



AMP MySuper 1950s

Quarterly Investment Option Update

30 September 2023

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 your lifetime as appropriate for the average investor born during the 1950s. As investors approach retirement, investments will have greater focus on seeking to preserve the capital built up and reducing risk whilst maintaining some 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

Investment Option Overview

Investment category	Multi-Sector
Suggested minimum investment timeframe	4 years
Standard Risk Measure	5/Medium to High
Investment style	Active
Manager style	Multi-manager

Asset Allocation	Benchmark (%)
Australian Shares	17
Global Shares	19
Property	5
Infrastructure	5
Alternatives	5
Fixed Income	37
Cash	12

Actual Allocation	%
Fixed Income	37.00
Global Shares	19.20
Australian Shares	17.02
Infrastructure	5.61
Property	4.91
Alternatives	4.42
Cash	11.84

Fund Performance

Both share and bond markets retreated over the September quarter as inflationary and interest rate concerns constrained investor sentiment across markets. This was reflected in the MySuper 1950s Option performance, ending the period with a small negative return. However, the Option continues to show strong absolute returns over longer time periods since market lows at the end of 2022.

Despite the small negative return, the focus on capital stability and preservation in the 1950s Option via actively diversifying exposures and underlying strategies mitigated the impact on overall performance. Stock selection that was ahead of benchmarks from our underlying managers in Australian and International shares boosted overall performance. Similarly, diversifying allocations to alternatives and direct infrastructure lifted returns in the face of falling listed markets. Bond and direct property allocations were down over the period as rates continued to rise, putting pressure on debt markets.

The Option underperformed its CPI objective over the quarter and remains behind over 12 months following elevated CPI levels over the last 2 years. Over the long-term performance has improved.

Looking ahead, we expect continued market volatility for the remainder of 2023. Share markets remain precariously positioned with valuations stretched. Inflation levels are not falling as fast as previously expected and higher interest rates are now likely to remain well into 2024, on top of increasingly worrisome national debt levels and recessionary fears. Against this backdrop, the Option is positioned with a sizeable allocation to defensive assets, such as bonds and cash, for added protection and diversification if share volatility increases towards year end.

Market Review

The September quarter initially saw global optimism build in investment markets amid an emerging view that a 'soft landing' scenario was starting to play out, reflected by still-falling inflation combined with resilient economic growth and employment numbers, notably in the US. Mid-quarter however, there was a small, but noticeable pull-back in sentiment, as global inflation prints fell - though not by as much as expected, demonstrating some equity markets had become a little ahead of themselves on the likelihood of an early and soft landing.

In the US, annualised inflation for August was shown to be 3.7%, up from 3.2% the previous month, though still in a downtrend from its 9.2% peak of mid-2022. The increase was largely driven by rising energy prices, such as gas and oil, amid production cuts from Russia and Saudi Arabia. Economic growth meanwhile was shown to be at 2.1%, while the unemployment rate ticked up to a still-low 3.8%. Consumer spending was resilient. Outside of economics, immigration policy was in the headlines, amid an influx of arrivals across the southern border. Government shutdown prospects and party leadership for the 2024 election were also widely discussed.

Availability

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