



AMP MySuper 1960s

Quarterly Investment Option Update

31 March 2021

Aim and Strategy

Aims to achieve a rate of return of 2.5% 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 1960s. 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	24
Australian Shares	20
Australian Fixed Interest	14
International Fixed Interest	12
Unlisted Property and Infrastructure	8
Growth Alternatives	8
Cash	7
Defensive Alternatives	5
Listed Property and Infrastructure	2

Actual Allocation	%
International Shares	25.00
Australian Shares	20.93
Listed Property and Infrastructure	3.12
Unlisted Property and Infrastructure	6.41
Growth Alternatives	6.64
International Fixed Interest	14.03
Australian Fixed Interest	13.24
Defensive Alternatives	4.07
Cash	6.55

Fund Performance

AMP MySuper 1960s delivered a solid return over the first quarter of 2021, leading to a fourth consecutive period of positive performance for members. Growth assets continued to be the key driver of performance as broad-based optimism drove the share market higher, while more defensive assets weakened.

Over the quarter, investors reacted positively to the execution of a US\$1.9 trillion US economic stimulus bill, the American Rescue Plan Act, put forward by the Biden Administration, as well as strong progress on the vaccine rollout in the US and UK. It is expected that with the further economic support and continued vaccination effort, global economies should be able to sustainably reopen and realise strong economic growth throughout 2021. This backdrop saw share markets rally. Overall, the S&P/ASX 200 index ended the quarter up 4.3%, while the MSCI World ex Australia index rose 6.2% (in local currency terms) largely driven by sharp gains in value stocks and commodities. Unlisted assets and alternatives also gained as revaluations boosted returns. As sentiment improved, defensive assets, such as bonds and investment grade credit, gave up some recent gains as yields rose.

Relative to benchmark, the Option performed well over the March quarter. Active share exposures were a key driver of outperformance, with value strategies performing relatively well. Alternatives, such as private Equity and absolute return strategies also generated strong returns, boosting outperformance. However, exposures to Australian and international bonds weighed on relative performance, largely due to long duration positions relative to the benchmark.

Looking ahead, we remain cautiously optimistic for 2021. As the vaccine rollout continues to gain pace globally and the hospitalisation rate continues to trend downwards, economic growth should be set to boom as economies ramp up their re-opening efforts. Against this backdrop, we look favourably upon shares relative to bonds. However, the sharp 'V-shaped' recovery has left markets somewhat susceptible to a correction. Maintaining an active, well-diversified asset exposure should help mitigate member losses should this scenario arise.

Market Review

Share markets were volatile over the March quarter overall as uncertainty increased around the potential effect of upward pressure on bond rates, evidenced toward the tail-end of the quarter, nascent inflationary pressures, and how central banks will react in the current environment. There were also some concerns over the pace of vaccine rollout in some countries, supply bottlenecks, and the general pace of economic recovery. However, countering this, global share markets saw some support in the period from improving visibility developing around these areas. Despite this, technology stocks continue to exhibit some risk-on / risk-off vacillation around potentially excessive valuations and the ongoing rotation bias from growth into value.

In the US, the US\$1.9 trillion support programme was passed in an attempt to provide further stimulus to the economy and make good an initial election promise to reduce some economic inequality. Markets are hoping the programme will be able to stimulate activity without stoking inflation. The passing of the bill has imparted some confidence to the new administration and Joe Biden gave his first press conference, albeit somewhat later than expected, with optimism.

Availability

Product Name	APIR
AMP Flexible Super - Super	AMP1900AU
CustomSuper	AMP1900AU
Flexible Lifetime - Super	AMP1900AU
SignatureSuper	AMP1888AU
SignatureSuper Select	AMP1888AU
SuperLeader	AMP1894AU

Contact Details

Web: www.amp.com.au

Email: askamp@amp.com.au

Phone: 131 267



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