

Annual report

For the financial year ending 30 June 2019
AMP Superannuation Savings Trust

SignatureSuper®
SignatureSuper Select
SignatureSuper Allocated Pension
CustomSuper®
SuperLeader®
Flexible Lifetime® – Super
Flexible Lifetime – Allocated Pension
Flexible Lifetime – Term Pension
AMP Flexible Income Plan
AMP MultiFund Flexible Income Plan
Investment Linked Superannuation Plan
Investment Linked Personal Superannuation Plan
Investment Linked Personal Superannuation Bond
Personal Superannuation Plan
Portfolio Plan
AMP Super Rollover Plan – Personal Superannuation Bond
AMP MultiFund Superannuation Bond
AMPAK Personal Superannuation Plan
Investment Account Superannuation Bond
Whole of Life
Endowment
Flexible Lifetime – Protection (Superannuation)
Term Life Insurance Superannuation
Yearly Renewable Term
Guaranteed Super Pension
AMP Retirement Savings Account

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This document is issued by AMP Superannuation Limited ABN 31 008 414 104, AFS Licence No. 233060, the trustee of the AMP Superannuation Savings Trust ABN 76 514 770 399. MySuper Authorised 76514770399177.

Welcome from the Chairman



I'm pleased to present AMP Superannuation Limited's annual report for the year ended 30 June 2019.

I joined the board of AMP Superannuation Limited (Trustee Board) in September 2018 and stepped into the role of Chairman in May 2019.

I accepted the role because I believe that we have an important role to play in the financial wellbeing of our members. I acknowledge that it has been a challenging year with significant public and regulatory scrutiny, but I want to assure you the Trustee Board is focused on meeting the expectations you had when you joined the fund.

Our renewed approach

The Trustee Board, along with AMP, are focusing on changing and improving through a number of areas, including:

- maintaining an autonomous and effective trustee
- producing sustainable outcomes for members
- delivering competitive investment returns
- developing successful and appropriate strategic partnerships.

We've recently appointed two highly accomplished directors Catherine McDowell and Stephen Roberts and intend to expand the Board from four to seven people.

And I extend my personal thanks to the retiring directors Louise Dudley, Cathy Doyle, and in particular the previous Chair Rick Allert, for their commitment and service.

Your feedback is welcome

Thank you for choosing AMP to help you achieve your financial goals. Keep reading to find more information on fund performance and management, recent superannuation and industry developments and an outlook on local and international markets.

If you have any questions about your super account please contact us on 131 267 Monday to Friday 8.30am to 7.00pm (Sydney time).

Tony Brain

Interim Chair, AMP Superannuation Limited

Important information

For information on significant changes to SignatureSuper, SignatureSuper Select, SignatureSuper Allocated Pension, CustomSuper, SuperLeader, Flexible Lifetime – Super, Flexible Lifetime – Allocated Pension and Flexible Lifetime – Term Pension that may impact your plan, please refer to the 2019 annual product update for your product, which you received from us. This is also available online at amp.com.au/edocs.

This annual report applies to all members of the AMP Superannuation Savings Trust.

Additional information, which forms part of this annual report, has been prepared for members of some employer plans. If your plan requires that you receive this additional information, it will be sent to you with your annual product update.

In this annual report unless specified otherwise:

- ‘AMP Bank’ means AMP Bank Limited (ABN 15 081 596 009, AFSL No. 234517)
- ‘AMP Capital’ means AMP Capital Investors Limited (ABN 59 001 777 591, AFSL No. 232497)
- ‘AMP Life’ means AMP Life Limited (ABN 84 079 300 379, AFSL No. 233671)
- ‘we’, ‘us’, ‘our’ and ‘the trustee’ mean AMP Superannuation Limited
- ‘you’, ‘your’ refers to the member of the plan or holder of the account
- ‘fund’ means the AMP Superannuation Savings Trust
- ‘plan’ refers to your plan or your account in the fund.

This annual report is issued by AMP Superannuation Limited, a wholly-owned subsidiary of AMP Life.

No other company in the AMP group nor any of the investment managers of the investment options:

- is responsible for any statements or representations made in this annual report, or
- guarantees the performance of the trustee’s obligations to members nor assumes any liability to members in connection with the fund.

Neither the trustee, any other company in the AMP group or any of the investment managers of the investment options guarantees the performance of the fund or the investment options or any particular rate of return. The repayment of capital is not guaranteed, unless expressly stated.

This annual report does not take into account your financial situation, objectives or needs. Therefore, it is important you consider the appropriateness of this information having regard to these matters before making any investment decision based on the information contained in this annual report.

We recommend that any person seeking to rely on this information obtains independent advice.

If there is a question over how the fund should operate, we will look to the governing rules in the trust deed and the terms set out in the life policy document. The rules set out in these documents will take precedence over all other representations concerning the fund. If you have a complaint about any aspect of your plan, our internal and external dispute resolution processes are detailed in the **Other information** section later in this report.

The year in review section is prepared based on information provided by AMP Capital. While care has been taken in the preparation of this section, AMP Capital makes no representation or warranty as to the accuracy or completeness of any statement in it, including without limitation, any forecasts. Past performance is not a reliable indicator of future performance.

The policy committee section in this annual report should be read together with the policy committee information in your 2019 annual member statement (if applicable).

Changes to personal details

Please let us know of any changes or corrections to your personal details. You can do this by logging into **My AMP** or calling us on 131 267 Monday to Friday 8.30am to 7.00pm (Sydney time).

Providing your tax file number

We are unable to accept your personal contributions (including spouse contributions made for you) if we do not have a record of your tax file number (TFN).

Also, no-TFN tax of 32% will apply to employer contributions (including salary sacrifice contributions) if we do not have your TFN. No-TFN tax is calculated and deducted at the earlier of 30 June each year and when you leave your plan. No-TFN tax may be refunded if you provide us with your TFN within four financial years from when the contribution is made.

Your latest annual member statement will show if you have supplied your TFN. If you haven’t given us your TFN, you can simply let us know by:

Email: askamp@amp.com.au

Phone: 131 267 Monday to Friday 8.30am to 7.00pm (Sydney time).

Information within this annual report covers a number of different products held within the fund. Those products are listed on the front page. Please refer to your 2019 annual member statement if you are unsure about which product you hold. If you have any queries regarding this please contact us on 131 267.

Super fund information

The trustee

AMP Superannuation Limited (ASL) is the trustee of the fund and is a wholly-owned subsidiary of AMP Life¹.

The trustee has been granted a licence by the Australian Prudential Regulation Authority (APRA) to act as trustee of the fund.

The trustee:

- is responsible for all aspects of the operation of the fund
- is responsible for ensuring that the fund is properly administered in accordance with the trust deed and policy documents, and
- ensures that the fund complies with relevant legislation, that all members' benefits are calculated correctly and that members are kept informed of the operations of the fund.

The trustee may amend the trust deed of the fund following changes to the law or to introduce new features. The trustee can only amend the trust deed of the fund with the consent of AMP Life.

For a copy of the trust deed of the fund please contact us, or download from amp.com.au/trustee-information.

The board of directors

The directors of AMP Superannuation Limited (ASL) are also directors of N.M. Superannuation Proprietary Limited, which is another superannuation trustee and also part of the AMP group. The boards of each trustee maintain a framework for the management of conflicts of interest and conflicts of duties, which is documented in the **Conflicts Management Policy**. The framework provides for the identification, recording, management and monitoring of conflicts in accordance with applicable laws and regulations. The directors during the fund's financial year were:

Rick Allert (AO), Independent Non-Executive Chairman FCA

Louise Dudley, Independent Non-Executive Director BCom, CA, GAICD

Darryl Mackay, Non-Executive Director BSc, FIAA, MAICD

Tony Brain, Interim Chairman B Com, CAANZ, ASFA Certificate IV Superannuation, GAICD, FAIST

Cathy Doyle, Independent Non-Executive Director B SocSc, Grad Dip Psy, Grad Dip VET, MBA, GAICD, GAIST, Cert Governance.

AMP Superannuation Limited – Board meeting attendance 12 months to 30 June 2019

	Held while a member	Attended while a member
Rick Allert (retired 09/05/2019)	20	20
Louise Dudley (retired 14/06/2019)	24	23
Darryl Mackay	25	25
Tony Brain	21	21
Cathy Doyle	20	20

More information on the trustee, including profiles of the directors and governing policies, is available at amp.com.au/trusteedetails.

The fund

AMP Superannuation Savings Trust (ABN 76 514 770 399) (the fund) is registered with APRA and is a resident regulated superannuation fund within the meaning of the Superannuation Industry (Supervision) (SIS) Act. The fund is a complying superannuation fund for the purposes of the Income Tax Assessment Act, constituted under a deed dated 1 July 1998 (as amended) (AMP Superannuation Savings Trust, Trust Deed).

It is authorised to offer a MySuper product which can be accessed via SignatureSuper, Flexible Lifetime - Super, CustomSuper, SuperLeader and SignatureSuper Select. MySuper was introduced by the Australian government to provide a low cost and simple superannuation for members who are not actively engaged in their superannuation and have not chosen an investment option.

The fund can accept transfers and rollovers as permitted by the trust deed and rules of the AMP Superannuation Savings Trust. Upon receipt of any transfers and rollovers, we will maintain and preserve the benefits in the fund to the extent required by the SIS Act and Regulations.

The trust deed of the AMP Superannuation Savings Trust complies with the preservation and portability standards imposed on complying superannuation funds under the SIS Act and Regulations.

The trustee also maintains indemnity insurance for protection against losses that may occur as a result of a claim against it for breach of professional duty.

1 In July 2019, the ownership of AMP Superannuation changed to AMP Wealth Management Holdings Pty Ltd, which is a member of the AMP group.

Amendments to the trust deed

The trustee may amend the trust deed of the fund following changes to the law or to introduce new features. The AMP Superannuation Savings Trust trust deed has been amended effective 10 September 2018 with the change in **bold** below:

When will my binding or non-lapsing nomination be treated as a non-binding nomination?

We will automatically treat your nomination as though it was a non-binding nomination if:

-
- you and/or your witnesses don't sign or complete the binding nomination, or non-lapsing nomination correctly
 - you have a binding nomination and three years have passed from the date you signed the binding nomination form (you will need to reconfirm your nomination every three years if you want to continue to have a binding nomination)
 - any nominated beneficiary dies before you die
 - any nominated beneficiary (other than the legal personal representative) is not a dependant at the date of your death
 - your relationship changes after signing the binding nomination form or the non-lapsing nomination form, eg you get married (**unless you marry your nominated de facto**), enter into a de facto relationship, get divorced or your de facto relationship ends.
-

The relationship between the trustee and other service providers

From time to time, the trustee may engage companies in and outside the AMP group to provide services in relation to the fund. The trustee may change these service providers at any time without notifying you.

Companies in the AMP group are related to 'us'.

AMP Life

All contributions we receive and all of the fund's assets are invested in life policies issued to the trustee by AMP Life, backed by the AMP No.1 and No.2 Statutory Funds. AMP Life invests contributions received with AMP Bank, managed investment schemes operated by companies related to AMP Capital, or managed investment schemes outside the AMP group.

Some SignatureSuper employer plans, have life policies issued by other registered insurers.

AMP Capital

AMP Capital is the investment manager appointed by AMP Life under an investment management agreement with AMP Life and is a subsidiary of AMP Limited, and therefore is a company related to us.

The responsible entities of some managed investment schemes include AMP Capital Funds Management Ltd and ipac Asset Management Ltd. These companies are subsidiaries of AMP Limited and are therefore companies related to us.

AMP Bank

The AMP Super Cash and AMP Term Deposits (which are available under some plans) invest in banking products issued by AMP Bank Limited, trading as AMP Bank. AMP Bank manufactures, distributes and services lending products to retail customers and deposit accounts to both retail and wholesale customers. AMP Bank is a subsidiary of AMP Limited and therefore is a company related to us.

AMP Capital and AMP Bank

AMP Capital and AMP Bank have only been involved in preparing sections that apply to them.

Financial information

Detailed financial information is not included in this annual report as the benefits paid to members are wholly determined by reference to life policies.

The value of total fund assets at 30 June 2019 was \$55,494,936,000.

We expect the audited accounts and auditor's report for the fund for the financial year ending 30 June 2019 to be available after 1 October 2019.

You can obtain a copy of these documents after this date by calling us on 131 267 Monday to Friday 8.30am to 7.00pm (Sydney time).

The assets of the fund (except for reserves and certain amounts – such as provisions for tax – which are set aside to meet the expenses) are fully allocated to the plans of members and participating employers.

Our liability to pay benefits to members (except defined benefit members) is always equal to (or less than), the assets allocated to their plans.

At the date of preparation of this report, we do not have any information that leads us to believe there has been any material change in the financial position of the fund over the reporting period for the financial year ending 30 June 2019.

Reserves

Additional information, which forms part of this annual report, has been prepared for members of some employer plans. If your plan requires that you receive this additional information, it will be sent to you.

General Purpose Reserve

A reserve was established in the fund as a result of the demutualisation of the AMP Society. The reserve, known as the General Purpose Reserve, may be used by the trustee for various expenses incurred in the administration, operation or management of the fund.

The General Purpose Reserve is invested in life policies owned by the trustee and issued by AMP Life. The following table indicates the approximate closing balances of the reserve for the financial years ending 30 June.

Closing balance as at 30 June each year				
2015	2016	2017	2018	2019
\$4,383,000	\$2,678,000	\$326,000	\$455,000	\$353,000

Policy Committee Expense Reserve

The Anglican National Super plan has a Policy Committee Expense Reserve (PCER) which has been set up to meet certain expenses (allowable by superannuation law) as agreed between the Policy Committee and the trustee. The PCER account balance will change with the addition of investment earnings. Investment earnings for the PCER Account are realised on 31 December each year. The PCER Account is held in the AMP Cash Plus Option. The balance of the PCER account for the plan is:

Closing balance as at 30 June each year				
2015	2016	2017	2018	2019
\$60,818.59	\$54,816.97	\$45,933.40	\$33,561.06	\$33,470.28

The auditor

The trustee has appointed Ernst & Young as auditor of the fund.

Super news

Update on government legislation

Please be advised that while the following updates are as a result of changes to superannuation and taxation law, not all are available or applicable to all products. For more information, please contact your financial adviser or AMP.

Changes to personal income tax rates

The government previously announced and legislated tax cuts in the 2018 budget. In the 2019 budget, the government proposed a combination of changes to tax offsets, marginal rates and income tax brackets, which have become law.

For the 2018/19 to 2021/22 financial years (inclusive), tax payable by low to middle income earners will reduce by up to \$1,080 (up from the \$530 in the 2018 federal budget), when compared to the 2017/18 financial year.

Further changes have been legislated to reduce tax payable by individuals from 1 July 2022 as outlined in the table below.

Marginal tax rate (%) ⁽ⁱ⁾	Thresholds - income range from 1 July 2018 (\$)	Thresholds - income range from 1 July 2022 (\$)
0	0 – 18,200	0 – 18,200
19	18,201 – 37,000	18,201 – 45,000
32.5	37,001 – 90,000	45,001 – 120,000
37	90,001 – 180,000	120,001 – 180,000
45	>180,000	>180,000
Low and middle income tax offset	Up to 1,080	n/a
Low income tax offset	Up to 445	Up to 700

(i) Excluding 2% Medicare Levy

Additional changes to tax rates have been legislated from 1 July 2024 onwards. For further information see ato.gov.au.

Superannuation Guarantee (SG) rate – no change

The SG rate will remain at 9.5% until 30 June 2021, and will then increase by 0.5% each year until it reaches 12% from 1 July 2025.

Super thresholds for the 2019/20 financial year

The following super and taxation threshold amounts apply during the 2019/20 financial year.

Threshold	From 1 July 2019
Standard concessional contributions cap (per annum)	\$25,000
Non-concessional contributions cap	
– Standard (per annum) ⁽ⁱ⁾	\$100,000
– Bring forward (over 3 years) before age 65 ⁽ⁱⁱ⁾	\$300,000
SG maximum contribution base (per quarter)	\$55,270
Government co-contributions⁽ⁱⁱⁱ⁾ (per annum)	
– Lower income threshold	\$38,564
– Higher income threshold	\$53,564
Tax free part of genuine redundancy and approved early retirement scheme payments (per payment)	
– Base limit	\$10,638
– Plus for each completed year of service	\$5,320
Low rate cap amount (lifetime limit)	\$210,000
(previously known as post June 1983 low tax threshold) Applies to the taxable component of taxed super fund benefits for members from preservation age to age 59	
Untaxed plan cap amount	\$1,515,000
Applies to the taxable component of untaxed super fund benefits	
Employment termination payment cap (ETP) (per annum)	\$210,000
Capital gains tax (CGT) cap amount (lifetime limit)	\$1,515,000
Transfer balance cap	\$1,600,000
Defined Benefit income cap	\$100,000
Maximum adjusted taxable income for the full government low income super tax offset (LISTO)	\$37,000

(i) The cap is nil for members with a total superannuation balance of over \$1.6 million (at 30 June of the year before making the contribution).

(ii) There are restrictions on the ability to trigger bring forward rules for certain people with total superannuation balances of more than \$1.4 million (at 30 June of the year before making the contribution).

(iii) The maximum entitlement remains at \$500 and applies where at least \$1,000 non-concessional contributions have been made in the financial year and the person does not exceed the lower income threshold.

Contributing to super after you're 65

To contribute to super between the ages of 65 and 74 you must generally meet gainful employment requirements (more commonly known as the work test) or you qualify for the work test exemption (which applies from 1 July 2019).

You are gainfully employed if, at the time of the contribution, you have worked for gain or reward for at least 40 hours within a period of 30 consecutive days in that financial year.

You meet the requirements of the work test exemption if you satisfy the following conditions:

- You aren't gainfully employed in the financial year you make the contribution, and
- You were gainfully employed in the previous financial year, and
- Your total super balance was below \$300,000 on 30 June of the previous financial year, and
- You have not previously made contributions to super under the work test exemption.

Unused concessional contributions carry forward

The 2019/20 financial year is the first year you can carry forward unused concessional contributions accrued from the 2018/19 financial year if you have a total superannuation balance of less than \$500,000 on 30 June 2019.

If your superannuation fund(s) received less than \$25,000 in concessional contributions in 2018/19, you can effectively carry forward the difference to increase your concessional contributions cap in 2019/20, providing your total superannuation balance on 30 June 2019 was below \$500,000.

Removal of exit fees from 1 July 2019

Before 1 July 2019, exit fees applied for the following products - SignatureSuper, SignatureSuper Select, Flexible Lifetime Super, Flexible Lifetime Allocated Pension, Flexible Lifetime Term Pension, SuperLeader, CustomSuper, AMP MultiFund Superannuation Bond and AMP MultiFund Flexible Income Plan.

Exit fees will no longer apply when you withdraw part or all of your super from your account. These fees will either be removed or refunded to your account.

Capped fees for low balance accounts effective from 2019/20 financial year

If your balance in the AMP MySuper investment option or your total investment in choice investment options is less than \$6,000 at the end of the fund's income year (30 June), the total combined amount of administration fees, investment fees and indirect costs charged to you is capped at 3% of the respective investments. A pro rata fee cap will apply if you make an investment switch or exit that results in the investment being reduced to nil. Amounts charged in excess of the cap will be refunded.

Transferring low balance accounts to the Australian Taxation Office (ATO)

From 30 June 2019, we will generally be required to transfer all or part of a super account to the ATO if the balance is less than \$6,000 and there have been no contributions or rollovers for a period of 16 continuous months. Some exceptions apply. Exit fees will not be charged. If your account is transferred, you will be able to reclaim this from the ATO. The ATO will proactively seek to transfer monies to an active super account held by you. For further details about transferring inactive low balance super accounts to the ATO visit ato.gov.au.

Insurance cancellation

From 1 July 2019, we are required by law to cease providing the insurance benefit in your super account if no contributions or rollovers have been received into your account for a continuous period of 16 months, unless you have told us in writing that you want to keep your insurance. You can make an election to keep your insurance online at amp.com.au.

Additional changes mean that from 1 April 2020, we may also be required to cease providing the insurance benefit in your super account if the account balance is below \$6,000, unless you tell us in writing that you want to keep your insurance.

Before cancelling your insurance we will send you a notice including details of how you can elect to keep your cover.

Understanding your investment

Trustee's investment objectives and strategy

The investment objective is to offer a range of investment choices to suit various members' risk return profiles depending on your account or plan. These include:

- investment-linked benefits with access to a range of investment choices to suit various members' risk return profiles and may include diversified and single sector investment options
- investment-linked benefits with no investment choice
- insurance and investment benefits within a Whole of Life or Endowment insurance policy
- insurance cover within a superannuation fund but no investment-linked benefits
- employer-sponsored plans (including default investment options)
- individual personal plans, or
- a retirement income stream.

Detailed investment strategies are implemented either through holding group superannuation policies issued by AMP Life (policies) that provide access to a range of investment options or through holding life policies issued by AMP Life that provide one of the above benefits or insurance cover for each member.

The trustee monitors the investment performance of investment options to ensure investment objectives are met.

Investment option aims and strategies

For details of the investment options available, including their aims and strategies, please see the fact sheets (where applicable) on amp.com.au or go to **My AMP**. For the aims and strategies of closed investment options, please see the investment report on amp.com.au/edocs.

The investment year in review

The following market/economic overview is prepared based on information provided by AMP Capital.

Global shares

The financial year to 30 June 2019 was somewhat of a roller coaster ride for share markets. Solid returns overall during the period were helped by a sharp rise in markets in the last six months. This followed a plunge heading into Christmas when markets were gripped by worries about the US-China trade conflict and fears of rate increases led by the US. It was a completely different story thereafter, as share markets rebounded thanks mainly to central banks. With weaker economic data, risks to the trade outlook and stubbornly low inflation, the US Federal Reserve and the European Central Bank both announced that they would do what is necessary to support the economy, whether that be with lower interest rates or quantitative easing.

Australian shares

Australian shares followed a similar path to their offshore counterparts during the financial year, finishing strongly to touch an 11-year high. In the first six months, negative global influences were also exacerbated by falling property prices and election fears in Australia, which weighed on the domestic market.

However, the Australian share market rallied later in the financial year after the Coalition Government's re-election in May, which removed the uncertainty surrounding the future of franking credits and negative gearing in the housing market. Shares also benefited from the Reserve Bank of Australia (RBA) dropping the official cash rate to a new low as softer house prices, low inflation, and stunted jobs growth started hitting business and investor confidence.

Global bonds and Australian bonds

Fixed income produced positive returns for the financial year. Bond markets had a spectacular turnaround from the previous year when bond yields rose on the back of policy tightening by the US Federal Reserve. Yields fell substantially this financial year, recently reaching record lows in many countries. Bond markets reacted to subsiding inflation, continued uncertainty surrounding the ongoing trade conflict between the US and China and its potential dampening impact on global economic growth, which prompted central banks to turn dovish in the second half of the financial year.

Australian listed property

Australian listed property recorded the strongest performance of the major asset classes for the financial year, returning over 19% on a total return basis. The market benefitted from investors seeking the defensive characteristics of property during a period of higher volatility in other asset classes. The falls in bond yields also renewed the search for yield and bolstered yield-sensitive investments such as listed property. At a sector level, office conditions in the major commercial centres remained buoyant, while industrials continued to be supported by strong fundamentals as the structural shift to e-commerce sees companies reconfigure their supply chains and take up more space in warehouses.

Market outlook

Global shares

Share markets are at risk of further short-term volatility and weakness on the back of the escalating trade war, Middle East tensions and mixed economic data. However, valuations are reasonable and monetary and fiscal policy are becoming more supportive, which should underpin decent gains for share markets on a 6 to 12-months horizon.

Australian shares

Australian shares remain exposed to global economic uncertainty, though the apparent support communicated by the RBA to reduce the cash rate further is positive for shares and should feed into earnings. Looking ahead, while generally higher valuations and greater global economic uncertainty have increased downside risk in the short-term, momentum may still carry shares higher.

Global bonds and Australian bonds

Very low sovereign bond yields and increasing global economic uncertainty point to low short to medium-term returns from global sovereign bonds. Although Australian sovereign bonds and corporate credit remain relatively attractive from an international and yield perspective, this advantage should steadily erode as the RBA completes its interest rate cutting cycle.

Australian listed property

Low interest rates and a generally supportive macro-economic outlook are likely to continue to support reasonable returns in the Australian listed real estate market. However, retail property companies face the challenges of adapting to the growth of e-commerce, structural changes and shifting customer habits.

How earnings are allocated to your account

The value of your investment is reflected in your account.

Unitised options

The value of your investment in a unitised investment option is equal to the number of units held for you, multiplied by the unit price at that time. Separate unit prices are calculated for each unitised investment option. Unit prices will generally rise and fall with movements in the value of the underlying assets.

AMP Life generally calculates unit prices at least once each Sydney business day. AMP Life has processes in place to check the accuracy of unit prices. You will be compensated directly into your account for any errors equal to or greater than 0.30% that affected the value of your transaction.

If you have closed your account, AMP Life will:

- pay compensation directly into another of your AMP accounts
- if your benefit is not preserved, send you a compensation payment if the payment is above a dollar minimum set by the trustee, or
- roll the compensation into the AMP Eligible Rollover Fund.

If we are unable to contact you or the payment is below a dollar minimum, the compensation will be paid into the fund on an unallocated basis.

The trustee, acting in members' interests, and AMP Life may agree to make other adjustments, as appropriate.

Crediting rate options

Some investment options have a crediting rate instead of a unit price.

AMP Term Deposits will normally be accepted at the advertised crediting rate on the day the term deposit starts. The crediting rate received by you, the member, is lower as the advertised crediting rate does not include fees or taxes. For crediting rates net of fees and tax, please visit amp.com.au/performance. The interest will be credited to your account either monthly or annually and/or at maturity.

For all other investment options with a crediting rate the following applies:

- the crediting rate can change at any time without notice, and
- the investment return based on the crediting rate is calculated daily and credited to your account annually or when you withdraw from the investment option.

Crediting rates information for capital guaranteed participating products

The capital guaranteed life policy issued by AMP Life is a participating policy in AMP's No.1 Statutory Fund. Participating policies are administered in accordance with the Life Insurance Act 1995. Under the Act, an annual profit is determined for each class of participating policies and shared between the policy owner and the life office. At least 80% of that profit must be allocated to the participating policyowner(s).

For the Retirement Savings Account Policy, 92.5% of the annual profit is allocated to the policy owner (the trustee) through the declared crediting rates and 7.5% is allocated to AMP Life.

How the crediting rates are determined

AMP Life declares crediting rates on members' accounts following an actuarial review based on:

- recent investment returns with the AMP No. 1 Statutory Fund
- an allowance for management costs, taxes, transaction and operational costs, and
- an assessment of future investment returns.

The actuarial review allows AMP Life to ensure that it can continue to fund its guarantee from its AMP No. 1 Statutory Fund reserves.

AMP Life may smooth the profit distribution, holding back some profit in good years and distributing more in bad years. This is so that crediting rates are less volatile than returns the AMP No. 1 Statutory Fund experience on the underlying assets.

How the crediting rates are applied

The crediting rates that apply may depend on the size of your account balance and will apply to the total daily account balance. Interest is credited annually as at 30 June each year (or on withdrawal). Crediting rates can be 0% but will not be negative for capital guaranteed participating products, however, for some investment options the crediting rate may be negative. Any interest accrued on a member's account to date is not affected by any future changes to crediting rates.

Whole of Life and Endowment bonuses

For **Whole of Life** or **Endowment** policies, the explanation of how earnings are allocated is below.

Allocation of earnings

The distribution of profit (in the form of bonuses) is made in accordance with the Life Insurance Act 1995. Under this Act, AMP's actuary regularly assesses the strength of the AMP Statutory No.1 Fund and advises how much policy owner profit it can prudently pay out, and how to share it fairly among different groups of policies.

Bonuses are only paid to members who hold a participating policy.

In determining bonus rates, the actuary not only considers the recent investment performance, but also likely future investment returns, estimated future rates of mortality, assumed rates of taxes, fees and other expenses. There are two types of bonuses. They are **annual bonuses** and **terminal bonuses**.

Annual bonuses

Annual bonuses are allocated to plans each year as additions to the sum insured. As the rate of bonus is dependent on AMP's investment experience and our estimates of future experience including investment returns, annual bonuses may fluctuate from year to year. However, once allocated they are guaranteed and payable in full when the sum insured becomes payable (ie usually on death or maturity).

Terminal bonuses

Terminal bonuses are currently paid in addition to annual bonuses on maturity, death or disability claims (where appropriate) on plans that have been in force for five years or more. Terminal bonuses are currently allotted as a percentage of attaching annual bonuses.

They are a means of passing on a greater level of capital appreciation, usually from growth oriented assets, such as equities and property. While there is still some smoothing, there is a greater recognition of underlying market values, and terminal bonus rates are more volatile than annual bonuses.

Terminal bonuses are not guaranteed and may be increased or decreased at any time based on movements in underlying markets relative to policy values.

Derivatives

Derivatives can be used for many purposes, including hedging to protect an asset against market fluctuations, reducing transaction costs, achieving a desired market exposure and maintaining benchmark asset allocations. Derivatives can also be used to implement the investment objective of the investment option.

The trustee does not invest directly in derivatives for the fund. However, investment managers may use derivatives such as options, futures, swaps or forward exchange rate agreements. The use of derivatives by investment managers is permitted provided it is in accordance with the guidelines of the investment strategy, the objectives of the investment option, and the relevant risk management processes on the use of derivatives.

Securities lending

Securities lending is an arrangement where the holder of securities agrees to provide its securities to a borrower for a specified period of time and the borrower is to return equivalent securities at the end of that period, in return for a fee. The borrower is required to post collateral as security for the borrowing. The aim of securities lending is to generate positive investment returns but this is not guaranteed. There are a number of risks involved in securities lending. These include the borrower failing to repay the securities lent and failing to pay calls for collateral.

The trustee itself does not engage in securities lending. However through the life policies the trustee holds with AMP Life, it offers a variety of investment options whose fund managers (including AMP Capital) may lend a portion of their securities as part of their investment strategy. AMP Life and AMP Capital have risk management processes in place that require each borrower to provide collateral for at least 100% of the value of the securities loaned. The costs incurred for securities lending are paid by agreement with the lending agent and/or AMP Capital whereby the lending agent and/or AMP Capital retain a portion of the gross revenue.

Changes to investment options and managers

To ensure that the range of investment options we offer continues to suit the investment needs of our investors, we regularly monitor our investment options and investment managers.

We may add, close or terminate investment options, replace or add new investment managers to an investment option, as well as change the aim and strategy, individual asset classes, and asset class benchmarks or ranges of an investment option at any time, without prior notice to you.

From time to time, the asset class allocations stated for each investment option may also be temporarily outside the stated asset class benchmark and ranges.

If an investment option is terminated, we will switch your money invested in that investment option to another investment option, which will generally be of a similar risk/return profile.

We will notify you of any material changes to your investment options or investment managers. If it is important for you to know who the individual investment managers are, you should contact your financial adviser or us on 131 267 Monday to Friday 8.30am to 7.00pm (Sydney time).

Additional information on investment options

Important information about AMP Secure Growth and AMP Secure Choice

AMP Secure Growth (only available in Flexible Lifetime – Super, Flexible Lifetime – Allocated Pension, Flexible Lifetime – Term Pension and AMP MultiFund Flexible Income Plan) and AMP Secure Choice (only available in CustomSuper) are both closed to new investors.

Members in AMP Secure Growth can transfer their investment in this option if they transfer their account to the AMP Flexible Super Retirement Account. For these members no additional money can be invested in this option.

The AMP Secure Growth and AMP Secure Choice investment options have no unit price. Investment earnings are credited using a declared annual crediting rate. AMP Life ensures that this rate will never be negative. The crediting rates should generally show less variation than the returns experienced by a market linked investment backed by the same assets.

Interest is calculated daily and credited to your plan annually or when you withdraw from the investment option. The crediting rate can change at any time without notice.

The AMP Secure Growth and AMP Secure Choice investment options are participating policies in AMP Life's No.1 Statutory Fund. This means that the net investment returns are shared between AMP Life and the policyholders. The AMP Life share is limited to a maximum of 20% in accordance with the Life Insurance Act 1995.

The crediting rate for the AMP Secure Growth and AMP Secure Choice investment options will be determined after an actuarial review based on:

- recent investment returns of the AMP Life No.1 Statutory Fund which back the option, after allowance for fees, taxes and any other expenses, and
- an assessment of future investment returns.

Assurances for AMP Secure Growth in Flexible Lifetime – Super, Flexible Lifetime – Allocated Pension and AMP MultiFund Flexible Income Plan

If you only use your investment in the AMP Secure Growth investment option for the purposes of drawing pension payments (within the government set limit(s)) and never withdraw or switch out of the option, AMP Life will always pay:

- your initial investment in the AMP Secure Growth investment option
- plus any interest credited to the plan, and
- less pension payments, taxes and fees, over the term of your investment.

Also, if you die, AMP Life will always pay the full dollar balance as at the date of notification of death. The dollar balance is equal to your initial investment in this option plus interest, less pension payments, withdrawals, switches, fees and taxes.

For withdrawals and switches out we will pay the full dollar balance if you have given us 12 months' notice of your withdrawal or switch.

For this purpose, transfers between your account and either Flexible Lifetime – Allocated Pension or the AMP Flexible Super Retirement Account (including using the Pension Refresh facility) will not be considered a withdrawal or switch. That is, these assurances are not affected by such transfers.

Assurances for AMP Secure Choice in CustomSuper

Investment earnings are credited as a crediting rate in much the same way as interest is credited to a savings account. The crediting rate is guaranteed never to be negative. In addition, once credited, the amount of interest earned is also guaranteed. These guarantees are provided by AMP Life and apply even though the return that the AMP Secure Choice earns on its assets may be very volatile and even negative. On withdrawal from AMP Secure Choice, AMP Life guarantees to pay 100% of a member's accumulated account balance if the member:

- ceases to be an employee of the employer
- is retired
- has died, or
- is totally and permanently disabled.

When assurances do not apply

Assurances do not apply if you give us less than 12 months' notice for a withdrawal or switch. In this case:

- we may delay payment for 12 months. We will pay the full dollar balance at that time. We may declare a crediting rate on these delayed payments which is lower than that prevailing on the AMP Secure Growth or AMP Secure Choice investment option, or
- you can close your AMP Secure Growth or AMP Secure Choice investment option immediately, but the amount we pay may be less than the dollar balance.

This provision protects members remaining in AMP Secure Growth or AMP Secure Choice if the assets (especially shares and property) backing these investment options fall in value.

Any payment will be approved by the AMP Life Board on the advice of the appointed Actuary.

We will pay the full dollar balance if the value of the underlying assets backing the AMP Secure Growth or AMP Secure Choice investment option is more than the total of all member balances in this option.

Whole of Life and Endowment

Investment aim and strategy

The investment aim is to provide returns (after fees and before tax), which exceed inflation over the longer term, but with lower returns and less variability of returns than would be expected from an investment option with the same exposure to bonds, cash, shares and property.

The investment strategy is to invest in a diversified portfolio.

Changes to investments can be made according to the outlook for the various investment sectors and the nature of the plan.

The long-term strategic mix of assets that back your plan are usually in the following ranges:

Shares and alternative investments	15%-50%
Property and infrastructure	10%-25%
Fixed interest and cash	30%-70%

AMP may alter the strategic mix of assets that back the plan at any time without notice to you.

AMPAK and Investment Account Personal Superannuation Bond

Investment aim and strategy

The investment aim is to provide returns (after fees and before tax), which exceed inflation over the long term, but with lower returns and less variability of returns than would be expected from an investment option with the same exposure to bonds, cash, shares and property.

The investment strategy is to invest in a diversified portfolio with a core of cash and bonds. Changes to investments can be made according to the outlook for the various investment sectors and the nature of the plan.

The long-term strategic mix of assets that back your plan are usually in the following ranges:

Shares and alternative investments	10%-30%
Property and infrastructure	0%-20%
Fixed interest and cash	50%-90%

AMP Retirement Savings Account

In AMP Retirement Savings Account, where balances are over \$2,500, the investment objective is to provide returns over the longer term exceeding those from cash with security of capital.

For all account balances, returns are guaranteed by AMP Life not to be negative.

The investment strategy for AMP Retirement Savings Account is to invest in a group superannuation policy (Retirement Savings Account policy) that invests in a portfolio that is secure and has limited exposure to equities.

Other information

Transfers to AMP Eligible Rollover Fund

If we cannot locate you, or if your account is closed and we need to make a compensation payment to you, we may establish an AMP Eligible Rollover Fund account for you.

Having an account created in or being transferred to AMP Eligible Rollover Fund means:

- you will become a member of AMP Eligible Rollover Fund and be subject to its governing rules
- your benefits will be invested in a capital guaranteed 'participating' life insurance policy issued to AMP Superannuation Limited by AMP Life
- your returns (by way of a crediting rate) are credited annually to your AMP Eligible Rollover Fund account based on your daily account balance and are guaranteed by AMP Life to never be negative. Crediting rates are determined after deducting fund expenses from the net investment returns allocated to the member. For the latest AMP Eligible Rollover Fund crediting rates visit amp.com.au/erf or call us on 131 267
- no insurance cover is available.

The product disclosure statement (PDS) for AMP Eligible Rollover Fund is issued by AMP Superannuation Limited. You can obtain a copy of the PDS by asking your financial adviser, visiting amp.com.au/erf or by calling us on 131 267.

If you have an account in AMP Eligible Rollover Fund you are advised to consider the PDS and to consult a financial adviser to determine how appropriate an investment in the product is to your objectives, financial situation and needs.

Contact details for AMP Eligible Rollover Fund are:

AMP Eligible Rollover Fund
PO Box 300
PARRAMATTA NSW 2124
Phone: 131 267
Fax: 1300 301 267

Unclaimed super money

If an amount is payable to you or your dependent(s) and we are unable to ensure that you or your dependent(s) will receive it, we may be obliged to transfer the amount to the ATO.

We may also be required to transfer your account balance to the ATO if you become a 'lost member', or an 'inactive low-balance member'.

If your superannuation is transferred to the ATO, you, or your dependents where relevant, will be able to reclaim it from the ATO. The ATO may also transfer money it holds into your 'active' superannuation accounts.

For more information on unclaimed super money, including lost members and inactive low balance members please refer to ato.gov.au or speak with your financial adviser.

Temporary residents

The following does not apply to Australian citizens, Australian residents or New Zealand residents and is limited to eligible visa holders. If you have entered Australia on an eligible temporary resident visa, you may claim your super benefits once you have permanently departed Australia.

Under super legislation if you do not claim your benefit within six months of departing Australia, your benefit may be paid as unclaimed super to the ATO.

You will not receive notification or an exit statement from your super fund. If this has occurred, you can claim your super money from the ATO. For more information visit ato.gov.au.

Policy committee

Members of employer plans in SignatureSuper, CustomSuper, SuperLeader, Flexible Lifetime - Super and AMP Retirement Savings Account only

An employer-sponsored plan may have a policy committee. The role of the policy committee is to help a member or employer of the plan enquire about the investment strategy, performance and operation of the fund. The policy committee may also assist the trustee to obtain the views of members on these issues and in dealing with any enquiry or complaint.

We are required to take all reasonable steps to set up a policy committee where:

- an employer has 50 or more employee members, or
- an employer has at least five but less than 50 employee members and the trustee has received a written request to do so on behalf of at least five of those employee members.

There must be equal numbers of employer and member representatives on the policy committee. Employer representatives are appointed or removed by the employer. Employer representatives can also be removed as a result of specific events under superannuation law.

Member representatives are generally elected and removed by members except when they are removed as a result of specific events under superannuation law (for example, when a member representative resigns from their appointment as a member representative).

Details of the policy committee arrangements (if any) for your plan are shown on your annual member statement.

For more details of the policy committee arrangements (if any) for the plan, please contact us on 131 267 Monday to Friday 8.30am to 7.00pm (Sydney time).

Checking your employer contributions

For most employees, your employer has to contribute to superannuation for you under the superannuation guarantee rules. Requirements under some industrial awards or workplace agreement may also apply.

We consider members are in the best position to verify the amount and frequency of contributions that should be made to their super as we do not know what other super funds your employer may contribute to.

You can check the amount and frequency of contributions made to your AMP account by referring to your annual member statement or login to your **My AMP** account online at amp.com.au.

Deceased Member Policy

All insurance premium deductions are ceased upon notification to the relevant trustee of a member's death and will be reversed back to the date of death.

All adviser service fee deductions (if applicable) are ceased upon notification to the relevant trustee of a member's death. Any adviser service fees deducted since the date of death will be reversed back to date of death.

Product administration and investment management fees will continue whilst the deceased member's account remains open and are charged in accordance with the applicable product rules and disclosures.

Significant event notice register available

This register provides a summary of significant event and material change notifications issued to members of the AMP Superannuation Savings Trust on behalf of AMP Superannuation Limited for the last two years. The register is provided for information purposes, as required by legislation. All affected members are contacted directly within the timeframe prescribed by legislation and provided with additional information, as appropriate.

You can view this online at amp.com.au/trustee-information.

Ceasing Plan Service Fees (PSF)

From 31 July 2019, AMP stopped deducting Plan Service Fees (PSF – all fees agreed between employers and advisers on corporate super plans at a plan level and paid by members) from member accounts. This was due to a review of PSF's that went back to 1 January 2008.

AMP will contact you directly if you are affected by this change.

Compensation

There may be circumstances in which the trustee needs to pay compensation to members. There are four key principles that guide the trustee's payment of compensation to current and former members:

- the trustee should not benefit
- other members do not bear the cost of compensation
- compensation is paid to members in a manner that minimises the cost and inconvenience to those members receiving the compensation, and
- communication should be provided to affected members in all circumstances where the member would reasonably expect to be notified.

The trustee may decide not to pay compensation to current or former members where it considers the individual compensation amounts small.

MySuper dashboards

Our product dashboards provide a summary of the investment performance, risk and fees for AMP's MySuper options. MySuper is a simple default investment option for people who haven't made an active choice about how their super is invested.

You can view these dashboards online at amp.com.au/mysuper.

How you can stay informed

You can keep up to date with your super at amp.com.au or by calling us on 131 267 Monday to Friday 8.30am to 7.00pm (Sydney time). You can also check your account balance and investments by logging into **My AMP** or downloading the **My AMP** app.

Account balance and investment information	amp.com.au to login or register for your My AMP online account.
Investment option performance, unit prices, crediting rates and reports	amp.com.au
Market updates	amp.com.au/marketupdates
Forms	amp.com.au/forms

Enquiries and complaints process

If you need any additional information about the operation or management of your account, or if you have a concern or complaint, then please:

- contact your financial adviser
- call us on 131 267 Monday to Friday 8.30am to 7.00pm (Sydney time)
- email us at askamp@amp.com.au, or
- write to us at:

AMP Customer Service
PO Box 300
PARRAMATTA NSW 2124

Our customer service officers are available to answer your enquiries and respond to your complaints. We will try to resolve your enquiry or complaint as quickly as possible. To help us do this, please give us as much information as possible about your enquiry or complaint.

We have established procedures to deal with any complaints. If you make a complaint, we will:

- acknowledge its receipt and ensure an appropriate person properly considers the complaint, and
- respond to you as soon as we can.

If your complaint cannot be resolved at first contact, then we will keep you advised at regular intervals of the status of your complaint.

If we cannot resolve your complaint to your satisfaction or you have not had a response from us within 90 days, then you may have the right to lodge a complaint with the Australian Financial Complaints Authority (AFCA).

The AFCA scheme has replaced the Superannuation Complaints Tribunal (SCT), Financial Ombudsman Service (FOS) and Credit and Investments Ombudsman (CIO). AFCA will provide fair and independent financial services complaint resolution that is free to consumers.

AFCA is an independent tribunal set up by the Australian government to resolve most complaints that members, former members, or beneficiaries in relation to death benefits, have with their superannuation funds.

AFCA reviews the decisions of superannuation trustees as they affect an individual member. It is independent from us. Even so, please try to resolve your complaint directly with us before contacting AFCA.

Contact details for AFCA are:

Web: afca.org.au

Email: info@afca.org.au

Telephone: 1800 931 678 (free call)

Mail: GPO Box 3, Melbourne VIC 3001

Time limits on making complaints to AFCA

Time limits apply to certain complaints to AFCA. If you have a complaint, you should contact AFCA immediately to find out if a time limit applies.

AFCA legacy complaints

From 1 July 2019 until 30 June 2020, AFCA will have jurisdiction to consider eligible complaints dating back to 1 January 2008. This is subject to conditions such as: that the complaint must not have been previously settled between the parties or previously been decided by court, tribunal, AFCA or a predecessor scheme; the financial firm must be a member of AFCA and the complaint not relate to the Privacy Act or a super death benefit.

Contact us

phone 131 267 Monday to Friday 8.30am to 7.00pm (Sydney time)
fax 1300 301 267
web amp.com.au
email askamp@amp.com.au
mail AMP Customer Service
PO Box 300
PARRAMATTA NSW 2124

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