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# Q&A

Superannuation Annual Members' Meeting  
Financial year 22/23

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 in this document are in response to a combination of questions submitted by members on the day of the AMM, plus questions submitted beforehand, that weren't covered 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 – AMP Super 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 tailored 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 questions separately.

Here's where you can access support:

### Book a super health check

If you're 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](https://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 about your super within the Fund.



Book now at [amp.com.au/financial-advice/simplesuper-options](https://amp.com.au/financial-advice/simplesuper-options) or call **131 267** to book a complimentary chat with a qualified financial adviser.

### Your financial adviser

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



Find an adviser at [amp.com.au/financial-advice](https://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. 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.

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Q&A

CATEGORY	FEES
Question 1	Will the fund publish all fees and charges associated with all accounts in the name of transparency for existing and new account holders?
Answer	<ul style="list-style-type: none"> <li>➤ AMP Super provides a breakdown of all fees and cost incurred in the SignatureSuper <a href="#">product disclosure statement (PDS)</a>.</li> <li>➤ You can also see examples of annual fees and costs based on a super account or pension account in the PDS or a breakdown of cost of product by investment option in the <a href="#">Investment guide</a>.</li> <li>➤ Each member also receives a breakdown of their individual fees and costs, by account, in their annual member statement, which you can also track via the transaction history in your online <a href="#">My AMP</a> account.</li> </ul>
Question 2	Do you feel your fees are reasonable compared to the service you provide relative to other industry funds?
Answer	<ul style="list-style-type: none"> <li>➤ Since 2018 our simplification of the super business has allowed us to significantly reduce AMP Super Fund fees for members.</li> <li>➤ Recent Chant West data (at 31 December 2023) stated on a simple average for administration plus investment fees for a \$50,000 balance, industry funds charged \$502 pa (1.00%), and the average of all super funds charged \$495 pa (0.99%).</li> <li>➤ These are both higher than AMP MySuper fees, which on aggregate across our Lifestages funds had fees of \$440 pa (0.88%).</li> <li>➤ For members with a \$100,000 the latest Chant West data shows the simple average of total administration and investment fees amounted to \$910 pa for industry funds (0.91%), and \$916 pa was the average for all super funds (0.92%).</li> <li>➤ AMP MySuper fees were \$802 pa (0.8%) as of 31 December 2023 – again lower than these averages.</li> <li>➤ The AMP Super Fund’s administration and member fees are competitive when compared with the market, and we’re committed to maintaining this.</li> </ul>

## Question 3

## What is the breakdown of the Platform Services Fee to NMMT Ltd?

## Answer

- Under the outsource agreement with NMMT, fees and costs are independently benchmarked to ensure that members receive value for money regarding the services and fees paid to service providers are appropriate.
- The agreement and fees cover a broad arrange of services that are provided by a wrap platform such as:
  - system recording keeping and transaction handling
  - maintenance, enhancement and development for member and adviser online services including North Online and mobile app
  - cyber and fraud prevention
  - member and adviser communications
  - administration and reporting services
  - product management and development.
- The Trustee considers the funds' operating costs as appropriate with costs as a proportion of members assets 0.28%, which is lower than median result for APRA regulated super funds at 30 June 2023.

## Question 4

## Can the Board please provide the logic for increasing the cumulative cost of fees in the Wealth Fund?

## Answer

- The Trustee Board is committed to keeping your fees competitive against the industry, which is reflected in the significant fee reductions provided to members in recent years, and the current status of our fees, which are competitive against the industry.
- We have also reviewed the structure of the fees from a total package perspective to ensure that that the individual components are fair, transparent, and consistent with general industry trends in terms of how fees are charged.
- The most recent fee reduction was made on 1 July 2023, when we further reduced the standard percentage administration fee for SignatureSuper from 0.29% pa to 0.19% pa.
- We've been able to pass on this latest benefit to members by restructuring our fees to deliver fairer pricing, which means we're changing the way we pass on tax benefits and also how we charge insured members.
- We are introducing an explicit Trustee Fee of up to 0.025% pa of a members' account balance, bringing us in line with several of our peers in the industry. As a result of this explicit fee being introduced, the current additional administration fee that's paid from the AMP Super Fund's assets will reduce from 0.044% pa to 0.032% pa.
- From 1 April 2024, the Insurance Service Expense (ISE) will replace the Insurance Service Fee (ISF) to cover AMP's costs to provide insurance. The ISE will increase up to 11.5% of a member's monthly insurance premium (excluding any stamp duty). This will be capped at \$30 per month or \$360 each year.
- These changes streamline our fee structure and improve transparency, while ensuring the fees remain competitive.

## Question 5

## Why are North management fees so high?

## Answer

- Over the last 12 months, we have changed the structure of some fees for North members and in 2024 this includes the introduction of a new Trustee Fee in line with what we've introduced for AMP Super Fund to cover reasonable recoverable expenses incurred by the Trustee such regulatory fees.
- We also reduced our variable administration fees across all tiers on our menu while some other account and cash fees increased.
- We made these changes to the structure of the fees to maintain North's competitiveness in core segments against all our peers which we continue to monitor.
- Chant West conducted an external fee survey of North's choice menu after the October pricing changes and confirmed that it remains the most competitive in market relative to its peers across all balances.
- Investment Trends recently confirmed that North's Working Cash Account offers the best net interest rate when compared to all other platform peers.
- The changes we made are about delivering a more equitable and fairer pricing structure for the overall benefit of all members. Together these changes to the Platform costs ensure we continue to remain competitive in the market.

CATEGORY	PERFORMANCE
Question 6	Where do you publish performance results? How do you compare to industry funds?
Answer	<ul style="list-style-type: none"> <li>➤ SignatureSuper investment option performance and unit prices are published on our website, refer to <a href="https://amp.com.au/amp/performance-and-unit-prices">amp.com.au/amp/performance-and-unit-prices</a></li> <li>➤ When the MySuper legislation was introduced, AMP took the opportunity to retest our existing position on our default offering.</li> <li>➤ We looked at our diverse member base and realised that the needs of our members change over their lifetime.</li> <li>➤ AMP's MySuper investment option follows a Lifestages approach, which changes with you over your lifetime. Younger investors will have higher exposure to growth investment strategies because they have longer to retirement and can generally afford to take more risk.</li> <li>➤ For investors closer to retirement, investments will have greater focus on seeking to preserve the capital built up and reducing risk whilst maintaining some exposure to growth assets.</li> <li>➤ This approach contrasts with many industry funds, where their MySuper investment option is a single balanced investment option, with a common asset allocation for all members.</li> <li>➤ The ATO Your Super comparison tool: <a href="https://ato.gov.au/calculators-and-tools/super-yoursuper-comparison-tool">ato.gov.au/calculators-and-tools/super-yoursuper-comparison-tool</a> is an effective way of comparing investment performance and fees across funds.</li> </ul>
Question 7	How is the AMP Super Fund performing vs other funds in the market both in overall returns and after fees?
Answer	<ul style="list-style-type: none"> <li>➤ AMP MySuper continues to perform strongly while delivering on our commitment of low fees.</li> <li>➤ For the year ending 30 June 2023 our 1970s MySuper delivered a return of 9.1% and that's our largest option by funds under management.</li> <li>➤ For those AMP MySuper members born in the 1980s and 1990s your returns were even higher at 9.4% and 9.7% respectively for the financial year.</li> <li>➤ The six months from June to December 2023 were even better, and our MySuper 1970s, 80s and 90s funds delivered returns in excess of 11.5% for the full 2023 calendar year.</li> <li>➤ These double-digit returns for the Calendar year, which are net of fees, compared very well against our peers in the industry, in the top handful of funds.</li> <li>➤ Key drivers for these returns were our deliberately strong allocation to global shares, including the US tech sector (positive sentiment around AI), plus meaningful contributions from investments in Australian shares, global listed property, and credit.</li> </ul>



## Question 8

## How do AMP's returns compare with the rest of the market?

## Answer

- AMP's MySuper Lifestages funds have delivered strong returns for investors over both the medium and long term. To put this into perspective, the My Super 1970s cohort (the largest by AUM in the range) delivered members a return after fees and tax of 11.6% in 2023 and 7.8% per annum over the five years to December 2023.
- A direct comparison of performance to peers is complicated for Lifecycle funds because the portfolios have a growth asset exposure which shifts over time.
- Lifecycle funds commonly don't sit in the published peer performance surveys.
- Using the 1970s cohort again as a guide, AMP delivered a return of 11.6% in 2023 while the median competitor in the Chant West Growth survey delivered 9.9%. Over five years the median fund in the Chant West delivered 7.3% while AMP 1970s delivered 7.8%.
- In terms of how other AMP funds performed in 2023, AMP Index Balanced delivered 11.5% after fees and tax.
- Future Directions Balanced which holds a more diversified and actively managed portfolio delivered 9.5% after fees and tax.
- Both these funds have growth assets exposures which are comparable to the Chant West Growth survey.



## CATEGORY

## GENERAL RETIREMENT

### Question 9

With current cost of living pressures, what actions are AMP taking to ensure retirees are drawing enough funds to comfortably live?

### Answer

- The most common challenge faced by retirees in the current cost-of-living crisis is a fear of running out.
- According to AMP research, we know there's a real knowledge gap when it comes to retirement, but we also know that traditional retirement solutions have some inadequacies, including providing levels of income which are too low.
- Launched for Wealth Fund members just over a year ago, MyNorth Lifetime is continuing to gain momentum by helping more Australians retire with greater comfort and financial confidence.
- It offers retirees high levels of lifetime income in addition to significant asset test benefits for aged pension entitlements and is designed to help Australians make the most of their retirement savings and give them the confidence to spend in retirement.
- For Australians taking advantage of MyNorth Lifetime in their portfolios, AMP data shows their retirement income has increased by approximately 50 per cent on average.
- With the growing cost of living coupled with longer life expectancies, MyNorth Lifetime is helping advisers provide their clients with a higher income for life, ensuring more Australians can maximise their retirement savings with the certainty of a lifetime cashflow that never runs out.

## Question 10

How much do I need to retire? How is AMP working to ensure customers are engaged adequately when it comes to their retirement?

## Answer

- Planning for retirement can be challenging – 7 out of 10 Australians aged 50 and over find Australia’s retirement system too complex, according to AMP research.
- Working out how much is enough for retirement very much depends on your personal circumstances, such as your lifestyle, your plans for the future, and the number of years you’ll spend retired.
- A first step could be to use our retirement calculator, which is available online – [amp.com.au/retirement/calculator](https://amp.com.au/retirement/calculator).
- The calculator provides an indication of whether there’s a shortfall between how much you’re estimated to have and how much you’ll need in retirement. This will help you start to put a plan in place to address any gaps.
- If you are a member of our AMP Super Fund, you can access one of our advisers to conduct a retirement health check or a transition to retirement conversation – this will help you better understand your situation and options available. There are no additional costs for these services.
- Of course, if you have your own adviser, they will be able to help.
- More broadly, we recognise that planning for retirement can be complex and challenging for members, and that’s why it has been a focus area for AMP.
- We want to give members more financial confidence in retirement, both through the help we provide, and the solutions we’ve developed, an example being the MyNorth Lifetime Account. It provides income for life, irrespective of how long you live.

## Question 11

## How will investments be affected by the anticipated changes (reductions) in interest rates?

## Answer

- Currently, many are anticipating interest rates to fall over the medium term, particularly if inflation continues to subside. It's important to note that while these expectations appear eminently reasonable amid the current economic backdrop, predicting rate movements is not easy; and expectations can and do change – sometimes rapidly.
- If we take these assumptions as correct, and interest rates do indeed fall, all other things being equal and notwithstanding any unexpected events, these rate-movements can impact different investments in different ways.
- For example, in regard to bonds, the relationship to falling interest rates is relatively simple; falling interest rates will generally cause the value of bonds to rise as bond yields fall.
- In regard to shares, falling interest rates generally increase the intrinsic value of shares, as a business's return on equity (ie profitability) and future cashflows become relatively more attractive compared to what investors' cash could potentially earn 'more safely' elsewhere, such as bonds or term deposits.
- It should be remembered that share markets (and other growth assets such as property), particularly over the short to medium term, do not always move in line with fundamentals such as their intrinsic value; rather, they tend to be driven by day-to-day market 'noise'.
- Shares have historically not always done well in the first few months of a cutting cycle, arguably perhaps due to rate-cutting expectations already being 'baked in'. They have clearly tended to outperform fixed income in periods of lower rates overall.
- It's also important to remember that individual shares react differently to falling rates due to individual nuances, such as the nature of the business or its own debt-levels.
- We publish a number of articles on a regular basis which provide insights from our Economics team; we encourage you to access the [Insights Hub](#) on [amp.com.au](http://amp.com.au).
- It's important to take your individual circumstances into account; and seek professional advice before considering any changes to an investment strategy.

## Question 12

## Why is there so much investment in international assets, which are highly volatile markets?

## Answer

- International asset markets are often less volatile than Australian markets given that they tend to be more diversified.
- Using shares as an example, the equity market here really consists of the ASX top 200 stocks, most of which are too small to trade, and are highly concentrated – mining, financial services, and banking sectors.
- International markets are much larger (over 10,000 stocks); the companies tend to be much larger which means less market impact when trading and are well diversified across countries and sectors.
- In the example of unhedged international shares, the AUD tends to fall when shares fall, so the currency movement offsets the market move, which tends to make unhedged international shares less volatile than Australian shares.

## Question 13

## Is North investing in coal, iron, and gas companies?

## Answer

- We recognise climate change is a global economic and environmental challenge impacting our business, our members and society.
- The Trustee responds to this challenge in a number of ways, and these will differ across different investment structures.
- Because North is a wrap platform, members and your advisers get a lot of choice in the way you invest.
- Wrap platform investment restrictions are set by the underlying Asset Manager and investment options are chosen by you or your adviser.
- Our aim is to ensure you and your adviser have the ability to invest sustainably on the platform.
- North offers a range of Sustainability-themed investment options across the environmental and social themes on the investment menus.
- Some of these investment options exclude some emissions intensive industries or favour better performing ESG companies and assets.
- In addition, our research team use Morningstar Sustainalytics' 'Low Carbon Designations'.
- Several funds available on the North platform receive this designation, meaning that they exhibit low overall carbon risk and have lower-than-average fossil-fuel exposure.
- Where the investment options are managed by AMP Investments, the team has a program in place that considers scenario analysis, carbon foot printing of funds, proxy voting on climate resolutions for select Australian equities in the portfolios and collaboration through investor groups, such as Climate Action 100+.

## Question 14

## What investment strategy is AMP using to move away from fossil fuel and climate negative investments?

## Answer

- AMP recognises its role to support global ambitions that support Net Zero by 2050.
- As a diversified financial services company, the ability to drive action to address climate risks and opportunities differs significantly across our business lines and activities.
- This provides clients the opportunity to reduce exposure to climate-related risks as part of their superannuation or investments when compared to more conventional funds.
- In Australia, AMP engages with other investors and peers as part of industry working groups to coordinate industry responses to key ESG issues including climate change, but also human rights, reconciliation, and natural capital.
- These groups also facilitate policy advocacy and industry consultation on government policies related to ESG issues.
- AMP Investments has co-led CA100+'s BHP engagement for the last two years. It is an investor-led initiative formed to ensure the world's largest corporate emitters of greenhouse gases take the necessary action on climate change.

## Question 15

## Does AMP have a net zero target including the funds it invests in?

## Answer

- AMP recognises climate change is a global economic and environmental challenge impacting our business, our members and society.
- Asset owners' actions are critical to support the global transition to net zero emissions both in efficiently directing capital and holding companies and assets accountable to make the changes necessary.
- AMP has an operational net zero target (covering scope 1 and 2 emissions) related to its direct operations (arising mainly from office use).
- This does not include financed emissions (scope 3) from the Bank and or emissions of the portfolios.
- AMP has been carbon neutral across its operations and select upstream scope 3 sources since 2013.
- We publicly report on AMP Super Fund investment options' carbon footprint and monitor other climate-related metrics such as the percentage of companies invested that have climate targets (eg ambitious targets, committed or approved science-based targets).
- We also monitor the highest contributors to our investment options' carbon footprint and engage with those corporations through Climate Action 100+. This is an investor-led initiative formed to ensure the world's largest corporate emitters of greenhouse gases take the necessary action on climate change.

**Question 16**

**How do you diversify investments based on commodities and how can we avoid investing money in businesses we don't like to finance?**

Answer

- AMP Investments diversifies across asset classes, managers, strategies, insights, timeframes, and styles.
- For direct holdings, AMP Investments restricts investment in companies and issuers identified through the screening process based on various factors including biological and chemical weapons, Involvement in the production and manufacture of tobacco and electronic cigarettes products and companies which earn more than 50% of their revenue (as reported in their audited financial statements) from the sale or distribution of tobacco or electronic cigarettes, (or if this information is unavailable, company revenue is estimated on a best-efforts basis by our external ESG data and research provider).
- While we exercise reasonable care to implement the investment restrictions, from time to time there may be a small level of unintended exposure due to data gaps, corporate activity, indirect exposure, and the update to the Restricted Investments list.
- The proportion of assets of a fund, subject to the investment restrictions will be dynamic with both market movements and asset allocation changes and will differ due to the different levels of exclusive control and the varying allocations to assets where restrictions do not apply (indirect holdings, cash, and sovereign bonds).

**Question 17**

**Will AMP remain neutral on political issues?**

Answer

- AMP has a large and diverse member base, who have different investment needs and beliefs.
- We work with all sides of Government to advocate for outcomes and policies which is in the best interests of our members and customers.

CATEGORY	GROUP STRATEGY
Question 18	Why are we charged based on the amount invested and not on the return of our capital?
Answer	<ul style="list-style-type: none"> <li>➤ We are committed to keeping fees low for our members.</li> <li>➤ We pay our asset managers based on the amount invested and reflect these costs in the management fee of the fund.</li> <li>➤ This allows us to keep fees consistent, transparent, and low in comparison to industry peers.</li> </ul>
Question 19	What is the group strategy for the funds moving forward? How are you looking at increasing yield in FY24 and FY25? What will be the main challenges in reaching this?
Answer	<ul style="list-style-type: none"> <li>➤ We have four key areas of focus for your funds in the coming year. <ol style="list-style-type: none"> <li><b>1. Enhanced member outcomes and experience:</b> Continue improving product and insurance outcomes – such as enhancing our focus on data and digital, as well as lifting member engagement, guidance and advice via our service experiences.</li> <li><b>2. Competitive product and investment offering:</b> Continue to transform our investment capabilities, improve our platform offering in particular, by further strengthening our position as a leader in retirement solutions.</li> <li><b>3. Operational excellence:</b> Drive technology innovation and improvements, focus on scale and being positioned for continued growth.</li> <li><b>4. Implementing sustainability and ESG priorities:</b> Maintaining our focus on contemporary ESG practices to support our investment program and the financial returns for members, particularly over the long term.</li> </ol> </li> <li>➤ Looking at the investment portfolio of our funds, we can be expected to generate higher returns on the cash and fixed income investments components than in prior years due to a few reasons: <ul style="list-style-type: none"> <li>– the base level of interest rates is higher, resulting in higher returns on cash and fixed income;</li> <li>– we have been progressively increasing our allocation to corporate securities, which deliver higher returns.</li> </ul> </li> <li>➤ In terms of challenges, at a portfolio level, the dividends we generate on the equity part of the portfolio have fallen since last year (earnings have not risen as much as prices) but are still in line with the average since 2021.</li> <li>➤ We also see a continuing likelihood of market volatility impacting portfolios when taking a short term view of returns.</li> </ul>



## Question 20

What initiatives have been undertaken to address the stability, growth and transparency of the fund for retirees moving forward?

## Answer

- Over the past few years, we've implemented several key initiatives to enhance and simplify your super funds, ensuring AMP can continue to deliver for our members, particularly those who are in or approaching retirement.
- In terms of stability and growth of AMP Super:
  - We've reduced fees in order to maintain competitiveness
  - We're changing insurer to TAL, in line with members' best financial interests. That will see insurance cost reductions for most members along with the introduction of exciting new digital capabilities including online quote calculators, underwriting, and claims lodgement and tracking
  - We've simplified the investment menu to 27 investment options, improving the scale and passing on over \$24 million per annum in benefits to our members such as lower investment fees and costs.Together, these three initiatives will be greatly beneficial to our members in and approaching retirement.
- In terms of transparency, we always welcome our members' feedback on how we can make things more visible and easily accessible.
- We've made it even easier for you to understand your fees and costs. You can see the fees and costs of your super on our website, in your product disclosure statement (PDS) and on your annual statements.
- Our Investment Guide has detailed information on investment charges.
- We provide retirement health checks for all members, as well as coaching and guidance through our intra-fund advice offer.
- You can also check whether you are on track in funding your retirement by speaking to a member of our intra-fund advice team. They are available to help take you through any questions you may have and make sure you're prepared when it comes to handling some of the common challenges you face regarding your super or planning for retirement.
- We are also working on a new range of Lifetime income accounts, which will be made available to members of our AMP Super Fund in 2025, providing more Australians with the confidence to spend and enjoy retirement to its fullest.

## Question 21

## Why are related party costs so high?

## Answer

- As the Trustee is a company in the broader AMP group, we arrange for other companies in the group to perform most activities relating to your fund under our independent monitoring and supervision.
- This means most expenses relating to the fund are incurred by related parties who provide services to operate the fund.
- Related party expenses are not an additional cost to members.
- The Trustee negotiates and monitors the expenses as part of its duties to members and to ensure expenses are properly incurred and the services are delivered. These related party costs have been externally and independently benchmarked.
- They also shouldn't be compared to the related party costs reported by superannuation funds, which often have different business arrangements.
- For example, other funds may incur the costs I've just mentioned within their operating structure, rather than as related party costs and are therefore not required to report them in the same way we do.

## Question 22

Has the Trustee done enough to create a sustainable super fund for members and AMP?  
What is planned for the future?

## Answer

- We have made significant progress against our strategy to transform the superannuation business in delivering enhanced outcomes for members through lower fees, better investment returns and service experiences.
- A key aspect has been the simplification program and the reshaping of our investment menu, which we believe provide the right balance of simplicity and choice for members, allowing us to keep fees low and take full advantage of our scale.
- These changes have set the fund up to compete strongly now and into the future – both to operate efficiently, so we can keep fees low and continue to invest in our services, and to make sure we're maximising long-term investment returns for members.
- We also see significant opportunity to help more of our members in retirement, where we have unique expertise and capability.
- Future plans include:
  - Continuing to look for opportunities in investment markets that provide long-term steady investment returns; and
  - Exploring the next stage of our MyNorth Lifetime offer by expanding it to our super fund members.

CATEGORY	ADVICE
<b>Question 23</b>	<b>How much control do I have over my super account without a financial adviser?</b>
Answer	<ul style="list-style-type: none"> <li>➤ Members of our North Platform typically have a relationship with a financial adviser and can access its broad range of more than 700 investment options.</li> <li>➤ The adviser is valuable in helping develop a financial plan, investment strategy and maximising financial and retirement outcomes.</li> <li>➤ If you no longer have an adviser linked to your account, you will have transaction authority to do anything the adviser would have done on your account like switching investment options or increasing contributions or making withdrawals.</li> <li>➤ You can call our North Service Centre to speak with a consultant if you need assistance.</li> </ul>
<b>Question 24</b>	<b>Where is AMPFP heading with advice?</b>
Answer	<ul style="list-style-type: none"> <li>➤ AMP continues to make strong progress in establishing Advice as a sustainable, standalone business.</li> <li>➤ As announced in our Full Year Results for 2023, aligned adviser numbers continue to stabilise and adviser sentiment towards AMP continued to improve with adviser satisfaction scores at 81%, up from 68% at FY 22.</li> <li>➤ We have revitalised our Jigsaw offering to support self-licensed financial advisers and our inflows from IFAs to North were up 33% on the prior period, reflecting a key part of our strategy to continue to differentiate our offering with self-licensees and developing new products and services to address the unmet needs of Australia’s growing retiree population.</li> </ul>

## Question 25

Can you explain more about the Lifestages approach, how the fund was managed, why the continued loss of money?

## Answer

- Performance-wise, there has not been a loss of money. All our options within AMP Super have delivered a positive return for the year 2023 and have continued to show similar strength over longer time horizons highlighting the benefit of diversification and championing the processes and strategies of our AMP Investment teams.
- Looking at the AMP MySuper 1970s Lifestages Option for example, the largest Option in our MySuper Lifestages Range, the Option returned 11.6% over one year, 6.4% over three years, and 7.8% over five years as of 31 December 2023 (after all fees and taxes).
- Options for members born in earlier decades are more conservatively invested, so are expected to have lower returns to reduce the risk of capital losses. The 1950s fund for members who are mostly already retired returned 7.9% over one year and 2.3% over three years and 4.3% over five years to 31 December 2023.
- You will be invested in MySuper Lifestages as an AMP super member unless you make an alternative investment choice.
- AMP MySuper Lifestages takes the hard work out of deciding how to invest your super by providing a single, simple investment option tailored for your age group which evolves the closer a member gets to retirement age.
- Your super contributions will be invested in the AMP MySuper Lifestages option that matches the decade you were born in.
- The investment strategy and asset allocation will change as your investment risk profile changes.
- When you're younger you'll have a higher exposure to growth investments because you're further away from retirement and can afford to take more risk.
- When you're closer to retirement you'll see a greater focus on preserving the capital built up and reducing risk while maintaining some exposure to growth assets. This is what we call our MySuper Glidepath.
- Your investments will continue to be actively managed as you get older – even if you haven't told us how to invest your super.

## Question 26

Would AMP consider switching the MySuper from a Lifestages approach to a single Balanced one?

## Answer

- AMP is committed to ensuring that we can continue to deliver the very best in returns for our members over the long term and continues to review our approach to ensure we're delivering the best possible outcomes for members.
- Our MySuper Lifestages approach works by evolving the closer a member gets to retirement age. This is more complex than a Balanced Fund.
- An advantage for new members is that Lifestages actually gives members a higher allocation to growth assets when they are younger than when compared with a Balanced Fund, which can really accelerate a member's retirement outcome over time.
- We constantly review all our strategies and fund options to make sure they are fit-for-purpose and are sustainable, withstanding any market shocks or volatility along the way.
- This ensures we can continue to deliver growth and strong returns for our members at every stage in retirement.

## Question 27

## Can you tell me more about the new partnership with TAL?

## Answer

- In January 2024, we wrote to AMP Super Fund members who have insurance with RLA notifying them we have appointed TAL as your new default insurer.
- As a result of this change, we've been able to pass on significant cost reductions to many of our members.
- We're committed to ensuring we can continue to give you a competitive offer, ensuring your default insurance is sustainable and delivers better outcomes for our members.
- A new modern unitised design for Death and TPD, based on a Lifestages curve to better meet member needs and protect retirement balances, is also being introduced.
- Thanks to our partnership with TAL, members will have access to TAL's health and wellbeing program<sup>1</sup>, and, importantly, digital claims support services, which will simplify and speed up the claims process.

1 During our live Q&A, AIA's Vitality was incorrectly mentioned in reference to TAL. Please note our new default insurance arrangement is with TAL and members will have access to TAL's health and wellbeing program.

## Question 28

## At what age can you start accessing your super, and are there any penalties in doing so?

## Answer

- Australians can access their super with no penalties when they reach their preservation age (which for most people is age 60) and retirement.
- In some special circumstances, you might be able to access your super early.
- This is generally where you may be experiencing severe financial hardship or specific medical conditions, noting these may have separate eligibility criteria.
- If you've reached your preservation age but aren't ready to retire permanently, you might wish to access a portion of your super through a transition to retirement pension which you can receive while you're still working.
- If you, or any member of our SignatureSuper funds, wish to take advantage of our Transition to Retirement intra-fund advice service, at no additional cost, you can speak to one of our phone-based team to book an appointment on 131 267.

## Question 29

## How and when can I withdraw my pension?

## Answer

- Most superannuation benefits are preserved under the relevant industry legislation and require members to satisfy a condition of release before they can access their superannuation.
- If you meet a condition of release under superannuation law or have unrestricted non-preserved benefits, you may be able to withdraw your superannuation as a lump sum, or you can draw an income stream by transferring your benefit to a pension account, subject to eligibility.
- Withdrawals from an Allocated Pension (other than regular pension payments) can be made at any time.
- For pension members aged 60 or over, lump-sum benefits and income stream payments are tax free.
- Please speak to your financial adviser for more information about restricted non-preserved and unrestricted non-preserved benefits.

## Question 30

## What is your opinion on the impact and timeframe for superannuation tax changes?

## Answer

- In reference to the proposal to apply an additional 15% tax to earnings on total superannuation balances of more than \$3 million, the Government has recently introduced legislation to Parliament which if passed will apply this additional tax from 1 July 2025.
- Regulations setting out details of the methodology have not yet been released however the Government expects the additional tax will impact around 80,000 people in respect of the 2025–26 financial year.

## Question 31

## How secure is my super?

## Answer

- With over 175 years of experience, AMP has been helping Australians achieve their goals since 1849.
- Like all super funds, members' funds are invested and held in a trust structure which is kept entirely separate from the Trustee's and any other AMP entity's own money. This ring-fencing means that members' funds are protected.
- The funds are also protected and governed by strict regulation and Commonwealth laws.

CATEGORY	ASSET ALLOCATION
<b>Question 32</b>	<b>I would like to invest my super 100% into real estate property, is this allowed?</b>
Answer	<ul style="list-style-type: none"> <li>➤ Most of our AMP Super Fund investment options have some property exposure.</li> <li>➤ We also offer members two single-sector property investment options – Australian Property Index and Global Property Index (Hedged).</li> <li>➤ In our experience, members who wish to invest their super in 100% residential property, they tend to run their own ‘self-managed super fund’ or SMSF.</li> <li>➤ Running your own SMSF has many responsibilities and some limitations, so we recommend anyone considering an SMSF does their research and seeks professional advice.</li> </ul>
<b>Question 33</b>	<b>In terms of asset allocation, can you please provide more details on where AMP MySuper money is invested?</b>
Answer	<ul style="list-style-type: none"> <li>➤ AMP offer a wide variety of choice of investment options for our members. These range from single asset classes – such as shares, property, fixed interest – to diversified options which give you a blend, and also passive index tracking to fully active investment options.</li> <li>➤ Members who don’t make an active choice are automatically placed within our default AMP MySuper Lifestages options.</li> <li>➤ Our MySuper Lifestages Options offers members a specific option depending on the decade in which they are born. The younger a member is the higher their allocation to growth assets such as global shares, which are riskier investments, and therefore the higher their expected return.</li> <li>➤ Asset allocation, if you’re born in the 1970s, you’ll have about 89% invested in growth assets including about 37% in Global shares, 34% in Australian shares, 5% in Private Equity, and 6% in Infrastructure and 7% in property. The remaining assets are in credit, bonds, and cash.</li> <li>➤ The easiest way to find up to date information on asset allocation is to go to our website and search for AMP MySuper Quarterly Report. This report has up to date performance information.</li> </ul>



CATEGORY	NORTH
Question 34	What is the difference between North and AMP?
Answer	<ul style="list-style-type: none"> <li>➤ North is the name of our wrap investment platform that sits within the broader AMP business, and alongside our other superannuation offers, including SignatureSuper.</li> <li>➤ North is typically used by members who work with an adviser, and who may have more complex investment needs than what is offered through a traditional superannuation fund, such as SignatureSuper.</li> </ul>
Question 35	APRA's annual performance test on my superannuation plan failed to meet the benchmarks set by regulations. Can you explain why?
Answer	<ul style="list-style-type: none"> <li>➤ All of AMP's default super options and AMP Super Fund's Trustee Directed Products once again passed the APT.</li> <li>➤ The majority of our North and MyNorth Trustee Directed Products (TDPs) also passed.</li> <li>➤ TDPs are a small subset of the 600+ managed investments available through AMP platforms, underperforming products represent just 1.5% of FUM.</li> <li>➤ We do have some concerns with how the test operates for TDPs on Platforms, which we have communicated to the Government and Regulators.</li> <li>➤ The test in its current form ignores the fact that individuals have very different financial goals or needs, such as ethical investing considerations.</li> <li>➤ The test also assumes all members pay the same fees as a member with a \$50k balance which is not the case for North where fees reduce as balances grow.</li> <li>➤ AMP continues to urge the Government to reconsider the test methodology for Platforms and help provide CGT relief for members wanting to exit products which haven't met their APT benchmark.</li> </ul>

## Question 36

Why does MyNorth have a front-facing customer service line, but no actual opportunity to speak or meet with advisers in a client capacity?

## Answer

- North has been designed to help advisers implement and manage complex investment strategies for their clients.
- The platform provides access to an extensive range of investment choices.
- Advisers can help members select investment options consistent with their investment strategy and risk appetite.
- For current members, our customer service team at North can help directly with:
  - technical support for the North Online website
  - basic product information, and
  - transactions including withdrawals and switches, administration, and account maintenance.
- If a member's needs are more complex, we can also help them find a financial adviser in their area. Visit our Find an adviser portal here for more information: [amp.com.au/wps/portal/au/FindAnAdviser](http://amp.com.au/wps/portal/au/FindAnAdviser)

## Question 37

If we are forced or choose to retire early what can AMP provide us through this time of our life and to keep us as a member to look after our portfolios?

## Answer

- The MyNorth platform is designed to support our members at every stage of the life, from accumulation through to retirement and is available to any member with a financial adviser.
- The MyNorth platform has a very extensive menu of investments and solutions catering to a broad range of member needs, including the following which are tailored for our retired members:
  - Allocated pension – this flexible account-based pension gives you flexibility to access income payments and lump sums in a tax-free environment.
  - MyNorth Lifetime – this suite of solutions provides tax-free income for life and enjoys concessional Centrelink treatment (meaning most members will be eligible for higher age pension), whilst still having access to the full investment menu. For legislative reasons, the income solution is only available to members who retire after the age of 60.
  - North Guarantee – this investment solution allows you to invest in a range of multi-asset class options, safe in the knowledge that your capital is protected from negative market movement, whilst still being able to enjoy market upside.
- We encourage you to speak to your financial adviser about these options.

## Question 38

Could you please advise on what is your current policy and any proposed changes for clients choosing to have or not have financial advisers?

## Answer

- Our current policy requires you to inform us if you are no longer retaining the services of a financial adviser to assist you in managing your account.
- Your adviser may also inform us that they are no longer providing services to you.
- If this occurs:
  - you may remain invested in MyNorth Super and Pension and you may continue to provide us with instructions relating to your account and the investments held for you
  - we will remove your financial adviser's access to your account, and grant you access, through North Online, to complete transactions that your adviser would have otherwise completed on your behalf.
- Some account features will not be available to you. For example, you will be unable to:
  - complete a withdrawal through North Online (you will be required to send us a withdrawal form available through North Online)
  - complete an asset transfer
  - open a new account, and
  - benefit from any family fee grouping or family fee aggregation.
- From 25 March 2024, for those who do not wish to have a financial adviser on their account, access to some investment options will be limited.
- These investment options are designed to be accessed through a financial adviser only and the list of 'limited investment options' is a relatively small percentage of the overall investment options available.
- There is no change to members' existing investment options.
- Any current holdings will be retained, and additional investments can continue to be made into these holdings.
- We're continuing to explore opportunities to further improve the customer experience for our non-advised members and ensure product settings are appropriate.
- We strongly encourage you to have a financial adviser attached to your account at all times, to ensure that your financial strategy is being maintained and that you have access to all the features and functionalities offered through MyNorth Super and Pension.

## Question 39

When will you introduce parcel selection for the purposes of minimising Capital Gains Tax?

## Answer

- We hope to expand on the parcel allocation methods offered on North.
- Initial work has already been completed, and we expect to deliver this expansion in 2025.

## Question 40

I was informed that the shares enabled to be traded on North will be expanded to include ASX Small Caps as well as shares listed on foreign indices including NYSE and COMP. Is this expansion of functionality still envisaged and if so, when is it likely to become available?

## Answer

- Members in our super and pension products have access to the S&P/ASX300 for Australian shares, ETFs and other listed investments traded on CBOE as well as the ASX. This is based on the Trustee's assessment of liquidity.
- We currently do not offer ASX Small Caps for super and pension members.
- Although we continue to look at the functionality of direct investments in foreign exchanges, it is currently not available. We continue to assess this feature. We are currently unable to confirm a date to which this feature will be available.

## In this document:

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