



AMP MySuper 1990s

Quarterly Investment Option Update

31 March 2020

Aim and Strategy

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

Investment Option Performance

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

Investment Option Overview

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

Asset Allocation	Benchmark (%)
International shares	35
Australian Shares	32
Growth Alternatives	15
Unlisted Property and Infrastructure	9
Australian Fixed Interest	4
Listed Property and Infrastructure	4
Cash	1
Defensive Alternatives	0
International Fixed Interest	0

Actual Allocation	%
International Shares	39.52
Australian Shares	26.95
Listed Property and Infrastructure	3.68
Unlisted Property and Infrastructure	7.17
Growth Alternatives	11.09
International Fixed Interest	4.26
Australian Fixed Interest	4.07
Cash	3.26

Fund Performance

AMP MySuper 1990s delivered a -13.6% return over the first quarter of 2020 as the world economy was brought to a standstill by the COVID-19 pandemic. Despite diversification and active management lessening the impact, the swiftness and severity of the disease all but erased the returns generated in 2019 as share markets fell sharply.

The start of the year saw concerns shift from trade and geo-politics to COVID-19 and its effect on the global economy. As infection rates and the number of countries impacted increased exponentially, the disease evolved from a primarily China-centric issue to a catalyst for global recession. In this environment, growth assets experienced extreme volatility and tight liquidity conditions. Despite record fiscal stimulus packages by global governments, and further rate cuts and quantitative easing by central banks to ease the economic impact, both developed and emerging market shares fell 20% and 19% respectively (in local currencies terms), with the Australian share market following suit. However, direct property and infrastructure assets reduced portfolio volatility as returns from direct assets are less sensitive to sharp market moves.

The outlook for 2020 has suffered greatly as the severity and duration of the pandemic remains unclear. Markets are likely to be volatile in the months ahead. AMP MySuper 1990s now has a below neutral exposure to shares. We have also increased exposures to defensive assets, such as cash, given the risk-adverse environment, while maintaining broad exposures to alternative assets such as direct property, infrastructure and hedge funds which allow us to manage portfolio risk in periods of share market volatility. It is important for young members to remember that these market shocks do not last forever and to remain focussed on the long term.

Market Review

The first quarter of 2020 began with the renewed conflicts between the US and Iran and the US-China trade tensions which were later resolved and share markets were encouraged by initial signs the global economy was improving. However, as March approached, the global surge in COVID-19 cases outside of China led to a pandemic. At the end of the quarter, despite the continued rise in new COVID-19 cases (especially in the US and Italy) and signs of a slowdown in global economic activity, share markets had a strong rebound in response to further announcements of unprecedented stimulus measures by governments and central banks.

The Federal Reserve reduced interest rates by a further 100 basis points to 0.00%–0.25% and commenced its quantitative easing. The US government announced the largest fiscal package, worth \$US2 trillion. The Bank of Canada lowered its overnight rate target to 0.75% and launched a credit facility program.

In Europe, the UK officially left the European Union on 31 January. The European Central Bank launched a new Pandemic Emergency Purchase Programme, worth €750 billion. The Bank of England lowered its Bank Rate further and launched a new substantial quantitative easing program whilst the UK government announced its credit guarantees.

In Asia, China's central bank announced a reduction in reserve ratios for banks. The Bank of Japan provided a significant liquidity injection and expanded its quantitative easing program.

Availability

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

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