



AMP MySuper 1990s

Quarterly Investment Option Update

31 December 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/performance

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	36
Australian Shares	33
Growth Alternatives	15
Unlisted Property and Infrastructure	9
Australian Fixed Interest	4
Listed Property and Infrastructure	2
Cash	1
Defensive Alternatives	0
International Fixed Interest	0

Actual Allocation	%
International Shares	37.38
Australian Shares	32.67
Listed Property and Infrastructure	3.25
Unlisted Property and Infrastructure	6.28
Growth Alternatives	8.13
International Fixed Interest	5.46
Australian Fixed Interest	3.27
Cash	3.54

Fund Performance

AMP MySuper 1990s capped off 2020 with a strong return over the December quarter, continuing the impressive rebound since the March quarter lows. As has been the case for most of the second half of the year, the momentum of growth assets continued to drive performance.

Geopolitics, stimulus relief and COVID-19 news dominated investor sentiment over the quarter. In the US, market uncertainty was quelled as Joe Biden was confirmed by the electoral college as the President Elect of the United States. Additionally, the signing of the economic stimulus relief bill, the CARES Act, provided further reprieve and economic support. On the COVID-19 front, rising infection rates across the US and Europe, and the reinstating of restrictions, was eclipsed by the welcomed announcement of three potential vaccines. Overall, the S&P/ASX 200 index finished up 13.7% while the MSCI World ex Australia index rose 12.7% (in local currency terms). Credit markets also rallied due to the 'risk-on' tone, while government bonds were largely range bound. Unlisted assets and alternatives also gained slightly.

Despite the strong absolute return, relative to benchmark the option underperformed over the quarter. Allocations to private equity lagged, although the underperformance is expected to be clawed back over time. Active share exposures were somewhat mixed, as quantitative strategies such as quality, growth and momentum signals underperformed value – limiting outperformance.

Looking ahead, we remain cautiously optimistic for 2021. Positive market momentum has continued into the start of the new year. Ongoing easy monetary policy, fiscal stimulus, rollout of vaccines, and the resolution of many geopolitical concerns has benefitted the option. However, the sharp 'V-shaped' recovery has left markets somewhat susceptible to a correction. Should volatility reappear, it is important to remain focussed on the long term. We continue to prefer global shares over domestic shares, and hold tilts into credit markets. Small exposures to alternatives add diversification, while retaining focus on capital growth.

Market Review

December saw some closure and improved visibility on issues that had been weighing on the market for most of 2020. Despite further COVID-19 waves, breakouts and new strains, tangible plans for vaccine rollouts in 2021 showed an improved path to normalcy. In Europe, a Brexit deal was finally agreed and signed. All-in-all, the global environment imparted a more positive backdrop at the tail-end of the year which kept equity markets supported. However, many equity markets now look stretched and signs of excessive optimism have been reflected in IPOs often trading significantly above their launch valuations, with sketchy or sometimes zero profitability.

Ahead of the US presidential election global equities exhibited mixed performance as the initial acrimonious presidential debate impacted market certainty and support. After a protracted count, Democratic candidate Joe Biden won the election, although it took significant time for the Trump administration to tacitly accept defeat and agree to co-operate with a transition of power. Post the US election, global equity markets were buoyed by increased political certainty and positive news on several viable COVID-19 vaccines.

Global markets will be looking ahead to 2021 hoping that the impact of 2020 will be able to be reversed as soon as possible once vaccine programmes start to make their full effect felt.

Availability

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

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