



# AMP MySuper 1950s

## Quarterly Investment Option Update

30 June 2022

### Aim and Strategy

The strategy aims to achieve a rate of return of 1.0% pa above the inflation rate (measured by the Consumer Price Index), after fees and superannuation tax, over the suggested investment timeframe. Returns from both capital growth and income are provided through a diversified portfolio.

AMP's MySuper investment option gives you an investment solution that takes you all the way through your superannuation savings journey. This approach, known as lifestages 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 1950s.

For investors approaching retirement, investments will have greater focus on seeking to preserve the capital built up and reducing risk whilst maintaining an exposure to growth assets.

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 this product, please visit [www.amp.com.au/performance](http://www.amp.com.au/performance)

### Investment Option Overview

|   |                |
|---|----------------|
| <b>Investment category</b>                    | Multi-Sector   |
| <b>Suggested minimum investment timeframe</b> | No minimum     |
| <b>Relative risk rating</b>                   | Medium to High |
| <b>Investment style</b>                       | Active         |
| <b>Manager style</b>                          | Multi-manager  |

| <b>Asset Allocation</b>      | <b>Benchmark (%)</b> |
|------------------------------|----------------------|
| Global fixed interest        | 19                   |
| Global shares                | 18                   |
| Australian shares            | 17                   |
| Australian fixed interest    | 16                   |
| Cash                         | 10                   |
| Growth alternatives          | 6                    |
| Defensive alternatives       | 5                    |
| Global listed infrastructure | 3                    |
| Global listed property       | 3                    |
| Unlisted infrastructure      | 2                    |
| Unlisted property            | 1                    |

| <b>Actual Allocation</b>             | <b>%</b> |
|--------------------------------------|----------|
| Global Shares                        | 17.32    |
| Australian Shares                    | 16.26    |
| Listed Property and Infrastructure   | 6.84     |
| Unlisted Property and Infrastructure | 2.75     |
| Growth Alternatives                  | 5.67     |
| Global Fixed Interest                | 23.09    |
| Australian Fixed Interest            | 14.91    |
| Cash                                 | 13.16    |

## Fund Performance

The 1950s option endured a volatile end to the 2021/22 financial year, generating a negative return in the June quarter. Continued inflationary concerns, rising interest rates and conflict in the Ukraine limited any upside for investment markets over the quarter and year. However, despite near-term volatility, longer-term absolute performance remains positive.

With markets continuing to react negatively to persistent inflation and a rising rate environment, the well diversified, moderately risk-averse nature of the 1950s option has performed broadly in line with expectations. However, over recent period some assets which usually provide protection in falling equity markets have failed to do so. Alongside falls in equity allocations, fixed income, particularly government bonds, did not support overall performance as interest rates rose and were large detractors from overall performance. This was partially offset by stable returns from the large allocation to cash investments. Additionally, certain credit strategies provided some respite relative to the benchmark, as allocations to bank loans were largely immune to the dramatic interest rate reset. Whilst still generating a negative absolute return, the Fund's international equities allocations outperformed the market index, with manager AQR a standout.

Despite outperforming market benchmarks, the Fund underperformed its CPI objective over the quarter and the financial year as a whole, following the sharp rise in CPI and in combination with broad based corrections across equity and bond markets.

Looking ahead, as the Ukraine crisis, inflation, and monetary tightening remain constant threats, markets are likely to remain volatile. Despite the potential for short-term fluctuations, there are some green shoots of easing inflationary pressures which would be well received by investors. Given this, we remain cautiously optimistic for equity markets as valuations improve. Allocations to direct property, direct infrastructure and alternatives, with their diversifying characteristics, are likely to continue to play an important role in achieving member outcomes for the remainder of 2022.

## Market Review

The June quarter saw pessimistic global sentiment continue to drive further falls across various markets and asset classes, as traders began to price in a growing likelihood of recession, against a backdrop of hawkish central banks aggressively hiking rates to combat inflation. There were however some positive through the quarter, with China pulling-back some of its harsh COVID restrictions providing some much-necessary relief on ports and supply chains, as well as some tentative signs that goods inflationary pressure in the US may be slightly easing. Russia's war on Ukraine meanwhile rolled on, wreaking havoc on global energy markets, particularly in Europe – not to mention the terrible human cost.

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## Availability

|                     |             |
|---------------------|-------------|
| <b>Product Name</b> | <b>APIR</b> |
| SignatureSuper      | AMP1887AU   |

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