximised their opportunity to participate in the upswing of market recovery.

Recently, AMP MySuper has continued to generate positive absolute returns (above CPI) with all decade based investment approaches recovering from the challenging start to 2020. A key contributor to this was our active fund managers exploiting fundamental price dislocation caused by the broad and indiscriminate selling that took place in March 2020.

Between February and March 2020, we implemented several changes to the portfolio managed on our behalf to protect our members – responding to fundamental and technical signals in the market, while maintaining flexibility for emerging opportunities.

We’re focused on simplifying and strengthening our investment offer for corporate super and other master trust products to drive greater efficiency and scale benefits for members. This will likely result in fewer strategies in the near-term. However, additional strategies may be added where there is an unmet member need eg an open ESG (Environmental, Social, Governance) focused option.

We regularly review investment menus across our products to make sure they stay up-to-date and appropriate for members.

For products in the Wealth Fund, a wide range of investment options are offered with ongoing reviews of the investment menu. We recommend members speak to their financial adviser about which investments are right for them.

Question 7

How can I see where my funds are invested?

Some example questions we received from members

- > “[Where can I find] more information on where investments are invested?”
- > “Where can I see the companies my money is invested in?”
- > “Can you please explain where my superannuation is put, can you please be transparent and name the places where the money is invested, not just the share market and a portfolio of investments?”

Answer

If your product is in the Super Directions Fund, please refer to the investment guide fact sheet. This is available on the AMP website at amp.com.au/pds.

Actual allocations are available in Investment Option Updates (also on the website). Please refer to amp.com.au/amp/performance-and-unit-prices/superannuation-funds.

You can also view your current investment options via My AMP, where you have access to comparison tools.

If your product is in the Wealth Fund, for North members please refer to your asset allocation available at North Online. For *PortfolioCare* or *WealthView* please refer to *Investor Online*. Your financial adviser can provide a detailed breakdown of the underlying assets in each investment option.

Question 8

Will AMP offer cryptocurrency as an investment option?

Some example questions we received from members

- > “Are there any plans to add funds for commodities, precious metals and Cryptocurrency?”
- > “Does AMP have or intend to have a crypto fund for super investors?”
- > “Will AMP fund managers be starting to invest in crypto currency?”
- > “Are cryptocurrencies (bitcoin, ethereum etc) an asset class that the team is looking into investing?”

Answer

Investment managers (such as AMP Capital) are appointed by the Trustee to manage assets. These investment managers formulate views around the merits of specific investments including emerging options.

The Trustee also has investment governance frameworks in place for the selection, management and monitoring of all investments offered through its super and pension products. They’re responsible for approving investment objectives and strategies for each investment option, monitoring regularly whether investment objectives are met and taking timely action on investment matters.

Question 9

Will AMP provide the option to invest directly?

Some example questions we received from members

- > “[I] would be keen to learn more about direct investments in individual company stocks? Do we have US or Asian companies to choose from etc?”
- > “Will AMP be making more direct [direct] investment options available to members?”
- > “Can I buy/sell individual shares through AMP super?”

Answer

Our objective, through our range of super offers, is to provide investment choice across all asset classes and access to high-quality external fund managers, so members can tailor portfolios to their unique circumstances.

Returns will vary across these investments. Many of our Wealth Fund products (available through a financial adviser) offer the ability to invest directly in listed securities on the S&P/ASX 300 and selected Australian real estate investment trusts (AREITs), exchange traded funds (ETFs) and exchange traded commodities (ETCs), listed investment companies (LICs) and listed investment trusts (LITs).

Question 10

Is traditional asset allocation still relevant in this low interest rate environment?

Example member question

- > “What are the panel’s views on the use of traditional asset allocation given low cash and fixed interest rates and the tendency for all investment sectors to move in sync (up or down)?”

Answer

As AMP Capital’s Chief Economist, Shane Oliver states, 2020 was dominated by the coronavirus pandemic, but policy stimulus and vaccine optimism contributed to constrained but positive returns for balanced growth super funds.

For 2021, Shane Oliver expects that the combination of policy stimulus and the prospect of vaccines should see a rebound in economic growth. He believes this, plus lower interest rates, is likely to see solid returns from share markets, but poor returns from bonds.

Question 11

What investment options are available on MyNorth and how do I access more information on this?

Example member question

> “Why is <large company> investing in large Australian Companies, not permitted under MyNorth It has cost me over \$2000 to sell it and invest in a spread of five large companies (good companies) that do not give me near the spread safety of <large company>. I found this sell a necessity to be allowed to move my DIY fund to MyNorth”

Answer

Information outlining investment options for each North product are available at northonline.com.au. You’re able to log on to North Online at northonline.com.au at any time to see these options and how your investments are performing. We recommend speaking to your financial adviser about which investments are right for you.

Question 12

How often are my investments adjusted or changed according to any downturn or improvement in the market?

Example member question

> “How often are my share investments adjusted or changed according to any down turn or improvement in the market?”

Answer

Each investment option has a defined strategy objective and goal set by the specific investment manager (eg AMP Capital). Actively managed investments are frequently reviewed, whereas other options such as passively managed investments are reviewed less frequently. Investment management is a complex issue and we recommend consulting a financial adviser to consider your personal circumstances.

All markets go up and down, causing asset values to vary. The extent to which markets move up and down is called volatility. In general, asset classes with a higher potential return also have a higher level of risk.

There are no guarantees in investing. Every market and investment strategy carries different risks. The level of risk can vary depending on the assets that make up the strategy. You may lose some of your money at different points in time. History has shown that investments with the best long-term returns, like shares and property, also show the most short-term volatility and risk.

Question 13

What is the long-term strategic approach that AMP is taking for its investments?

Example member question

➤ “What is the long term strategic approach that AMP will be focusing Super investments in to maximise returns?”

Answer

In relation to the default AMP MySuper investment options, we are continuing to evolve portfolios and look for ways to maintain performance outcomes into the future, with the lowest possible risk.

In particular, we’re looking at how the more defensive component of portfolios can include more risk reducing assets such as income generating equities, foreign exchange and defensive derivative strategies.

What’s more, we’re looking to simplify our investment structures and to continue to ensure investment managers will be selected and retained based on their history, quality and track record in generating consistent risk-adjusted returns for members in superannuation and pension. A monitoring program will also look for inexplicable or uncharacteristic performance, and identify necessary changes to how an investment is managed. An investment manager’s ability to improve performance and meet investment expectations within an appropriate timeframe will also continue to be reviewed.

Products in the Wealth Fund offer a wide range of investment choices, including direct shares in one online account. It gives members the freedom to actively invest in options selected by the member and their financial adviser according to their needs, from life’s early stages all the way through to retirement.

Question 14

How does AMP manage risks when it comes to investment strategies? How does the Trustee monitor performance?

Some example questions we received from members

- “What risks do you see as material to the investment strategies you’re running for your members, and how do you proactively address and manage these risks?”
- “When are defensive strategies put in place?”
- “With increasing uncertainty in regional trade (particularly China) what are you doing or what can we do to limit our exposure to this risk?”

Answer

The Trustee has investment strategies across all asset classes, and a range of investment options from defensive to growth assets, each with an associated risk profile.

The Trustee also has investment governance frameworks in place for the selection, management and monitoring of all investments offered through its super and pension products. They are responsible for approving investment objectives and strategies for each investment option, monitoring regularly whether investment objectives are met and taking timely action on investment matters.

The Trustee’s investment monitoring focuses on the performance of the investment option and the ability of the investment manager. It includes:

- measuring performance against key indicators (such as risk-adjusted returns compared to benchmarks and peers)
- an assessment of portfolio management abilities (such as the ability for the investment to achieve its stated investment objective and the capability of the investment management team)
- cashflow movements and concentration, and
- liquidity and stress testing against different market environments.

Monitoring activity will result in investment options being placed into three broad groups:

1. Investment options where there are no concerns.
2. Investments options on watch (where closer monitoring is required to determine next steps).
3. Investment options where immediate action is required (including its removal).

Question 15

Where can I access performance comparisons?

Some example questions we received from members

- “When I use MyAMP and do the fund comparison there is little reference to other Superfunds i.e Catholic Super to make an informed assessment about AMP generally outside of share performance.”
- “Is the AMP MySuper product outperforming a balanced index fund with low fees?”

Answer

Fund performance comparisons for products within the Super Directions Fund and Wealth Fund can be accessed on the AMP website amp.com.au/amp/performance-and-unit-prices.

If your product is in the Wealth Fund, for North members please refer to the additional performance reports available in the Statements and reports section of North Online, for *PortfolioCare* or *WealthView* please refer to the Asset performance section of *Investor Online*. We recommend speaking with your financial adviser to understand investment performance especially with the consideration of your personal risk appetite.

When comparing performance, it is important to understand how risk is labelled and what this means for you.

Investment options and managed funds offered in the Super Directions Fund and the Wealth Fund have a Standard Risk Measure (SRM), which is a label between 1 and 7 that describes the risk of the investment. SRMs are detailed in the investment guide fact sheet or investment options document for your product. The SRM is based on industry standards to allow members to compare investment options that are expected to deliver a similar number of negative annual returns over any 20-year period. The SRM is not a comprehensive account of the risks of investing and members should consider these risk labels in conjunction with the different risks of investing that apply to their investments. Members should still ensure they are comfortable with the risks and potential losses associated with their chosen investment options.

For specific information about your personal circumstance, speak to an adviser.

Question 16

What are the investment managers doing to ride the tailwinds in equity markets? For example, investing in overseas markets and IPO.

Example member question

- “Can you be more specific? What are the investment managers doing to ride the tailwinds in equity markets. For example investing in overseas markets and IPO’s”

Answer

Investment managers (such as AMP Capital) actively manage and monitor investments. This activity considers how funds are invested across various different asset categories, fund goals and objectives as well as cost to buy and sell assets. We recommend speaking to a financial adviser for personal advice on specific investments.

CATEGORY

RELATIVE INVESTMENT PERFORMANCE

Question 17

How good a measure is 'relative performance' given the difficulty in obtaining satisfactory benchmarks?

Example member question

➤ "Relative performance is fashionable and was picked up recent Treasury recommendations. But how good a measure is it in isolation given difficulty getting satisfactory benchmarks"

Answer

Relative performance is only one aspect to consider when comparing super funds. When comparing performance, it is important to understand how risk is labelled and what this means for you.

Currently, there are no standard guidelines for classification of growth and defensive assets in super. This makes it difficult to make accurate comparisons when trying to assess performance in line with risk. For example the underlying risk in different funds both labelled 'balanced' can differ.

Investment options and managed funds offered in the Super Directions Fund and the Wealth Fund have a Standard Risk Measure (SRM), which is a label between 1 and 7 that describes the risk of the investment. SRMs are detailed in the investment guide fact sheet or investment options document for your product. The SRM is based on industry standards to allow members to compare investment options that are expected to deliver a similar number of negative annual returns over any 20-year period. The SRM is not a comprehensive account of the risks of investing and members should consider these risk labels in conjunction with the different risks of investing that apply to their investments. Members should still ensure they are comfortable with the risks and potential losses associated with their chosen investment options.

For specific information about your personal circumstance, speak to an adviser.

Question 18

To what extent is sustainability and other relevant factors considered as part of the fund strategy and are there plans to extend ESG (Environmental, Social, Governance) focused investment options?

Some example questions we received from members

- “As a concerned citizen, I’m interested to know how much of my super is invested in ethical and non-ethical investments. Could you please inform attendees what percentage of your investments are in coal mining, other fossil fuels, and how much in renewables. I am also interested in any other investments which are likely to impact the natural environment.”
- “To what extent is sustainability and other relevant factors such as ESG being taken into account and/or built into the fund’s strategy?”
- “How is the world trend towards renewable energy and zero emission transportation being reflected in investment decisions?”
- “Will the board be diversifying their portfolio in emerging industries and clean energy?”

Answer

AMP Capital is one of Australia’s largest, long-standing responsible investment managers and has been integrating environmental, social and governance (ESG) factors into business decisions for almost two decades.

AMP Capital believes an organisation’s environmental and social impacts, and quality of its corporate governance, directly influences its long-term success and sustainability. That’s why they built a strong, overarching Responsible Investment Philosophy that ensures ESG factors are considered in all decision-making and active ownership practices.

The Trustee has adopted the AMP Capital ESG and Responsible Investing Philosophy relating to assets managed by AMP Capital, which is used to assess ESG considerations.

While we don’t have any open ESG options within the Super Directions Fund at this time, the Trustee’s position on responsible investing has not changed. We do however, offer ESG focused options via the Wealth Fund in *PortfolioCare*, *WealthView* and North platform products. There is a strong recognition by the business and the Trustee, that an ethical investment choice is desired by members.

We’re in the process of conducting assessments and due diligence so we can offer ESG choices to more members in the future.

Question 19

As an organisation, what is AMP doing to combat climate change?

Some example questions we received from members

- > “What is the strategy to address market changes that will flow from climate change related national and international policy adjustments?”
- > “What are you doing to combat climate change?”
- > “Would you please be able to let me know where we can find AMP’s disclosure on its carbon footprint?”

Answer

AMP

Our corporate sustainability strategy includes a commitment to remain carbon neutral in our operations, to address the direct impacts of our business activities. Management committees across the business consider climate-related financial risks and opportunities in investment management activities, operations and impacts to clients. We’ll continue to work with industry and regulators to overcome data and measurement challenges to respond to climate-related financial risks.

Member super

With regards to the Super Directions Fund, AMP Capital is an investment manager appointed by the Trustee under an investment management agreement and is the responsible entity for the many managed investment schemes we invest in. It appoints itself and other companies outside the AMP group (underlying external investment managers) to be the investment managers of these schemes.

AMP Capital considers (and instructs its external investment managers to consider) labour standards, environmental, social, ethical or governance matters in the selection, retention or realisation of investments across all asset classes (other than cash, sovereign bonds, derivatives, and exchange traded funds).

AMP Capital recognises there are links between a company’s environmental and social impacts, the quality of its corporate governance, and its long-term financial success. AMP Capital has an environmental social governance (ESG) and Responsible Investment (RI) Philosophy describing its approach to considering these issues in their investment decision making. This is available at ampcapital.com/au/en/capabilities/responsible-investment.

AMP Capital is leading two important engagement programs as part of Climate Action 100+, an investor initiative supported by about 300 of the world’s largest investors, with more than US\$30 trillion of assets behind it.

The Trustee has adopted the AMP Capital ESG and RI Philosophy for assets managed by AMP Capital, which is used to assess ESG considerations.

Continued over page >

Question 19 continued

As an organisation, what is AMP doing to combat climate change?

Answer

Environmental, Social and Governance (ESG) focused options

We're in the process of conducting assessments and due diligence so we can offer ESG choices to more members in the future. While we don't have any open ESG options within the Super Directions Fund right now, the Trustee's position on RI has not changed.

ESG focused options are available via the Wealth Fund in *PortfolioCare*, *WealthView* and *North* platform products. There is a strong recognition by the business and the Trustee that an ethical investment choice is desired by members.

Managers of these ESG options may direct voting on shareholder resolutions of companies they invest in to reduce climate impact. They may also incorporate ethics committees made up of clients, to independently review the holdings to make sure the managers are investing consistently to make the world a better place.

Information about AMP Capital's carbon footprint results can be found on the AMP website at amp.com.au.

Question 20

Why are certain investment options closed?

Example member question

➤ “Why close the Responsible Investment Leaders Australian Share fund to new investments? I have been happy with the returns however I note that this has the highest fee's of any of my investments? I have tried to get more information about switching to a similar fund but getting details from AMP has been very difficult. There is no clear advice as to how long the fund will continue and what is being done to manage the fund? “

Answer

The Trustee has investment governance frameworks in place for the selection, management and monitoring of all investments offered through its super and pension products. They are responsible for approving investment objectives and strategies for each investment option, monitoring regularly whether investment objectives are met and taking timely action on investment matters.

The Trustee's investment monitoring focuses on the performance of the investment option and the ability of the investment manager. It includes:

- measuring performance against key indicators (such as risk-adjusted returns, compared to benchmarks and peers)
- an assessment of portfolio management abilities (such as the ability for the investment to achieve its stated investment objective and the capability of the investment management team)
- cashflow movements and concentration, and
- liquidity and stress testing against different market environments.

Continued over page >

Question 20 continued

Why are certain investment options closed?

Answer

Monitoring activity will result in investment options being placed into three broad groups:

1. Investment options where there are no concerns.
2. Investment options on watch (where closer monitoring is required to determine next steps).
3. Investment options where immediate action is required (including its removal).

In this instance, we decided to close the Responsible Investment Leaders Australia Share Fund option to new investments following institutional client, portfolio manager and liquidity changes.

Environmental, social and governance (ESG) investment options have a range of associated fees depending on the investment construct and the management style ie passive vs active. Actively managed funds can often be more expensive than others as this reflects the greater amount of research required.

We're focused on simplifying and strengthening our investment offer for corporate super and other Master Trust products to drive greater efficiency and scale benefits for members. This will likely result in fewer strategies in the near-term. However, additional strategies may be added where there's an unmet member need eg an open ESG focused option.

We regularly review investment menus across our products to make sure they stay up-to-date and appropriate for members.

For products in the Wealth Fund, a wide range of investment options are offered with ongoing reviews of the investment menu. We recommend members speak to their financial adviser about which investments are right for them.

Question 21

What impact has COVID-19 had on members and what strategies have AMP undertaken to protect members' funds?

Some example questions we received from members

- > "What is being done to rebuild after the pandemic"
- > "If COVID forces a GFC turndown will a floor be placed to protect our accumulations?"
- > "Has AMP considered any strategies to be implemented, on behalf of Members, to recover any losses experienced as a result of the covid-19 overall impact, especially the economic impact???"
- > "Over the COVID period how much would have investors lost with their investments."
- > "What is the impact of COVID-19 on the AMP super fund? "

Answer

Share market fluctuations are to be expected during global-scale events.

In this environment it's important to remember that superannuation is a long-term investment, so it's about growing super over time. There are likely to be periods where there are significant losses in the market – these are often followed by strong gains.

Long-term investors need to be able to participate in the downside, so they can also participate in the upside.

Investors should also consider what stage of life they're in:

- If they're closer to retirement, a more conservative profile may be more suitable to allow for drawing down on super over time.
- If they're a younger investor in their twenties or thirties, they will be able to withstand this volatility because they'll make up for it over a longer period of time.

Understanding the effect of portfolio risk is also very important. For more information about how investment market volatility affects super refer to amp.com.au/superannuation/managing-super/how-investment-market-volatility-affects-your-super.

Member funds invested in AMP super are held in strictly regulated structures, separate from shareholder funds. These regulations are there to help protect members' interests. And we have processes and governance oversight in place to make sure these regulations are upheld and adhered to. Steps we're taking to support this include a robust review of underlying investment managers, while maintaining clear oversight of the investment risk management process for our members.

To assess the ongoing suitability of the investment options, the Trustee regularly evaluates fund managers' investment processes, resourcing and ability to deliver to their investment objectives. The Trustee also evaluates specific investment option characteristics such as: relative risk, costs and tax outcome, market risk, liquidity risk, operational risk and credit risk.

During COVID-19 there was a specific focus on liquidity and the costs of buying and selling assets in the market.

Question 22

Are strategies like diversification and dollar cost averaging still beneficial post COVID-19?

Some example questions we received from members

- “It seems clear that certain sectors of the global economy will be in recession or show no growth for years. Traditional advice has been not to put all your investment eggs in one basket. Is that now appropriate in a pandemic if a lot of the investment eggs in the basket are rotten?”
- “How effective is dollar cost averaging in this Covid year for people that went to cash to stabilise their super?”

Answer

Dollar-cost averaging may be an unfamiliar term to some, but members of a managed superannuation fund are actually already doing it (indirectly) via the regular concessional contributions made by their employer.

Each time compulsory Superannuation Guarantee contributions are credited to an account, they're invested by the super fund into managed funds including ETFs, direct shares, bonds and other assets, depending on the selected product investment strategy.

Because the fund is buying assets for members at different times, and share and unit prices are likely to be lower or higher from the date the last regular super contribution was invested, their asset purchasing power will have either increased or decreased.

Similar to a regular savings plan, dollar-cost averaging simply involves investing the same amount of money at set intervals over a long period – whether market prices are up or down. Investors practising dollar-cost averaging automatically buy more shares or units when prices are lower and fewer when prices are higher. Over the total period of investing, the average entry cost into specific assets will potentially be lower than the prevailing market price.

Yet, the central attribute of dollar-cost averaging is not so much the price paid for securities, it's the adherence to a disciplined, non-emotional approach to investing that's not distracted by prevailing market sentiment. It's particularly useful in helping investors focus on their long-term goals with an appropriately diversified portfolio, while avoiding emotionally driven decisions to buy or sell.

Diversification is a basic strategy used to reduce some of the risks associated with investing. By spreading investments across a number of assets, the investor isn't reliant on the performance of, and not exposed to, the risk associated with holding only a single investment. Investing in only one or a few specific assets or direct securities can increase risk. It's very important to understand and be aware of the risks and mitigating strategies, such as diversification, that are available. A financial adviser can provide more information about what risks apply to investing.

Question 23

What will be the longer-term impacts of COVID-19 on super?

Some example questions we received from members

- > “Many thousands of \$\$\$ lost due to COVID-19 ! Will APs [allocated pensions] recover & when??”
- > “Has the impact of CV19 been the worst to Super performance ever in history or are there comparable events / worse events that have happened?”
- > “What longer term impact on investments do you think the COVID pandemic might have?”

Answer

We received many questions from members about COVID-19 and its impacts. These questions were addressed through Shane Oliver’s presentation at the AMM about market performance in 2020 and the economic and investment outlook for 2021. You can find this content, titled **AMM meeting**, by following this link amp.com.au/amm. (The timestamp for Shane Oliver’s section is 30.57).

Question 24

Have the early withdrawals of super impacted the fund and its ability to acquire assets, due to the pool of funds diminishing?

Example member question

- > “did the early withdrawals during Covid from the 220K members impact the fund and its ability to acquire assets etc for benefit of members due to pool of funds diminishing”

Answer

No, our Super Directions Fund member base is well diversified across a range of demographics, with our members working in many industries and at different ages. This helps to ensure a balance of inflows, and strongly positions us to support those members who are experiencing hardship.

CATEGORY		SUPER – GENERAL	
Question 25		When will I receive my annual statement?	
Example member question	<ul style="list-style-type: none"> ➤ “When are the annual member statements due to be released?” 		
Answer	<p>Annual statement timing can vary from member to member. Members can look for when their statement will arrive, or find their statement date in My AMP.</p> <p>Learn more here: amp.com.au/support/faqs/when-will-i-receive-my-statement#mailingdates</p>		
Question 26		Can you tell me where I can access my statements, how to understand the content and what additional reporting functionality you have planned?	
Some example questions we received from members	<ul style="list-style-type: none"> ➤ “Why does the platform NOT allow members to run the same reports as advisors? The only report the platform ALLOWS the members to run is deficient in the information provided.” ➤ “How can we find out the earnings/loss distribution schedule; what will happen if we switch before the earning/loss distribution.” ➤ “Is there future ambition for further empower your customers with evolving the user’s dashboard to be able to see on a daily basis (if not real time) the investment movement and ROI of our super – this will bring me greater comfort and empowerment over my retirement fund” 		
Answer	<p>In addition to statements that are sent to members, My AMP can help members manage their AMP super and provides access to statements and downloadable reports.</p> <p>We’re redesigning our member statements to better communicate with our members. The redesign work includes simplifying fee descriptions and providing information that’s relevant to members’ retirement outcomes.</p> <p>For North members, much of the information advisers have access to is also available to members and clients directly through North Online in a digital format. Members can download a client report, or select their account from the home page to view a summary of the account holding and features. Further information is available by navigating to Statements & Reports where detailed information about individual investment performance can be found. The North Service Centre is happy to provide more guidance about the website and where to access detailed information. Further work is also planned to enhance the website when it’s accessed through a mobile device.</p> <p><i>PortfolioCare</i> and <i>WealthView</i> members can access a range of information about their account through <i>Investor Online</i> including investment holdings, statements, other correspondence issued and other important updates in the Latest news and alerts section. <i>Investor Online</i> can be accessed here: investoronline.info/.</p>		

Question 27

Where can I find more information about super contributions?

Some example questions we received from members

- > “how much can I contribute to my super?”
- > “what is the limit of a lump sum contribution?”
- > “How do you contribute additional super over the \$25k limit?”
- > “Why is it an offence to put more into a personal super [super] that one can be penalized for when they are trying to look after themselves in later years?”
- > “How to salary sacrifice into super and what is the limit?”

Answer

Making contributions into super could be a great way to try to boost retirement savings. More information about contributing to AMP super can be found here: amp.com.au/superannuation/contribute

Question 28

When can I access my super and how can I withdraw my super?

Some example questions we received from members

- > “Why is it compulsory to take out money yearly when you reach retirement age?”
- > “When can I take out my super?”
- > “What are the circumstances and process if I want to withdraw my Super permanently? After withdrawing, can I create another Super fund again under the same name?”
- > “Can I take my super to pay off my home before retirement?”

Answer

Generally, you can access your super after you’ve reached your preservation age and you’re retired, but there are instances when you may be able to access super early. Information about accessing super can be found here:

amp.com.au/superannuation/accessing-super

When the time comes to start drawing from your super, it helps to know how to make a withdrawal and the limits you should consider. This is relevant if you’re thinking about withdrawing your super early, approaching retirement or if you’re a temporary resident who is permanently leaving Australia. Information about withdrawing super can be found here:

amp.com.au/superannuation/faqs/how-can-i-make-a-withdrawal.

Question 29

How can I grow my super and how much on average do I need to retire?

Some example questions we received from members

- > “How to make growth my superannuation?”
- > “What is the earliest you can retire and how much would you need”
- > “How much money should be in superannuation for a single to have a smooth transition to retirement”
- > “Want to set up for retirement, how much do i need?”
- > “Best strategy to utilize super as a core retirement saving strategy?”

Answer

Working out how much is enough for retirement depends on many factors, such as your lifestyle, plans for the future, and the number of years you’ll spend retired. Also, estimating how much you’ll have when you plan to retire depends on factors such as your current salary, super balance and assets.

By using our retirement calculators, you can get an indication of whether there’s a shortfall between how much you’re estimated to have and how much you’ll need in retirement, so you can put a plan in place to address any gap. Access to the retirement calculators and more information on preparing for retirement can be found here:

amp.com.au/retirement/prepare-to-retire/retirement-money-needs.

We have also introduced complimentary simple retirement advice for Super Directions Fund members who can request one of our phone-based advisers to call them for a retirement health check.

For information about your personal circumstances, please speak to a financial adviser.

Question 30

How do I set up beneficiary nominations?

Example member question

- > “should I nominate binding nominations”

Answer

Information about nominating beneficiaries can be found here: amp.com.au/superannuation/faqs/how-can-i-add-a-beneficiary.

North members can contact their financial adviser or log onto North Online at northonline.com.au for beneficiary forms.

Question 31

How does this reshape of AMP’s Australian business affect NZ superannuation accounts?

Example member question

> “How does this reshape in Australia affect NZ superannuation accounts?”

Answer

The transformation of wealth management in the Australian business does not impact any KiwiSaver accounts.

Question 32

How long does it take to change or sell down holdings?

Some example questions we received from members

- > “How long to the hour is it between placing a buy or sell and the transaction occurring”
- > “when a member switches funds eg from balanced to conservative is the actual amount determined at the time a person clicks the change or is the switch done at the discretion of AMP”
- > “I have a very simple question Why does it take so long to carry out request to change Portfolio’s or Sell down to change holdings in funds or purchase shares. This can be a major cost to fund holders or lost funds.”

Answer

The time taken is dependent on the fund.
 Transactions within the Super Directions Fund are generally available for you to view on My AMP within three business days after the effective day of the request.
 Within the Wealth Fund, the time to sell an asset depends on what you’re invested in. As investments are managed externally we cannot control the time taken. Speak to us or your financial adviser for the specific details for your investment options.

Question 33

Can members’ super be used as a deposit to obtain a home loan with AMP Bank?

Example member question

> “To use your home loan product can we use our super as a ‘deposit’; or do we need other savings?”

Answer

If you’re an eligible first home buyer, aged 18 or over, you can withdraw voluntary super contributions (which you’ve made since 1 July 2017) to put toward a home deposit.
 Under the First Home Super Saver Scheme (FHSSS), first home buyers, who make voluntary super contributions of up to \$15,000 per financial year into their super, can withdraw these amounts (in addition to associated earnings / less tax) from their super fund to help with a deposit on their first home. If you’re eligible, the maximum amount of contributions that can be withdrawn under the scheme is broadly \$30,000 for individuals, or \$60,000 for couples.
 For information on the FHSSS refer to amp.com.au/home-loans/buying-a-home/first-home-super-saver-scheme, noting this isn’t limited to AMP super or bank accounts.

Question 34

Where can I find more information on the tax benefits available to me?

Example member question

➤ “I want to set up the tax benefits I am eligible for”

Answer

For more information on tax implications of super refer to this link: amp.com.au/superannuation/super-basics/tax-on-super. You can also speak to a financial adviser for advice about your personal circumstances.

Question 35

How do I transfer from the Super Directions Fund to Wealth Personal Superannuation and Pension Fund (Wealth Fund) eg to a MyNorth Super product? Is there a cost associated with this and do I have to use an adviser?

Example member question

➤ “Why is it that i can’t I not transfer from AMP life super to AMP North direct as I need to go via AMP advisor and pay for the transfer to North. I want to use the other facilities that AMP life to not provide. AustSuper has no such barrier. I’m very concern that i can open my own North account directly. AMP need to be more flexible as I manage own super strategy. Please explain why does AMP has this barrier. “

Answer

MyNorth Super is a wrap superannuation product which offers customers an all in one solution for their chosen portfolio of investment options and insurance. You do need to have a financial adviser to set up a MyNorth account and all transactions on your MyNorth Super and Pension account are completed by your financial adviser using North Online.

Question 36

Can I contribute more to my super whilst I am retired now

Example member question

➤ “Can I contribute more to my super whilst I am retired now”

Answer

Information on contributing to super once retired is available at this link: amp.com.au/retirement/managing-retirement/super-contribution-rules-for-over-65. You can also speak to a financial adviser for advice about your personal circumstances.

Question 37**Can I take my Super account to my new employer and will my insurance will still remain?**

Example member question

➤ “Can I take my Super account to my new employer and will my insurance will still remain?”

Answer

Information on your super, insurance and changing jobs can be found on the AMP website at this link:
amp.com.au/superannuation/faqs/changing-jobs.

Question 38**Is the AMP Staff Defined Benefits Scheme able to meet its future pension payments to members? And who is now the manager of the scheme?**

Example member question

➤ “Is the AMP Staff Defined Benefits Scheme able to meet its future pension payments to members? And who is now the manager of the scheme?”

Answer

The AMP Staff Employees Superannuation Plan Defined Benefits Scheme is managed by AMP. Each year, defined benefit pension funds are required to have a valuation by an actuary to check the health of the plan and to consider whether future pension payments can be met. The actuarial report for this plan was completed in March 2020 by Mercer Consulting (Australia) Pty Ltd (ABN 55 153 168 140). The actuary found that the plan was in a satisfactory financial position and considered solvent. As at 31 December 2020, the estimated funding level of the plan was 110%.

You may obtain a copy of your plan’s actuarial report by contacting us on 131 267 or askamp@amp.com.au.

CATEGORY		SUPER – IS IT SAFE?
Question 39		Have superannuation balances been impacted as a result of currency fluctuations?
Example member question	<ul style="list-style-type: none"> ➤ “What effect, if any, is there on superannuation balances as a consequence of currency fluctuations?” 	
Answer	<p>Most working Australians are investors in the share market through their super. In fact, Australia’s super funds are one of the major investors in the Australian share market, owning 39% of the Australian Securities Exchange’s (ASX) total shares, worth \$700 billion in 2019.</p> <p>Super funds also invest in other types of investments such as global shares, cash, fixed income, bonds, both listed and unlisted infrastructure, listed and unlisted property, and private equity. Each of these has its own risk profile – assets such as shares, infrastructure, property and private equity tend to be more volatile (or prone to share price fluctuations) but this higher level of risk usually comes with higher financial returns. By contrast, investments such as cash and bonds are lower risk, but the amount of money earned from these investments is also typically lower.</p> <p>Most people with superannuation will have a portion invested in overseas assets, and changes in currency values can also influence the performance of retirement savings – a lower Australian dollar boosts the local value of our overseas investments, while a higher Australian dollar has the reverse effect.</p>	
Question 40		Is my superannuation fund affected or impacted in any way by the AMP Shareholder Class Action applied by Maurice Blackburn on behalf of shareholders/members?
Example member question	<ul style="list-style-type: none"> ➤ “Is my superannuation fund affected or impacted in any way by the AMP Shareholder Class Action applied by Maurice Blackburn on behalf of shareholders / members?” 	
Answer	<p>The AMP Shareholder class action which is run by Maurice Blackburn is brought on behalf of certain AMP Limited shareholders. In this action, there are no allegations concerning any conduct in respect of the superannuation funds.</p> <p>The nature of the superannuation trust structure means member funds are not impacted by shareholder class actions.</p>	

CATEGORY	PRODUCT FEATURES AND BENEFITS
Question 41	How does AMP incentivise members to make voluntary contributions?
Example member question	<ul style="list-style-type: none"> ➤ “What incentives are AMP [offering] to get Super Holders to place voluntary contributions into their accounts?”
Answer	<p>While we don’t incentivise members to make voluntary contributions, we empower them to make smart financial decisions through education, tools and resources. Learn more here: amp.com.au/superannuation/contribute.</p>
Question 42	Is there any activity taking place to improve member statements?
Example member question	<ul style="list-style-type: none"> ➤ “Are you doing any work around simplifying statements using lay language that the not-so-savy member can understand? Can there be an executive summary on annual statements that clearly outlines ALL the fees and charges whether they be product or organisation related and collates the income into a easily digestible format?”
Answer	<p>As part of our Super Directions simplification program we are redesigning our member statements to better communicate with our members.</p> <p>In the Wealth Fund, redesigned North statements began to be issued in late 2019. The redesign work includes simplifying fee descriptions and providing information that’s relevant to members’ retirement outcomes.</p>
Question 43	Do you offer a member benefits program?
Example member question	<ul style="list-style-type: none"> ➤ “[Are there] meal entertainment card[s] connected to superannuation?”
Answer	<p>Our focus is to help members reach their retirement goals. We provide them with access to tools to manage and improve their financial wellbeing now, and in retirement.</p> <p>Our technology helps make sure members will receive the information they need, when they need it most, so they can take control of their money and goals. Members will receive:</p> <ul style="list-style-type: none"> – regular hints and tips for how to take control of their super – a yearly look at how they’re tracking towards a comfortable retirement (provided in their annual statement) – monthly newsletters with market updates. <p>Eligible members also may have access to other benefits such as discounts on health cover, free phone-based intra-fund advice service (Super Directions Fund members only) and access to banking offers. Please see below (question 44) for other benefits provided through our super.</p>

CATEGORY

PRODUCT FEATURES AND BENEFITS CONTINUED

Question 44

What are the benefits of AMP superannuation?

Example member question

- “Why don’t you highlight the benefits of some of AMP’s top performing funds. All we seem to hear about is the industry funds average performances?”

Answer

- Members of AMP superannuation products have access to a range of resources and benefits, including:
- high-quality education, financial literacy and wellbeing programs
 - a range of education, information, tools and calculators for banking, investments, home loans and superannuation topics, available on our website amp.com.au
 - contemporary digital solutions, including My AMP and MyNorth. My AMP can help members manage their AMP super and broader finances, providing access to statements, reports, communications, and other tools
 - for the Super Directions Fund, access to intra-fund advice at no additional cost, including offers which address the critical needs of our members (such as our new retirement offer).

Question 45

About Defined Benefits

Example member question

- “I am a member of the National Mutual ex staff defined benefit scheme. Why have our superannuation funds been just put into a glorified bank account that earns a pittance? Isn’t this just laziness and an attempt to keep a lid on our superannuation balances that limit our pension payouts?”

Answer

The defined benefit and pension entitlements are determined based on the Plan Rules. The Plan Rules requires the pensions to be augmented annually with reference to the Weighted Average of the All Groups Consumer Price Index (CPI). This augmentation is subject to a maximum of 5.0% pa.

CATEGORY

PRODUCT FEATURES AND BENEFITS CONTINUED

Question 46

How do Defined Benefits work?

Example member question

➤ “how do defined benefits actually work”

Answer

A superannuation account which is based on a Defined Benefit design is one whereby the final benefit is based primarily on the length of service x salary (which is often an average over a set period of membership) x a specified accrual or earning rate. In comparison, most superannuation accounts are now based on an accumulation benefit, whereby the benefit is determined by the level of contributions and earnings, similar to a bank account concept. In a defined benefit arrangement, the employer bears the investment risk meaning they must contribute sufficient amounts to ensure that members defined benefits are fully funded. The level of contributions is determined by an independent Plan Actuary.

Please note that AMP defined benefits plans are not open to new members.

Question 47

What is AMP doing to react to ‘digital first’ start-ups that are not only cheaper but provide transparency and seamless flexibility in managing investments?

Example member question

➤ “What is AMP doing to react to “digital first” start ups that are not only cheaper but provide endless, easy, transparency, and seamless flexibility in managing investments.”

Answer

We are continually investing in our digital technology, and the features and functionality we offer you via our websites, My AMP app and North Online.

Learn more about the My AMP features at amp.com.au/superannuation/manage-your-super and North Online at northonline.com.au/about-north-online/north-online.

Question 48

Are there incentives provided to members to purchase AMP shares?

Example member question

➤ “Why not provide an incentive to current members to purchase shares in the company”

Answer

The Trustee of the funds does not incentivise members to invest in AMP shares. Members may invest in AMP shares indirectly when one of the underlying Australian equity managers used in our super fund invests in AMP shares.

CATEGORY	SUPER – FEES
Question 49	Are you able to provide a breakdown as to what the Administration Fee constitutes?
Example member question	<ul style="list-style-type: none"> ▶ “Are you able to provide a breakdown as to what the Administration Fee constitutes? I understand the Insurance Fee and Management Fee, however, the Admin Fee is equivalent or higher than the Management Fee.”
Answer	<p>An administration fee relates to the operation of the superannuation fund and includes costs that relate to the administration of your account.</p> <p>More information can be found in your Product Disclosure Statement (PDS) which can be found online amp.com.au/pds.</p>
Question 50	What has and is the Trustee doing to reduce the investment fees?
Example member question	<ul style="list-style-type: none"> ▶ “What portion of the fee reduction that Iliane mentioned, comes from the investment fees rather than just administration fees? What has the trustee board done to ensure this?”
Answer	<p>We passed on significant reductions to members across many of our products in 2019 and 2020.</p> <p>For the Super Directions Fund, this included investment fee reductions on generic AMP MySuper investment options and cash and term deposit options. We also passed on fee reductions to members resulting from the early termination of grandfathered remuneration.</p> <p>We’ll be looking to pass on more savings and benefits in 2021.</p> <p>Within the Wealth Fund, the Trustee does not have control over investment costs. Instead these are paid directly to the investment manager (such as AMP Capital).</p> <p>As Trustee Chair Tony Brain mentioned during the Annual Members’ Meeting, the Trustee’s improvement program has identified areas of key focus which includes lower fees.</p>

CATEGORY	INSURANCE
Question 51	What methods do you offer to pay insurance premiums?
Example member question	<ul style="list-style-type: none"> ➤ “Why can’t you make easier payment options for insurance premiums?”
Answer	<p>The methods to pay for insurance vary based on which product is held. We recommend contacting us to understand what options are available.</p> <p>Product specific contact details are available at amp.com.au/amm#call.</p>
Question 52	What are the benefits of having insurance inside super?
Example member question	<ul style="list-style-type: none"> ➤ “Should I get insurances under super or outside super? What are the insurances I should be getting?”
Answer	<p>Learn more about insurance and the different types of cover here: amp.com.au/superannuation/insurance-inside-super/insurance-basic/what-is-insurance.</p> <p>Many super plans include insurance as part of their offer. Insurance inside super can include death cover, total permanent disability cover and temporary salary continuance, or income protection cover.</p> <p>Information about insurance inside super, including tools and resources, are available through the Australian Government’s MoneySmart website here: moneysmart.gov.au/how-life-insurance-works/insurance-through-super. You can also learn more at amp.com.au/iis.</p>
Question 53	Is AMP exploring other insurance providers post the sale of AMP Life?
Example member question	<ul style="list-style-type: none"> ➤ “Are you exploring different insurance providers which provide better a better value proposition?”
Answer	<p>We place significant importance on the value of insurance and the benefits it provides our members, and nothing changes for our members as a result of selling AMP Life. Resolution Life, the new owner, will continue to manage pre-existing policies for members.</p> <p>As we’ve done previously for members of both funds, we’ll continue to partner with leading insurers to provide high quality, appropriately valued insurance cover.</p>

Question 54

Are income protection premiums tax deductible when paid through super?

Example member question

> “Is income protection insurance tax deductible if the premium is paid out of your super account?”

Answer

The Australian Taxation Office lets you claim the costs of your income protection premiums for policies taken out separately to superannuation (outside super). If you have income protection as part of your super package, the premium is not tax deductible. Learn more about insurance inside super at amp.com.au/iis.

Question 55

What is the Trustee doing to address high insurance premiums within super?

Some example questions we received from members

- > “Why have Resolution Life put the premiums up so significantly in recent months?”
- > “What’s the trustee doing about the high premiums that exist on AMP super accounts where it’s much cheaper to get insurance in other super funds for the same insurance, and what’s the Trustee doing about the weak product capability of organisation?”

Answer

We place significant importance on the value of insurance and benefits it provides our members. Insurance is reviewed regularly, in accordance with the insurance management framework to make sure we provide members with access to high quality, appropriately valued cover. A range of factors will impact an insurance premium.

Question 56

Why are insurance premiums for women higher than for men?

Example member question

> “Insurance for women is higher than men why and why not an average across all sexes so insurance is standard”

Answer

Insurance premiums are determined on an actuarial basis using a range of factors including gender, occupation, age, type and amount of cover. For more information on insurance inside your super refer to My AMP or your adviser. For more information on insurance premiums refer to amp.com.au/superannuation/insurance-inside-super/insurance-basic/stepped-insurance-premiums and amp.com.au/superannuation/insurance-inside-super/insurance-basic/level-insurance-premiums.

CATEGORY	NORTH PRODUCTS
Question 57	How are North investment decisions being made in response to COVID-19?
Some example questions we received from members	<ul style="list-style-type: none"> ➤ “The economic damage done by the covid virus has led to very low interest rates. How is North responding to this in the investment portfolios? Have you retained the traditional cash and fixed interest percentages or substituted with other investments to fill this gap? What sort of returns can retirees expect going forward?” ➤ “When the market is falling quickly, apart from those who enjoy a defensive strategy plan, what options and actions are available within North Superannuation for those with aggressive strategies to those wishing to halt the falling position and choose when to re-engage the investment strategy back into the market?”
Answer	<p>North offers a wide range of investment choices, including direct shares. This gives members the freedom to actively invest in options selected by the member and their financial adviser according to their needs, from life’s early stages all the way through to retirement.</p> <p>A key focus has been to strengthen our separately managed account offer – MyNorth Managed Portfolios, and this will continue in 2021.</p> <p>We recommend members speak to their financial adviser about which investments are right for them.</p>
Question 58	How is North performing against its relative peers?
Some example questions we received from members	<ul style="list-style-type: none"> ➤ “North online – how does it compare to other superannuation policies on the market?” ➤ “I’m a member of MyNorth, I would like to know current rate of growth (%) and projected future performance if possible?” ➤ “I would like to see a graph (or table) showing North returns compared to the top 10 superannuation fund returns in Australia. I want evidence that North is performing in the top quartile of funds in Australia?”
Answer	<p>North provides access to an extensive range of investments, with the performance varying in line with the nature of the investment type.</p> <p>Our objective through North is to provide investment choice across all asset classes and access to high-quality external fund managers, so members can tailor portfolios to their unique circumstances. Returns will vary across these investments. Our flagship MyNorth solution also offers the ability to invest directly in listed securities on the ASX.</p> <p>Continued over page ></p>

Question 58 continued

How is North performing against its relative peers?

Answer

MyNorth offers a diverse range of investment options including:

- low cost active and index funds
- managed funds
- managed portfolios
- term deposits, and
- direct shares and listed securities.

Members can log onto North Online at northonline.com.au at any time to see how their investments are performing.

We recommend members speak to their financial adviser about which investments are right for them.

Question 59

What is North Online and how can I access it?

Some example questions we received from members

- > “I use North Online and am aware that Statements and Correspondence is available there, however I never get notified when there is a new item available, sometimes it has been two months before I am aware of a new item and that is only because I look there for something else I am expecting. Can email notifications be set up when a new item is added?”
- > “It’s very difficult to make contact with My North”

Answer

MyNorth, North, ipac iAccess, Summit and Generations super and pension accounts can be accessed and managed through North Online at northonline.com.au. Members can log in to:

- keep track of their investment, super and retirement accounts in one place
- view their correspondence
- make deposits and contributions
- produce reports, like account summaries, when you they them, and
- access the latest product information and news.

For any questions about logging in to North Online, members can call the North Service Centre on 1800 667 841.

Question 60

Why do fees vary across AMP’s platforms?

Example member question

> “I am personally invested in North Super. I understand there is a MyNorth Super which is also administered by the same trustee. My understanding is MyNorth has more features and actually cost less than North. Why do North members pay more than MyNorth members but get less features? When is this getting rectified?”

Answer

We are committed to keeping our product solutions competitive and contemporary to meet the ever-changing needs of our clients, this includes pricing which is currently being reviewed. We will provide an update on this review shortly. In the meantime we recommend that you speak to your financial adviser about your current product so they can review your personal circumstances to ensure that the product is still appropriate in meeting your financial objectives.

Question 61

Can I access insurance in MyNorth Super?

Example member question

> “If my insurance is locked in an AMP Flex Super Fund why dont you make it more appealing to fund this by a MyNorth Fund for access to a better invest low cost menue”

Answer

The insurance available through AMP Flexible Super is not available through MyNorth, but insurance cover is available to members of MyNorth Super and Pension from a number of insurers. Please refer to each insurer’s PDS for more information at northonline.com.au/mynorth and speak to your financial adviser if you wish to amend or add insurance to your North account.

Question 62

Why do I get a new Pension account number every time there is a rollover through the MyNorth platform?

Example member question

> “Hi, Why do I get a new Pension account number every time there is a rollover or some major through the My North platform”

Answer

It is not possible to contribute a further rollover or any other amount to a pension that has already commenced. Therefore, an additional or new pension with a new account number is required to be set up for any new pension amounts received.

Question 63

Why do the balance of my accounts differ on the two websites AMP and MyNorth?

Example member question

> “Why do the balance of my accounts differ on the two websites AMP and MyNorth. The MyNorth balance is apparently the correct one. Why can’t this automatically update on the AMP website?”

Answer

MyNorth accounts are administered on the North platform and up to date information is available anytime by logging into North Online. In addition to accessing your account on North Online you can view your AMP consolidated details, including your North account(s), at My AMP. North information on My AMP is generally as at the close of the previous business day when the information is made available.

Question 64

What is the security procedure on a withdrawal request made to a different bank account that is not held by North?

Example member question

> “Please explain Norths security procedure on a withdrawal request made to a different bank account that is not held by North.”

Answer

At North we’re very serious about protecting your money. All withdrawals go through verification and in some cases, we may need to contact you by phone or SMS to verify the validity of a request.

CATEGORY	OVERSEAS CLIENTS
Question 65	How can members living overseas contribute to, and access their super?
Some example questions we received from members	<ul style="list-style-type: none"> > “I’m 52. What support can I expect if I rerun [return] to the UK to help my elderly parents and disabled brother?” > “How can I get the funds back (because I’m not in Australia anymore...)?” > “What happens to my super if I am living overseas. Can I move my super to a UK pension account?”
Answer	<p>You can learn about the implications for super when living overseas here: amp.com.au/superannuation/managing-super/what-happens-to-my-super-when-i-move-overseas.</p> <p>You generally can’t access your super until retirement, there are some specific circumstances where the law allows you to draw on your super early. Learn more here: amp.com.au/superannuation/accessing-your-super-early.</p>

CATEGORY	LEGISLATIVE CHANGES
Question 66	Where can I find details of Division 293 Tax and Excess Super Contribution charges?
Example member question	<ul style="list-style-type: none"> ➤ “Details of Division 293 Tax and Excess Super Contribution charges”
Answer	<p>For more information, on Division 293, please refer to the ATO website. Or refer to the information at the following link: amp.com.au/superannuation/super-basics/tax-on-super.</p>
Question 67	What is AMP’s view on consistency of government policy on superannuation?
Example member question	<ul style="list-style-type: none"> ➤ “What is the panel’s view on consistency of government policy on superannuation in the future especially as members plan their retirement and finances leading up to it?”
Answer	<p>AMP supports the policy objective of improving members’ superannuation and retirement outcomes. At the same time, stability in the superannuation system and related reforms is important to improve members’ engagement with their superannuation and their confidence about future retirement outcomes. There has been much discussion about the superannuation guarantee and a possible change to the legislated increase to 12 per cent. We have been a long-term supporter of the increase because we believe it supports better retirement outcomes for our members. However, we also recognise it’s been a highly unusual period and can understand why it is being given careful consideration at the moment. As policy is developed, we will share this information with our members to help you understand the changes.</p>

Question 68

As per the current design and distribution obligations going live in October 2021, is AMP going to review the current client base per product and determine if they are in the correct target market and advise the members accordingly?

Example member question

➤ “As per the current design and distribution obligations going live in October 2021, is AMP going to review the current client base per product and determine if they are in the correct target market and advise the members accordingly?”

Answer

Yes, the design and distribution obligations are intended to help consumers obtain appropriate financial products by requiring issuers and distributors to have a consumer-centric approach to designing and distributing products. The obligations require an issuer of financial products to (among other things) consider the design of its product (including its key attributes) and to determine an appropriate target market for the product, including whether one exists. That is, whether there is a class of consumers for whom the product, including its key attributes, would likely be consistent with their likely objectives, financial situation and needs. If an appropriate target market cannot be identified for a product, an issuer will not be able to offer the product. An issuer is required to do this for all financial products launched on or after 5 October 2021, and all existing financial products that continue to be issued to consumers on or after that date.

CATEGORY	AMP – GENERAL
Question 69	How does AMP provide a single view of members' wealth?
Example member question	<ul style="list-style-type: none"> ▶ “Will AMP revisit the ONE pane of Glass strategy to provide the one stop point for members wealth.”
Answer	<p>My AMP is our digital solution for members to access their personal data and super fund information online. It's available via desktop or through our app on iPad, iPhone or Android mobile.</p> <p>My AMP provides members with a whole of wealth picture – a bit like a personal balance sheet. This is delivered through a simple, intuitive functionality. The wealth dashboard allows members to add non-AMP products including investments and external bank accounts. These external accounts are updated daily, including previous day transactions and can be refreshed at any time to display real-time values, giving the member an accurate and true whole of wealth position.</p> <p>Also, My AMP allows users to take control of their cashflow through an innovative budgeting tool where they can set up, track and manage their budget.</p> <p>Members who hold a <i>PortfolioCare</i> or <i>WealthView</i> product please note these do not automatically link in My AMP.</p> <p>Bank accounts and investments such as individual ASX listed share holdings and Australian managed funds are also updated daily, using the latest share or unit price.</p>
Question 70	Does AMP have plans to appoint a Chief Technology Officer and a Chief Information Officer?
Example member question	<ul style="list-style-type: none"> ▶ “When will a CTO and CIO be appointed?”
Answer	<p>We have strong investment management and technology capability across both AMP Australia and AMP Capital's leadership teams.</p> <p>For more information about who we are, what we do and our management team and functions, please refer to corporate.amp.com.au/about-amp/board-and-management/amp-management.</p>

Question 71

Other financial services organisations have had to pay significant amount of remediation. Is AMP in the same situation?

Example member question

➤ “recently [another super provider] paid out significant \$ for taking more fees than they should. Is AMP in the same position?”

Answer

ASIC requested that AMP, the major banks and IOOF conduct a lookback (review) programme for both Quality of Advice and Fees for No Service.

At 31 December 2020, we were more than 80% complete in our remediation program, reviewing potential inappropriate advice and Fees for No Service. To date we’ve remediated clients across superannuation, pension and investments almost \$80m in relation to the Fees for No Service review and we expect significant remediation payments to continue through to the middle of 2021.

CATEGORY	AMP ORGANISATIONAL PERFORMANCE
Question 72	What's the future of AMP and what are performance expectations for the next 5-10 years?
Some example questions we received from members	<ul style="list-style-type: none"> ➤ “There has been much said about AMP’s viability for many years now, what is AMP’s future and can it be affecting best practice strength and advice?” ➤ “AMP performance expectations outlook in the next 5 years” ➤ “What is the outlook for the next few years?” ➤ “How is AMP going to pivot to the economy recovery and bring the most value to the client?” ➤ “How is the future of AMP looking through these unprecedented times.”
Answer	<p>In 2019, we announced a three-year transformation strategy to become a simpler, client-led, growth-oriented business. Significant progress has been made with this strategy, including the simplification of our superannuation business. The benefits of this will be returned to our members in a number of ways, including:</p> <ul style="list-style-type: none"> – more fit-for-purpose products and stronger investment capabilities, which appropriately consider investment risks by member groups – reduced costs as a result of increased scale and operational efficiencies – focused and targeted member engagement programs to make sure members understand their retirement products and are on track to meet their retirement living needs, and – stronger risk management and governance to protect members against operational risks. <p>More details about our transformation strategy and outlook are available in our 2020 Annual Report, available here: corporate.amp.com.au/shareholder-centre/results-reporting/reports</p>
Question 73	What's AMP doing to protect itself and its members from cyber threats and is there a dedicated team?
Example member question	<ul style="list-style-type: none"> ➤ “How confident are you regarding protection against cyber attacks?”
Answer	<p>We treat cyber risk as a crucial business risk and continuously review the adequacy of our cyber risk management activities in line with industry trends, emerging threats and risk appetite.</p> <p>We also maintain a robust cyber-security framework to maintain confidentiality, availability and integrity of all sensitive corporate and customer data.</p>

Question 74

What has been the retention rate of AMP super clients?

Example member question

➤ “Has AMP super lost customers? If so why and what value (\$) have those customers removed from AMP Super?”

Answer

Our Australian wealth management business remains resilient, with assets under management increasing 9% to A\$124.1 billion as at 31 December 2020.

While we’ve seen some reduction in member numbers, these are mostly attributed to the Protecting Your Super legislation (where inactive low balance accounts were transferred to the Australian Taxation Office), early release of super scheme (in response to COVID pressures on Australians’ finances) and the expected exit of corporate super mandates as part of their periodic review.

Question 75

If the sale of AMP goes through, how will it affect my products?

Some example questions we received from members

- > “How will a takeover of AMP affect super.”
- > “If AMP is taken over in 2021, maybe, how will that affect my products?”
- > “How will the takeover bid from Ares impact on our Superannuation?”
- > “what happens if AMP is sold to another financial institution?”
- > “is AMP being sold to a non Australian company and how will that affect us?”

Answer

Your super balance is managed through a trust that is legally distinct and separate from AMP. The nature of this structure means member funds are not linked to the performance of AMP group.

Nonetheless, we are a financially secure business, with surplus capital well above regulatory capital requirements. We also recently confirmed our commitment to delivering the transformation strategy for the AMP Australia business.

More information about AMP’s business strategy is included in the 2020 Annual Report found here:

corporate.amp.com.au/content/dam/corporate/shareholdercentre/files/reports/2021/MARCH/210310 AMP Annual Report.pdf.

CATEGORY	AMP – SHARE PRICE
Question 76	Does AMP super invest in AMP shares?
Example member question	> “Does the AMP Superannuation Fund invest in AMP shares?”
Answer	<p>Our members can invest in Australian equity options via one of more than a dozen investment managers or, for select products in the Wealth Fund, members can choose to invest in individual shares in the S&P/ASX 300.</p> <p>Australian equity investment managers used in our diversified investment options, such as AMP MySuper investment options or Future Directions range of options, may choose to invest in AMP Limited, which is the only time a member’s super would be impacted by AMP’s financial performance.</p>

CATEGORY	ADVICE – SERVICE
Question 77	Are AMP advisers required to recommend AMP super products?
Example member question	<ul style="list-style-type: none"> ➤ “To what degree is a financial advisor wedded to AMP financial products when independent advice is what the client is requesting – transparency seems to get buried in the fine print.”
Answer	<p>No. Advisers must always act and make recommendations in the best interests of the client.</p> <p>Like many licensees, we maintain an approved product list (APL) that contains AMP and non-AMP products for advisers to consider when investigating products. The products on the APL are periodically reviewed by our investment research team and benchmarked against similar products in the market to establish how competitive they are.</p> <p>If appropriate for the client’s needs, an adviser can also recommend a product which is not on the approved product list, subject to it being reviewed and approved by the investment research team. The purpose of the research team’s review is to make sure the proposed product is validated and there are no known investment concerns. The research team’s review doesn’t replace the adviser’s duty to act and make recommendations in the best interests of the client.</p>
Question 78	How do I receive help and advice about my superannuation when my AMP adviser is no longer practising?
Example member question	<ul style="list-style-type: none"> ➤ “What happens when your financial Adviser leaves AMP products and banned from contacting the client about it until you found out by chance?”
Answer	<p>For members who would like an adviser, we offer both phone-based and face-to-face financial advice. Information about these can be found on our website.</p> <p>Members can also use a search function to find a financial adviser if they’d prefer to meet with one. Some options include:</p> <ul style="list-style-type: none"> – contacting our client service centre and requesting information about an AMP-aligned financial adviser – using the find an adviser search function on amp.com.au, or – visiting the Financial Planning Association (FPA) website and using their search functionality. <p>Alternatively, members can talk to us directly, by going to the AMP website at amp.com.au/contact-us.</p>

Question 79

Can members deal with AMP directly about their superannuation instead of through a financial adviser, and what services are available?

Some example questions we received from members

- > “can i deal with AMP direct or must i go through a fin adv[iser]”
- > “Does AMP offer any (free) Financial Planning advice and consultation for their members?”
- > “I’m thinking of retiring soon and am worried whether I have enough Super. How can AMP help me, without me paying a financial planner?”

Answer

Super Directions Fund members can deal directly with us. For example, members can receive help through our free phone-based intra-fund advice service, allowing members to take greater control of their super, including any insurance they have. Visit amp.com.au for contact details and options.

Members, and their family and friends can also access our education webinars, providing valuable support, particularly through COVID-19. Access them here: amp.com.au/support/COVID-19/webinars.

Products in the Wealth Fund require an adviser to set up and service a super or pension account on a member’s behalf. For current members our team can help with:

- technical support for the North Online and Investor *Online* websites
- basic product information, and
- transactions, administration and account maintenance.

If a member’s needs are more complex, we can also help them find a financial adviser in their area.

Question 80

How do I access a financial adviser and what are the benefits of having one?

Some example questions we received from members

- > “What is the risk of not having financial advisers on an annual basis? Will it more effective of the saving money? or alternatively how do anyone justify the payment bring results?”
- > “How do I go about getting to speak to someone to find out how my super is tracking and what I can do to improve my out comes.”
- > “How do we access the scalable advice services?”

Answer

We have advisers across Australia, to find one near you visit amp.com.au/contact-us. Face-to-face financial advice provides quality financial advice and services based on your current objectives, financial situation and future needs.

We also offer a range of advice options from general to personal advice and a host of services that include, but are not limited to: understanding your options for approaching, transitioning to and post retirement, financial wellness and financial health checks. This can be done at your convenience, with our friendly and qualified staff over the phone, online or in person (where available).

Phone-based advice provides the flexibility to speak with an adviser Monday to Friday, at a time that suits you, whatever your life stage. As part of the phone-based advice, members of the Super Directions Fund can make use of the free phone-based intra-fund advice service. This allows them to take greater control of their super, including any insurance they have. The phone-based advice team can also provide access to specific advice services at scale.

Question 81

Why has AMP terminated some advisers?

Example member question

- > “why are you getting rid of my adviser and now passing me onto your telephone based advice service. I was happy with my adviser”

Answer

The financial advice industry is experiencing significant disruption and we’re evolving our advice business to make sure it’s sustainable and can continue to provide high-quality, professional advice. This is resulting in advisers leaving the AMP network. We’re providing support to advisers as they transition.

We appreciate that this transition is going to involve change for our members, and we’re committed to helping them via our phone-based advice service.

Phone-based advice provides the flexibility to speak with an adviser Monday to Friday, at a time that suits you, whatever your life stage. As part of the phone-based advice, members of the Super Directions Fund can make use of the free phone-based intra-fund advice service. This allows them to take greater control of their super, including any insurance they have. The phone-based advice team can also provide access to specific advice services at scale.

Question 82

How are AMP advisers remunerated?

Example member question

➤ “In all forms from financial advisers state we may get a commission (kick back) from a another party. Instead of we do get commission (kick back) from, another party”

Answer

Information about how financial advisers charge for their services is outlined in their Financial Services and Credit Guide (FSCG). The actual fee charged to their clients will depend on the nature of the advice or service being provided. Advisers will discuss and agree the actual fees before proceeding with their advice.

The fees charged for advice and services may be based on a combination of a set dollar amount and a percentage-based fee. The agreed advice and service fees may include charges for initial advice and ongoing or annual advice and services.

Commissions may be paid to the adviser by the product provider for services relating to: insurance, banking deposit products and some loan products.

CATEGORY	AMM LOGISTICS
Question 83	I couldn't make the Annual Members' Meeting but would like to listen to it. Where can I access it?
Example member question	<ul style="list-style-type: none"> ➤ “Dear AMP, mostly likely I’ll be on road during scheduled time, but love to hear the discussion. Will recording be available post meeting?”
Answer	For members who couldn't attend the live AMM session, a recording of the meeting and Q&A is available at amp.com.au/amm .

In this document:

‘Our/we’ means AMP group entities which may include AWM Services, AMP Capital, NMMT Limited, N.M. Super

‘N.M. Super’ or ‘Trustee’ means N.M. Superannuation Proprietary Limited (ABN 31 008 428 322, AFSL No. 234654)

‘AMP Capital’ means AMP Capital Investors Limited (ABN 59 001 777 591, AFSL No. 232497)

‘AMP Limited’ means AMP Limited (ABN 49 079 354 519)

‘AMP Life’ means AMP Life Limited (ABN 84 079 300 379, AFSL No. 233671) and is part of the Resolution Life Group

‘AWM Services’ means AWM Services Pty Ltd (ABN 15 139 353 496, AFSL No. 366121)

‘NMMT Limited’ means NMMT Limited (ABN 42 058 835 573, AFSL No. 234653)

What you need to know

This document is issued by N.M. Superannuation Proprietary Limited ABN 31 008 428 322, AFS Licence No. 234654 (N.M. Super) as trustee of the Super Directions Fund ABN 78 421 957 449 / Wealth Personal Superannuation and Pension Fund ABN 92 381 911 598. N.M. Super is part of the AMP group (AMP).

Any advice and information provided is general in nature, hasn't taken your circumstances into account, and is provided by N.M. Super. Before deciding what's right for you, it's important to consider your personal circumstances and read the relevant Product Disclosure Statement or Terms and Conditions available from AMP at amp.com.au or by calling 131 267. For North products call 1800 667 841. For *PortfolioCare* products, call 1800 646 234 or WealthView products call 1800 006 230.

Insights provided by individuals such as Shane Oliver, AMP Capital's Chief Economist represent the personal views and opinions of these individuals only and do not necessarily reflect the views of AMP. Although the information is from sources considered reliable as at the date of publication, AMP doesn't guarantee that it's accurate or complete.

Past performance is not a reliable indicator of future performance. The value of investments may go up or down and you may not get back the amount you invested. Taxation issues are complex. You should seek professional advice before deciding to act on any information. No company in the AMP group guarantees the performance of any fund, or the return of an investor's capital. Except where liability under any statute can't be excluded, AMP doesn't accept any liability for any resulting loss or damage to the reader or any other person.

SignatureSuper, CustomSuper and AMP Flexible Super are registered trademarks of AMP Limited ABN 49 079 354 519. MyNorth, North, Summit and Generations are registered trademarks of NMMT Limited ABN 42 058 835 573. ipac iAccess is a trademark registered of ipac asset management limited ABN 22 003 257 225. AMP Advice is a registered trademark of AMP Limited, licensed to ipac securities limited ABN 30 008 587 595.