



**AMG**  
SUPER

# Annual Report

*to Members* for the Year Ending 30 June 2020

# Contents

<b>Greetings from your Trustee</b> .....	2
<b>About the Fund</b> .....	3
<b>Member Updates</b> .....	5
<b>Investment Information</b> .....	7
<b>Investment Options</b> .....	8
<b>Investment Returns</b> .....	19
<b>Reserves</b> .....	21
<b>Financial Accounts</b> .....	22
<b>Directory</b> .....	23

*Issued by Equity Trustees Superannuation Limited,  
ABN 50 055 641 757 AFS Licence No 229757 RSE Licence  
No L0001458 MySuper Licence No. 30099320583624  
as Trustee of AMG Super ABN 30 099 320 583 RSE  
Registration Number R1001006*

*The Annual Report should be read in conjunction with  
your Annual Benefit Statement for the year ended 30 June  
2020. Together, the Annual Report and the Annual Benefit  
Statement form your Annual Periodic Statement for the  
year ended 30 June 2020.*

This report is issued by the Trustee of the Fund, Equity Trustees Superannuation Limited. Neither Equity Trustees Superannuation Limited, any investment manager nor other service provider to the Fund guarantees the investment performance of any investment offered or the repayment of capital. Investment in the Fund is subject to investment risk including loss of income and capital invested. The information provided in this report is in accordance with the requirements of the Corporations Act 2001. The information is of a general nature only and has been prepared without taking account of your investment objectives, financial situation and needs. Before making any investment decisions in relation to the Fund, you should consider obtaining professional financial advice from an appropriately licensed or authorised financial adviser.

The report contains reference to online access for members to view their account details, which is provided by the Administrator, Acclaim Management Group Limited. The Trustee is not the provider of, and therefore (to the extent permitted by law) cannot accept responsibility for, these facilities.

Whilst all due care has been taken in the preparation of this report, the Trustee reserves the right to correct any errors or omissions.

The terms of your membership in the Fund are set out in the Fund's Trust Deed. Should there be any inconsistency between this report and the Fund's Trust Deed, the terms of the Fund's Trust Deed will prevail.

# Greetings from your Trustee

Equity Trustees Superannuation Limited (the 'Trustee') is pleased to present the Annual Report ('Report') for AMG Super ('Fund') for the year ending 30 June 2020.

This report provides you with information on the Fund's progress throughout the year, along with details of the Fund's financial position, its investment objectives and performances, and other issues relevant to your membership of the Fund.

Take the time to read this report as it will help you increase your understanding of how your Fund and superannuation in general, works towards building an asset for your retirement. Should you have any questions regarding your participation in this Fund, please contact the Administrator, whose details can be found in the Directory at the back of this Report.

Acclaim Management Group Limited (in its capacity as Promoter and Administrator of the Fund) has assisted in the preparation of this Report for the Trustee. The shareholders of Acclaim Management Group Limited are DDH Graham Limited and Pension Investments Pty Ltd. Some of the Fund's investments are related to DDH Graham Limited.

The role of the Promoter is to market and develop the Fund. The Promoter was instrumental in establishing and bringing together various parties to commence the Fund.



# About the Fund

The Fund is a regulated fund under the Superannuation Industry (Supervision) Act 1993 (SIS Act) and comprises of three divisions:

- AMG Super Division
- Freedom of Choice Division
- Emplu Super Division

(collectively referred to as the 'Divisions')

As at 30 June 2020, Fund membership was more than 24,000 and Fund assets were in excess of \$1.2 billion.

## Trustee & the issuer of this report

The Trustee of the Fund is Equity Trustees Superannuation Limited (the 'Trustee') (ABN 50 055 641 757, AFSL 229757, RSE L0001458). The majority of directors of the Trustee are independent. The registered office of the Trustee is Level 1, 575 Bourke Street, Melbourne, VIC 3000.

The Trustee, Equity Trustees Superannuation Limited, is a professional trustee company responsible for the prudent management of the Fund and for ensuring that the Fund operates in accordance with the Trust Deed governing the Fund and the relevant legislation. The Trustee is also the issuer of this report.

The directors of the Trustee during the year to 30 June 2020 were:

### Board of Directors

NAME	POSITION	DURATION
Catherine Robson	Non-Executive Director	1 July 2014 - 5 May 2020
Ellis Varejes	Non-Executive Director	1 July 2014 - present
Mark Blair	Executive Director	11 January 2016 - present
Michael O'Brien	Managing Director	1 July 2016 - present
Tony Lally	Non-Executive Director	14 June 2018 - present
Sue Everingham	Non-Executive Director	15 February 2019 - present
Paul Rogan	Non-Executive Director	17 September 2019 - present

## Trustee indemnity insurance

The Trustee has Professional Indemnity insurance to protect it from certain liabilities that may be incurred in carrying out its duties as Trustee. Protection from liability does not extend to loss incurred through gross or wilful misconduct and is subject to the terms and conditions of the indemnity insurance policy.

## Trustee Statements in relation to the year ending 30 June 2020

### Trust Deed

The overall operations of the Fund are governed by a legally binding document known as the Trust Deed. The Trust Deed as amended from time to time, sets out who can join the Fund, how monies are received and invested, how benefits are paid to Members, and other details on how the Fund must operate.

You can obtain a copy of the Trust Deed and the amendments made thereto free of charge by contacting the Administrator, whose details can be found in the Directory at the back of this Report or you can view this online at [www.amgsuper.com.au/amg-super-trust-deeds](http://www.amgsuper.com.au/amg-super-trust-deeds).

### Policy Committees

Where an Employer group in the Fund has more than 49 Members, there is a requirement that a Policy Committee be formed. There is only one Employer group in the Fund that has a Policy Committee, as outlined below.

A Policy Committee is made up of an equal number of Member-appointed and Employer-appointed persons, who collectively act as a link between the Trustee, the Members, and the Employer. Members of the Fund are invited to nominate candidates for the applicable number of Member appointed representatives, and a secret ballot is held when there are more nominations than there are vacancies. The Employer will nominate Employer-appointed representatives, in equal numbers to the number of Member-appointed representatives. There are restrictions in relation to who can serve on a Committee and these details, along with all other relevant information, are provided at the time when nominations are sought. These details are also available upon request from the Administrator.

The main role of the Committee is to facilitate the flow of information between the Trustee and the Members – for example, the Committee can let the Trustee know the views and needs (including information needs) of the Members. It is not the role of the Committee to set the Employer's superannuation policy, nor is it the role of the Committee to set or advise on investment strategies.

### Policy Committee - Morgans Financial Limited

NAME	POSITION
Bronwyn Harris	Employer Representative
Chantelle Stevens	Employer Representative
Terri Bradford	Employee Representative
Eleanor Tierney	Employee Representative

The Employer Representatives were appointed by Morgans Financial Limited. The Employee Representatives were elected by members of the Fund that are employees of Morgans Financial Limited during a ballot process.

## What we do to keep you informed

At least once every year, the Trustee will:

- provide you with or give you access to, an Annual Benefit Statement showing details of your account, your benefits, and a summary of transactions over the last year.
- issue an Annual Report accessible from the Administrator's website (unless you request that Reports be sent to you) - this will provide you with details about the Fund, its operation, and its performance. Please note that the Annual Report will, by default, be available from the website. This can be accessed by visiting [www.amgsuper.com.au/prescribed-information](http://www.amgsuper.com.au/prescribed-information). If you elect to have Annual Reports sent to you, a hard copy, or electronic copy, will be sent to you free of charge for each financial year/reporting period, until you advise that this is no longer required. If you require any further information, contact the Administrator on 1300 264 264.

During the year, you can keep up to date with your Fund:

- by visiting the Administrator's website - [www.amgsuper.com.au](http://www.amgsuper.com.au)
- by using MySuperSolution - the Administrator's internet facility for interactive access
- by contacting the Administrator (see the Directory at the back of this report).

Members may also obtain or view the following information by visiting [www.amgsuper.com.au/prescribed-information](http://www.amgsuper.com.au/prescribed-information) or upon written request to the Trustee:

- copy of the Auditor's Report
- copy of the latest audited accounts
- copy of the Trust Deed and any amendments which relate to your membership.

In addition, you may request information from the Trustee in order to:

- understand any benefit entitlements that you may have or used to have;
- understand the main features of the Fund;
- make an informed judgment about the management and financial condition of the Fund;
- make an informed judgment about the investment performance of the Fund; and
- understand the investments of the Fund.

You can obtain forms, a copy of this Annual Report, current Product Disclosure Statements (PDS) for products offered from the Fund, investment updates (including updates to PDS for investments available from the AMG Single Manager Options menu), and other general information via the Administrator's website - [www.amgsuper.com.au](http://www.amgsuper.com.au). Please note that there is a Personal and Corporate/Employer PDS for each of the three Divisions. The Personal PDS for the AMG Super and Freedom of Choice Divisions also includes a pension product offering. The Emplus Super Division does not include pension product offerings. The PDSs include important incorporated information that may change from time to time.

If you have any questions regarding the Fund, its insurance, contribution and investment options, or your benefits, please contact the Administrator.

## Unclaimed monies and lost members

Under Federal Government (Unclaimed Money) legislation, there are a number of circumstances in which superannuation must be paid to the Australian Taxation Office including:

- inactive benefits of an uncontactable member who has reached age 65;
- certain benefits of 'lost members' if they are either uncontactable or inactive (as defined in regulations). In summary, the following accounts of 'lost' members must be paid to the Australian Taxation Office:
  - account balances of less than \$6,000 (or such other threshold determined by the Government from time to time); or
  - accounts which have been inactive for a period of 12 months and there are insufficient records to ever identify the owner of the account.
- amounts relating to a superannuation account that is deemed to be 'inactive low-balance account'. A member's account is considered an inactive low-balance account when the following criteria are met:
  - the account balance is less than \$6,000 (at the relevant date)
  - the Fund has not received an amount (such as a rollover from another fund or a contribution) for the member within the last 16 months
  - the member has no insurance cover and has not satisfied a relevant condition of release
  - the member has not changed their investment options or insurance in the last 16 months
  - the member has not made or amended a binding death benefit nomination in the last 16 months, and
  - the member has not made a written declaration to the Australian Taxation Office or the Fund in the last 16 months that they don't want their super to be transferred to the Australian Taxation Office. Contact us if you would like to make this declaration.
  - a former temporary resident's superannuation benefit where it has been at least six months since they have departed Australia and their visa has lapsed.

Superannuation funds must report and pay amounts that meet relevant criteria in the Federal Government (Unclaimed Money) legislation as at particular dates (twice yearly). The Fund must pay these amounts to the Australian Taxation Office when required, even if you are contactable (i.e. even though you are not a lost member).

The Australian Taxation Office will try to reunite your super money with an active account you hold elsewhere or you can contact the Australian Taxation Office to find any ATO-held super that belongs to you and nominate that it be paid or transferred to another fund (subject to preservation rules). Further information about money payable to the Australian Taxation Office under Federal Government (Unclaimed Money) legislation can be obtained from the Australian Taxation Office website ([www.ato.gov.au](http://www.ato.gov.au)).

## Departing Australia Superannuation Payments (DASP) & Treatment of Temporary Residents

If you enter Australia on a temporary visa, you are entitled to receive your superannuation benefit once you leave Australia permanently and your visa has expired (except for certain visa sub-classes). This type of payment is known as a Departing Australia Superannuation Payment (DASP).

Under Federal Government (Unclaimed Money) legislation, a former temporary resident's superannuation benefit must be paid by a superannuation trustee to the Australian Taxation Office as unclaimed money where it has been at least six months since they have departed Australia and their visa has lapsed, when required by that legislation. If this happens, you have a right, under Division 4 of Part 3A of the legislation, to claim your super money directly from the Australian Taxation Office (subject to the applicable tax rates).

If you are a former temporary resident whose superannuation benefits are transferred to the ATO as unclaimed money, you may not be notified of this or receive an exit statement after the transfer occurs. The Trustee will rely on an exemption provided by the Australian Securities & Investments Commission (ASIC) under Corporations (Unclaimed Superannuation - Former Temporary Residents) Instrument 2019/873 which means the Trustee is not obliged to meet certain disclosure requirements in relation to former temporary residents that have ceased to hold an interest in the Fund as a result of the payment of unclaimed superannuation to the Commissioner of Taxation under Division 3 of Part 3A of the Unclaimed Money legislation. If you require any further information, contact the Administrator on 1300 264 264.

Further information can be obtained from the Australian Taxation Office website ([www.ato.gov.au](http://www.ato.gov.au)) or by contacting the Administrator on 1300 264 264.

## Member Updates

### AMG Super Division and MySuper option receive top ratings

The AMG Super Division's Personal Super and Corporate Super products as well as the AMG MySuper option (the AMG MySuper option is available to members in all Divisions, other than Pension members and AMG Super Division Personal members) have all been rated as "Outstanding" and awarded the highest rating with 5 Quality Stars by the Heron Partnership. Heron Partnership is an independent firm who conduct superannuation fund ratings. Heron Partnership's 2020 assessment covered 190 superannuation products, including 39 commercial products, 45 industry funds, 8 Government designated funds, 21 specialist 'corporate' products and 77 pension products.

For more information regarding the Heron Partnership Fund Ratings, go to [www.heronpartners.com.au](http://www.heronpartners.com.au).

### Important changes to insurance through AMG Super

In April 2020, there were a number of changes which came into effect relating to insurance available through the Fund. These changes were the result of a comprehensive review completed by the Trustee, to identify ways in which the insurance offering could be improved to benefit members including providing better value for money and an appropriate level of cover taking into account the impact of Government reforms to insurance cover via superannuation under the Protecting Your Super Package and Putting Members First reforms mentioned below. Changes were communicated via a significant event notice. This notice included details of the changes including but not limited to premiums, policy terms and the Fund's automatic insurance.

### Changes to Emplus Super Division investment options

In December 2019 Emplus Super Division investment options were terminated and replaced with options currently offered to members of the AMG Super Division. The Trustee made this decision following a strategic review which determined that the investment options available through the Emplus Super Division were in many ways similar to the AMG Multi-Manager investment options available through the AMG Super Division. The similarity was apparent across risk level, investment objective and asset allocation. The Trustee viewed this duplication as an inefficiency that could be improved by closing the Emplus Super Division investment options and switching Emplus Super Division members to comparable AMG Super Division investment options. This change was communicated to Emplus Super Division members via a significant event notice.

### Changes to the AMG MySuper Investment Option

In June 2020 the Trustee reduced investment costs to members in the AMG MySuper option by adopting an index based investment approach. The Indirect Cost Ratio for the AMG MySuper option reduced from 0.32% of assets per year (estimated) to 0.00 of assets per year (estimated).

## Annual Member Meeting

A new legislative requirement for the Trustee is to have an Annual Member Meeting. The Trustee is planning on having this meeting prior to 31 March 2021. We will write to members with the details of the meeting prior to the event.

## Legislative Updates

This section outlines some key legislative changes, however it is not a summary of all legislative changes relating to superannuation during 2019/2020 or since that time.

### Protecting Your Superannuation Package

As noted in last year's Annual Report, in 2019, legislative reforms known as the Protecting Your Superannuation Package were enacted and implemented by the superannuation industry. The key features of this package included the following changes designed to prevent the erosion of superannuation benefits, which generally applied from 1 July 2019:

- Members' insurance covers were cancelled if their account was inactive (as at 1 July 2019 for a period of 16 months and they did not elect otherwise. Cancellation due to inactivity may have occurred or may occur after 1 July 2019 as well, where a 16 month period of inactivity occurs and a member has not made the necessary election. You will receive notification of inactivity in your account that may lead to cancellation of cover you hold.
- Exit fees were abolished.
- The combined total administration fees, investment fees and indirect costs charged in relation to MySuper products and choice products with balances below \$6,000 (as at 30 June 2020, any 30 June thereafter or the date of exiting the Fund) were capped at 3% of the balance.
- Inactive accounts with balances below \$6,000 must be transferred to the ATO in certain circumstances.

### Putting Members Interest First

Reforms known as Putting Members Interest First were enacted

during 2019 and generally applied from 1 April 2020. Building on the Protecting Your Super package, these reforms are intended to ensure that insurance arrangements in superannuation do not unduly erode the retirement balances of members. If you were a member of the Fund with insurance cover before 1 April 2020, and had a balance of less than \$6,000 you would have received a letter from us letting you know that if we do not receive notification from you electing to maintain your insurance cover, your insurance cover will be cancelled if as at 1 April 2020 your account balance is still below \$6,000. Also, under the reforms, new members acquiring a product from the Fund on or after 1 April 2020, cannot receive insurance cover (including automatic cover available to eligible members) if they are under age 25 and/or have a balance below \$6,000, unless they elect to take out insurance cover.

### COVID-19 and early access to your super

In March 2020, the federal government announced (as part of a stimulus package) that people facing financial stress as a result of the COVID-19 pandemic will be granted early access to their super, with applications for early release to be made via an ATO portal. To 1 July 2020 eligible members could access up to \$10,000 of their superannuation (across all superannuation funds in which they participate). Subject to eligibility members may also access up to a further \$10,000 from 1 July 2020 up to 24 September 2020 (this deadline was recently extended to 31 December 2020). Further information can be found at [www.ato.gov.au](http://www.ato.gov.au).

### COVID-19 and changes to minimum pension draw down

Another measure implemented as part of the federal government's COVID-19 stimulus package was the reduction in minimum drawdown rates for pension members. Whilst there was no change to AMG Super Division and Freedom of Choice Division members pension payments in the 2019/20 financial year, there will be changes in the 2020/21 financial year for pension members that have nominated to receive the minimum amount. A letter was sent to pension members in June 2020 providing further information about these changes.

## Superannuation Thresholds for 2020/21 financial year

The following is a summary of the superannuation and taxation threshold amounts that apply during the 2020/21 financial year. For further information, go to [www.ato.gov.au](http://www.ato.gov.au). For information about how these thresholds may impact you, consult an appropriately qualified financial adviser. The thresholds may change from year to year.

THRESHOLD	2020/21
Concessional contribution cap (per annum) For all individuals, regardless of age (with an ability to carry forward unused cap amounts for future years)	\$25,000
Non-Concessional contribution cap	
• Standard (per annum)	\$100,000
• Bring forward over three years under age 65. Consult an adviser, if this is relevant to you.	\$300,000
CGT cap amount (lifetime limit)	\$1,565,000
Superannuation Guarantee maximum contribution base (per quarter)	\$57,090
Co-contribution (per annum)	
• Lower income threshold	\$39,837
• Higher income threshold	\$54,837
Government low income superannuation tax offset (LISTO) threshold	\$37,000
Low rate cap amount (per annum) Low rate cap amount applies to superannuation lump sum cash payments paid during the financial year. It is reduced by an amount previously applied to the low rate threshold	\$215,000

# Investment Information

## Derivatives

Derivatives are financial contracts such as futures, swaps and options. The Trustee does not intend to invest directly in any futures, options or other derivative investments. However, the Fund's underlying investment managers (where applicable) may use such derivatives strategies from time to time for limited purposes.

Legitimate uses of derivatives by underlying investment managers include hedging to protect the value of the assets against any significant decline in investment markets, and as a means of gaining market exposure while minimising transaction costs. However, the investment managers are not able to use futures, options or other derivative instruments for speculative purposes or to gear the assets of the Fund.

## Significant Investments

As at 30 June 2020, investments that represented an amount greater than 5% of Fund assets were as follows:

INVESTMENT	ASSET CLASS	TOTAL ASSETS \$,000	% OF FUND ASSETS
DDH Graham Advantage Cash Fund*	Cash	\$61,430	5.05%
Global Ethical Fund**	Diversified	\$72,987	6.00%

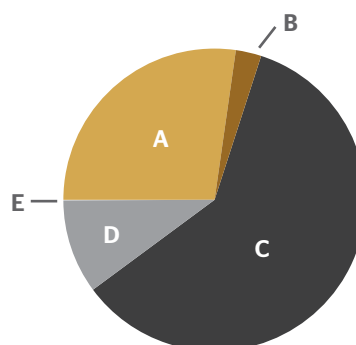
\* This investment is the vehicle in which cash account holdings for the AMG Super Division members are invested.

\*\* This managed fund is an investment option available from the Freedom of Choice Division's investment menu.

## Statement of Assets of the Fund at 30 June 2020

### 2020

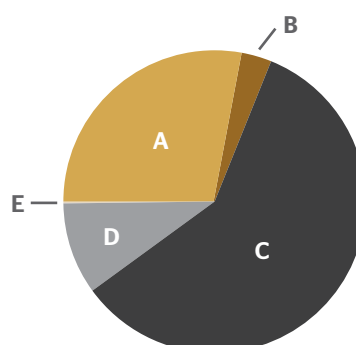
- A. Securities in listed companies 27.25%
- B. Fixed Interest Securities and Term Deposits 2.73%
- C. Managed Funds 59.88%
- D. Cash 10.11%
- E. Direct Property 0.02%



## Statement of Assets of the Fund at 30 June 2019

### 2019

- A. Securities in listed companies 28.02%
- B. Fixed Interest Securities and Term Deposits 3.21%
- C. Managed Funds 58.71%
- D. Cash 10.04%
- E. Direct Property 0.02%



# Investment Options

This section outlines information about the Fund's investment options including a description of the investment strategy and investment objectives relevant to these options. The investment options shown in this Report are shown separately for each of the following:

- the AMG Super Division's Personal (including Pension) and Corporate Super members, and the Emplus Super Division's Personal and Employer members. As noted earlier, in December 2019, Emplus Super Division investment options were terminated and replaced with options (Multi-Manager Diversified and Sector Options) available to members of the AMG Super Division. For information about the strategy and objectives of the investment options available to Emplus Super Division members before the options were terminated, refer to AMG Super's 2019 Annual Report at [www.amgsuper.com.au/prescribed-information](http://www.amgsuper.com.au/prescribed-information).
- the Freedom of Choice Division's Personal (including Pension) and Employer Super members.

The objectives and strategies are the same for all members investing in an investment option that is available in more than one Division; however, the underlying asset allocation may differ slightly for accounts held by Pension members in the AMG Super Division or Freedom of Choice Division.

Each section outlines investment information for the investment options as it relates to options available to members in the accumulation phase ('Accumulation') or pension phase ('Pension') where applicable. (Not all options contain pension assets and therefore, information for pension products is not always shown). Actual asset allocations as at 30 June 2020, as well as benchmark asset allocations which form part of the investment strategies, are shown. There may be variations from benchmark asset allocations shown due to market fluctuations and asset allocation decisions made from time to time.

Please note:

- the underlying investment funds for each asset class in the AMG Super Division's Multi-Manager Diversified Options are the same as in the AMG Super Division's Multi-Manager Sector Options;
- the underlying investment funds used in the AMG MySuper option and the other AMG Super Division's Multi-Manager Diversified options may change from time to time (without notice to you);
- some investment options available to AMG Super Division and Freedom of Choice Division members (managed funds) are closed to new members and therefore applicable only to existing members invested in those options. These options are listed under 'Closed to New Investors' in the performance reports for both the AMG Super Division and Freedom of Choice Division. You can access the performance reports at [www.amgsuper.com.au](http://www.amgsuper.com.au) and [www.freedomofchoice.com.au](http://www.freedomofchoice.com.au); and
- the AMG MySuper option is available to members of all Divisions of the Fund, other than Pension members and AMG Super Division Personal members. Additionally, the AMG Multi-Manager options are available to members of the AMG Super Division and the Emplus Super Division. Apart from the AMG MySuper and AMG Multi-Manager options, members cannot access investment options from another Division. For example, options available to Freedom of Choice Division members are not available to members of the AMG Super Division or members of the Emplus Super Division.

See the current PDS relevant to your participation in the Fund for detailed information about the choices available to you (including information about suitability, risks and risk levels, investment timeframe, fees and costs relevant to the investment options) available from the Administrator's website, [www.amgsuper.com.au](http://www.amgsuper.com.au), [www.emplus.com.au](http://www.emplus.com.au), [www.freedomofchoice.com.au](http://www.freedomofchoice.com.au) or on request (free of charge) by contacting the Administrator. For the AMG Super Division's Single Manager Investment Options, AMG Super Division's Direct Share Options and AMG Super Division's Term Deposit Options, also see the PDS or other disclosure document for the underlying investments (where applicable) available from the Administrator's website, [www.amgsuper.com.au](http://www.amgsuper.com.au) or on request (free of charge) by contacting the Administrator. For the Freedom of Choice Division's Managed funds Options, Freedom of Choice Division's Direct Choice Options and Freedom of Choice Division's Term Deposit Options also see the PDS or other disclosure document for the underlying investments (where applicable) available from [www.freedomofchoice.com.au](http://www.freedomofchoice.com.au) or on request (free of charge) by contacting the Administrator.

You should always consider the latest PDS, the incorporated information and any applicable PDS or disclosure document for accessible underlying investments when making any investment decisions.

## **AMG Super Division Investment Options (including AMG MySuper option available to all Divisions and AMG Multi-Manager options available to Emplus Super Division)**

The AMG MySuper and AMG Multi-Manager investment options are available to Emplus Super Division members. All other AMG Super Division investment options are NOT available to Emplus Super Division or Freedom of Choice Division members.



## AMG Super Division and Emplus Super Division - Multi-Manager Diversified Options (including AMG MySuper Option)

Name of Option	AMG MySuper			AMG Conservative			AMG Captial Stable		
<b>Risk Level</b>	High			Low to Medium			Medium		
<b>Investment Objective</b>	To achieve returns (net of fees and taxes on investments) that exceed movements in the Consumer Price Index by at least 3.0% over rolling 10 year period.			To achieve an investment return of 1% pa above the Consumer Price Index over rolling 5 year periods.			To achieve an investment return of 2% pa above the Consumer Price Index over rolling 5 year periods.		
<b>Suggested Minimum Investment Timeframe</b>	4 to less than 6 years			1-2 years or more			2-3 years or more		
	<b>Asset Classes &amp; Allocations (%) as at 30 June 2020</b>								
	<b>Target</b>	<b>Actual Accum.</b>	<b>Actual Pension</b>	<b>Target</b>	<b>Actual Accum.</b>	<b>Actual Pension</b>	<b>Target</b>	<b>Actual Accum.</b>	<b>Actual Pension</b>
<b>Aust. Shares</b>	35.00%	34.87%	N/A	10.00%	10.19%	11.54%	15.00%	10.74%	15.88%
<b>Int'l Shares</b>	25.00%	20.05%	N/A	0.00%	0.00%	0.00%	10.00%	15.13%	10.17%
<b>Property Securities</b>	10.00%	9.78%	N/A	10.00%	8.91%	10.87%	15.00%	14.18%	16.86%
<b>Aust. Fixed Interest</b>	10.00%	10.12%	N/A	30.00%	31.30%	30.45%	25.00%	25.47%	23.98%
<b>Int'l Fixed Interest</b>	15.00%	15.15%	N/A	0.00%	0.00%	0.00%	5.00%	5.17%	4.88%
<b>Cash</b>	5.00%	5.05%	N/A	50.00%	49.61%	47.15%	30.00%	29.31%	28.23%
<b>Other<sup>^</sup></b>	0.00%	4.98%	N/A	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
<b>Underlying Manager</b>	Multiple			Multiple			Multiple		

Name of Option	AMG Balanced			AMG Managed Growth			AMG High Growth		
<b>Risk Level</b>	Medium to High			High			High		
<b>Investment Objective</b>	To achieve an investment return of 3% pa above the Consumer Price Index over rolling 7 year periods.			To achieve an investment return of 4% pa above the Consumer Price Index over rolling 7 year periods.			To achieve an investment return of 5% pa above the Consumer Price Index over rolling 7 year periods.		
<b>Suggested Minimum Investment Timeframe</b>	3-5 years or more			4-6 years or more			5-7 years or more		
	<b>Asset Classes &amp; Allocations (%) as at 30 June 2020</b>								
	<b>Target</b>	<b>Actual Accum.</b>	<b>Actual Pension</b>	<b>Target</b>	<b>Actual Accum.</b>	<b>Actual Pension</b>	<b>Target</b>	<b>Actual Accum.</b>	<b>Actual Pension</b>
<b>Aust. Shares</b>	25.00%	24.55%	26.45%	35.00%	35.12%	37.50%	45.00%	44.82%	N/A
<b>Int'l Shares</b>	20.00%	21.28%	22.94%	25.00%	26.83%	29.64%	30.00%	31.78%	N/A
<b>Property Securities</b>	15.00%	13.48%	15.88%	15.00%	14.05%	18.89%	15.00%	14.44%	N/A
<b>Aust. Fixed Interest</b>	20.00%	20.54%	17.76%	10.00%	9.83%	5.94%	5.00%	4.64%	N/A
<b>Int'l Fixed Interest</b>	5.00%	5.22%	4.59%	5.00%	4.96%	3.12%	0.00%	0.00%	N/A
<b>Cash</b>	15.00%	14.93%	12.39%	10.00%	9.21%	4.91%	5.00%	4.33%	N/A
<b>Other<sup>^</sup></b>	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	N/A
<b>Underlying Manager</b>	Multiple			Multiple			Multiple		

<sup>^</sup> Other represents investment allocation outside of the primary asset classes, for example, infrastructure or alternative investments.

## AMG Super Division and Emplus Super Division - Multi-Manager Sector Options

Name of Option	AMG Cash			AMG Australian Fixed Interest			AMG International Fixed Interest		
<b>Risk Level</b>	Very Low			Low to Medium			Low to Medium		
<b>Investment Objective</b>	To exceed the investment return of the Bloomberg AusBond Bank O+Y TR AUD over rolling 5 year periods.			To exceed the investment return of the Bloomberg AusBond Composite O+Y TR AUD over rolling 5 year periods.			To exceed the investment return of the Citigroup WGB ex Australia (Hedged) over rolling 5 year periods.		
<b>Suggested Minimum Investment Timeframe</b>	0-2 years or more			2-3 years or more			2-3 years or more		
	Asset Classes & Allocations (%) as at 30 June 2020								
	Target	Actual Accum.	Actual Pension	Target	Actual Accum.	Actual Pension	Target	Actual Accum.	Actual Pension
<b>Aust. Shares</b>	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	N/A
<b>Int'l Shares</b>	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	N/A
<b>Property Securities</b>	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	N/A
<b>Aust. Fixed Interest</b>	0.00%	0.00%	0.00%	95.00%	95.07%	95.12%	0.00%	0.00%	N/A
<b>Int'l Fixed Interest</b>	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	95.00%	95.16%	N/A
<b>Cash</b>	100.00%	100.00%	100.00%	5.00%	4.93%	4.88%	5.00%	4.84%	N/A
<b>Other<sup>^</sup></b>	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	N/A
<b>Underlying Manager</b>	Multiple			Multiple			Multiple		

Name of Option	AMG Australian Equities			AMG International Equities			AMG Listed Property		
<b>Risk Level</b>	High			High			High		
<b>Investment Objective</b>	To exceed the investment return of the S&P/ASX 300 Accumulation Share Index over rolling 7 year periods.			To exceed the investment return of the Morgan Stanley Capital International World ex Australia with Net Dividends Reinvested Share Index over rolling 7 year periods.			To exceed the investment return of the S&P/ASX 300 A-REIT over rolling 7 year periods.		
<b>Suggested Minimum Investment Timeframe</b>	5-7 years or more			5-7 years or more			2-4 years or more		
	Asset Classes & Allocations (%) as at 30 June 2020								
	Target	Actual Accum.	Actual Pension	Target	Actual Accum.	Actual Pension	Target	Actual Accum.	Actual Pension
<b>Aust. Shares</b>	95.00%	94.50%	94.30%	0.00%	0.00%	N/A	0.00%	0.00%	0.00%
<b>Int'l Shares</b>	0.00%	0.00%	0.00%	95.00%	95.33%	N/A	0.00%	0.00%	0.00%
<b>Property Securities</b>	0.00%	0.00%	0.00%	0.00%	0.00%	N/A	95.00%	93.95%	94.72%
<b>Aust. Fixed Interest</b>	0.00%	0.00%	0.00%	0.00%	0.00%	N/A	0.00%	0.00%	0.00%
<b>Int'l Fixed Interest</b>	0.00%	0.00%	0.00%	0.00%	0.00%	N/A	0.00%	0.00%	0.00%
<b>Cash</b>	5.00%	5.50%	5.70%	5.00%	4.67%	N/A	5.00%	6.05%	5.28%
<b>Other<sup>^</sup></b>	0.00%	0.00%	0.00%	0.00%	0.00%	N/A	0.00%	0.00%	0.00%
<b>Underlying Manager</b>	Multiple			Multiple			Multiple		

<sup>^</sup> Other represents investment allocation outside of the primary asset classes, for example, infrastructure or alternative investments.

## AMG Super Division - Single Manager Investment Options

The AMG Super Division's Single Manager Investment Options menu enables members of the AMG Super Division to choose named financial products or investment funds as their preferred investment strategy. The available financial products or investment funds are shown on [www.amgsuper.com.au](http://www.amgsuper.com.au) under the 'Investments' menu and can be classified according to the following categories:

- Australian Equities
- International Equities
- Property Securities (or 'Listed Property')
- Australian Fixed Interest
- International Fixed Interest
- Cash Selection
- Ethical Selection
- Diversified

### Objectives and Strategies

There are a diverse range of Single Manager Investment Options which can be classified into one of the strategy types shown in the table below.

INVESTMENT OPTION STRATEGY TYPES	INVESTMENT OBJECTIVES & STRATEGIES	RISK LEVEL	SUGGESTED MINIMUM INVESTMENT TIME FRAME
Australian Equities	To provide investors with income and growth in the value of their investments over rolling 5 year periods and longer, primarily through exposure to Australian listed shares in a variety of market sectors. Investment options in this strategy will suit investors who are seeking to invest in the Australian share market through a managed investment vehicle and who accept a significant chance of a negative return in any 1 year.	High to Very High	5-7 years or more
International Equities	To provide investors with income and growth in the value of their investments over rolling 5 year periods and longer, primarily through exposure to listed shares from around the world, in a variety of countries, geographical regions and industry sectors. Investment options in this strategy will suit investors who are seeking to invest in international share markets through a managed investment vehicle and who accept a significant chance of a negative return in any 1 year.	High to Very High	5-7 years or more
Listed Property	To provide investors with income and some growth in the value of their investments over rolling 3 to 5 year periods primarily from exposure to property & infrastructure related listed securities in Australia and from around the world. Investment options in this strategy will suit investors who wish to place greater emphasis on income returns than with shares, but maintain some growth in the value of their investment over the long term and accept that returns over the short term may fluctuate or even be negative.	High	2-4 years or more
Australian Fixed Interest	To provide investors with returns that are above inflation and cash over rolling 3 year periods through exposure to Australian fixed interest securities. Investment options in this strategy will suit investors who want to maintain the value of their investment over the medium term and accept that returns over the short term may fluctuate or even be negative.	Low to Medium	2-3 years or more
International Fixed Interest	To provide investors with returns that are above inflation and cash over rolling 3 year periods through exposure to fixed interest securities from around the world. Investment options in this strategy will suit investors who want to maintain the value of their investment over the medium term and accept that returns over the short term may fluctuate or even be negative.	Low to Medium	2-3 years or more

Cash Selection	To provide investors with returns that are at least equivalent to 'at call' bank deposit rates through exposure to a range of short term government, bank backed and corporate securities. Investment options in this strategy will suit investors seeking high investment liquidity for short periods with no risk of capital loss.	Very Low	0-2 years or more
Ethical Selection	To provide investors with long term capital growth and income through investment in quality shares and other securities of socially responsible companies.	High	5-7 years or more
Diversified	To provide investors with income and growth in the value of their investments over rolling 5 year periods and longer through investments across a range of asset classes.	Low to High	2-7 years or more

## AMG Super Division - Direct Share Option

### Direct Option

Members of the AMG Super Division can choose their own portfolio of authorised securities using a licensed stockbroker of their choice for their account. Investing in the AMG Super Division Direct Share option must be done through the member's nominated Adviser. The requirements for this option, which must be met, are:

- The member must nominate a qualified financial adviser;
- The minimum initial investment is \$20,000;
- Authorised securities are shares and other equity related securities (excluding options and MINIs)\* that are directly issued by companies and other entities which are listed on the Australian Stock Exchange (ASX) or are securities in the process of being listed on the ASX.

\* A MINI is a highly leveraged Instalment Warrant listed on the ASX. For more information, please refer to the Fund Instalment Warrant Policy at [www.amgsuper.com.au/investments](http://www.amgsuper.com.au/investments).

### Objectives & Strategies

All ASX direct equities (including instalment warrants available through the Fund but excluding options and other derivative products) are available for investment within the imposed limits as set out by the Trustee. Listed securities will be classified within one of the following categories, each of which has broad investment objectives and which give a general indication of the strategy intended for the investments.

INVESTMENT OPTION	INVESTMENT OBJECTIVES & STRATEGIES
Listed Australian Shares	To provide investors with income and growth in the value of their investment over rolling 5-year periods through exposure to securities listed on the ASX. Investments in this strategy will suit investors who want to manage their own portfolio of listed Australian securities and accept a high level of risk associated with this type of investment and the possibility of negative returns in any year.
Listed Trusts including Listed Investment Companies ("LICs") and Exchange Traded Funds ("ETFs")	To provide investors with income and growth in the value of their investment over rolling 5-year periods through exposure to investment trusts and funds listed on the ASX. Investments in this strategy will suit investors seeking to invest in investment trusts and funds and who accept a moderate level of risk associated with this type of investment and the possibility of negative returns in any year.
Listed Debt Securities (Fixed Interest) - including Bonds, Floating Rate Notes, Convertible Notes, Hybrid Securities and Collateralised Debt Obligations	To provide investors with returns that are above inflation and cash over rolling 3-year periods through exposure to listed debt securities limited to those issued by companies listed in the ASX All Ordinaries Index. Investments in this strategy will suit investors who want to manage their own portfolio of listed Australian debt securities and accept a moderate level of risk associated with this type of investment.

Please note: A 'personal' portfolio is a portfolio which reflects a member's selection of shares and securities. This does not mean that the portfolio is held in the name of the member. The portfolio forms part of Fund assets held by the Trustee.



## Risk Management

In order to ensure that satisfactory diversification and liquidity are achieved at all times, at least 50% by value of investments within the AMG Super Division's Direct Share Option must be held in companies or other entities listed on the S&P/ASX 200 index. In addition, investments in no single company or entity are to exceed 25% by value of all investments in the AMG Super Division's Direct Share Option. ETFs, LICs and Exchange Traded Products are an exception where investments cannot exceed 50% by value of all investments in the AMG Super Division's Direct Share Option.

## AMG Super Division - Direct Share Option

### Managed Option

#### (Applying to employees of Dynamic Supplies Pty Ltd in the AMG Super Division only)

The AMG Super Division includes superannuation investments for employees of Dynamic Supplies Pty Ltd that are members of the Division. The superannuation investments in respect of these employees are shown below as separate master trust holdings and are not available to any other members in the Fund. An authorised Adviser is appointed as investment manager and selects a range of investments in the portfolio consistent with the obligations of the Trustee to manage the investments.

For ease of reference, these holdings are referred to as the 'Dynamic Supplies Plan' (however these holdings do not represent a formally declared sub-fund, sub-plan or division). The Managed Option Adviser for Dynamic Supplies Fund is BR Securities Australia Pty Ltd (ABN 92 168 734 530, AFSL No. 235410). The Trustee has appointed the Managed Option Adviser as an investment manager under a formal investment management agreement. Members who are employees of Dynamic Supplies Pty Ltd can choose from the other investment options available within the investment selection offered in the relevant AMG Super Division PDS.

DYNAMIC SUPPLIES PLAN				
Investment Objective	The objective is to achieve an investment return of 4% per annum above the consumer price index over rolling five-year periods.			
Risk Level	High			
Investment Strategy	75% Growth 25% Income			
Suggested Minimum Investment Timeframe	4-6 years or more			
Asset Allocations		Target	Actual: Accumulation as at 30 June 2020	Actual: Pension as at 30 June 2020
	Australian Shares	25-70%	79%	79%
	International Shares	0-35%	0%	0%
	Property Securities	5-25%	0%	0%
	Australian Fixed Interest	5-20%	0%	0%
	Cash	10-35%	21%	21%

## AMG Super Division - Term Deposit Options

Members of the AMG Super Division can select Term Deposits, with varying terms, issued by approved deposit taking institutions rated BBB+ or higher. For further information about available Term Deposits go to [www.amgsuper.com.au](http://www.amgsuper.com.au) or contact the Administrator on 1300 264 264.

Investment objectives and investment strategies have been formulated for the Term Deposit Options as a whole. For more information about this option, refer to the current AMG Super Division PDS relevant to your membership of the Fund.

### Objectives & Strategies

Investment Objective & Strategy	The objective is to provide investors with a fixed interest rate return when investing for a specified period of time.
Risk Level	Very Low
Suggested Minimum Investment Timeframe	Up to 1 year or more
Available Investments	Term Deposits, with varying terms, issued by approved deposit taking institutions rated BBB+ or higher. (For the list of current Term Deposits available, please visit our website under the 'Term Deposits' section or contact us on 1300 264 264 or at <a href="mailto:info@amgsuper.com.au">info@amgsuper.com.au</a> . The list may change from time to time as approved by the Trustee).

## Freedom of Choice Division Investment Options

The following options are only available to Freedom of Choice Division members. In addition, the AMG MySuper option (see page 9) is also available to Freedom of Choice Division members (other than Pension members).

### Freedom of Choice Division - Managed Funds Options

The managed funds available through the Freedom of Choice Division can be classified into various investment categories – Diversified Funds and Sector Funds - shown below. The following table provides a general indication of the structure of the various investment categories including the indicative objectives, indicative investment strategy, indicative asset allocations and suggested investment time frames for a particular category. A full list of the investment options (including underlying managed funds) available is provided in the Freedom of Choice Investment Choice Form at [www.freedomofchoice.com.au](http://www.freedomofchoice.com.au).

The structure of each underlying fund within each category may differ from what is described in the table. For detailed information on each of the underlying funds (including risks associated with individual managed funds), please refer to that underlying fund's disclosure document which is available from your financial adviser or [www.freedomofchoice.com.au](http://www.freedomofchoice.com.au).

INVESTMENT CATEGORY	INDICATIVE OBJECTIVE	INDICATIVE STRATEGY	INDICATIVE ASSET ALLOCATION	SUGGESTED TIME FRAME
<b>Diversified Funds</b>				
Defensive	Generally, to provide a stable income stream and some capital growth with low volatility.	Defensive funds predominantly invest in a diversified portfolio of cash and fixed interest, with a small exposure to shares and property.	85% - Cash & fixed interest 15% - Shares & property	3-5 years
Conservative	Generally, to provide a stable income stream and some capital growth with low to moderate volatility.	Conservative funds predominantly invest in a diversified portfolio of cash and fixed interest, with a moderate exposure to shares and property.	70% - Cash & fixed interest 30% - Shares & property	3-5 years
Balanced	Generally, to provide a combination of income and capital growth over the longer term with moderate volatility.	Balanced funds generally aim to invest in a mix of income assets (cash and fixed interest) and growth assets (shares and property).	50% - Cash & fixed interest 50% - Shares & property	3-5 years
Growth	Generally, to provide moderate to high capital growth over the longer term with some income.	Growth funds predominantly invest in a diversified portfolio of growth assets, with a small exposure to income assets.	30% - Cash & fixed interest 70% - Shares & property	More than 5 years
Aggressive	Generally, to provide capital growth over the longer term.	Aggressive funds predominantly invest in a portfolio of Australian and international shares with little or no exposure to income assets.	10% - Cash & fixed interest 90% - Australian shares & international shares	More than 5 years
<b>Sector Funds</b>				
Cash/Interest Bearing	Generally, to provide a level of return commensurate with cash rates and a high level of capital security.	Cash/Interest bearing funds invest in cash deposits and short-term securities to achieve capital stability.	100% - Cash & fixed interest	0-2 years
Mortgages	Generally, to provide a level of return above cash rates.	Mortgage funds invest in mortgages and fixed interest securities to achieve an income stream coupled with capital stability.	85% - Mortgage & fixed interest 15% - Cash	2-4 years

Australian Fixed Interest	Generally, to provide higher income returns than cash over time with low to moderate volatility.	Australian fixed interest funds generally invest in a diversified portfolio of Australian fixed interest securities with a moderate level of cash for liquidity. These securities may include Government, semi-Government and corporate bonds.	10% - Cash 90% - Australian fixed interest	2-4 years
International Fixed Interest	Generally, to provide higher income returns than cash over time with low to moderate volatility.	International fixed interest funds generally invest in a diversified portfolio of fixed interest securities from around the world with a moderate level of cash for liquidity. These securities may include International Government, semi-Government and corporate bonds.	10% - Cash 90% - International fixed interest	2-4 years
Australian Shares	Generally, to provide strong capital growth over the long-term through investments in Australian shares.	Australian share funds generally invest in a portfolio of Australian companies listed on the ASX. Australian share funds can be diversified across the different sectors in the market or they can focus on particular sectors (e.g. Industrials or Resources).	5% - Cash 95% - Australian shares	More than 5 years
Australian Share – Small Companies	Generally, to provide strong capital growth over the long-term through investments in smaller Australian companies with significant growth potential.	Australian small company share funds generally invest in a portfolio of small Australian companies listed on the ASX.	5% - Cash 95% - Australian shares	More than 5 years
International Shares	Generally, to provide strong capital growth over the long-term through investments in international shares.	International share funds generally invest in a diversified portfolio of companies listed on international stock exchanges.	5% - Cash 95% - International shares	More than 5 years
Alternative Assets	Generally, to provide a combination of income and capital growth over the long term with moderate to high volatility.	Alternative assets generally include commodities, private equity, infrastructure, hedge funds, and other investments that are not directly comparable or have a low correlation with traditional asset classes.	5% - Cash 95% - Alternative assets	More than 5 years
Property Securities	Generally, to provide a combination of capital growth and income over the long-term through investments in property trusts.	Property securities funds generally invest in a portfolio of property trusts listed on the ASX.	5% - Cash 95% - Listed property securities	3-5 years
Direct Property	Generally, to provide some income with some capital growth over the longer term through investment in direct property.	Direct property fund strategies vary from fund to fund. Generally, these funds invest in direct property assets primarily to achieve the stated investment objective.	10% - Cash & fixed interest 90% - Direct property and property securities	More than 5 years



## Freedom of Choice Division - Direct Choice Options

Freedom of Choice Division members can also choose to invest in listed securities. Direct Choice allows these members to construct their own portfolio of ASX 300 listed securities including approved ETFs. Further information about the listed securities available to Freedom of Choice Division members is provided on the Investments pages at [www.freedomofchoice.com.au](http://www.freedomofchoice.com.au).

Please note: A member's 'own' portfolio is a portfolio which reflects the member's selection of shares and securities. This does not mean that the portfolio is held in the name of the member. The portfolio forms part of Fund assets held by the Trustee.

## Freedom of Choice Division - Term Deposits Options

A selection of Term Deposit products with terms ranging from 30 days to 60 months, are also available to Freedom of Choice Division members at competitive rates. For the most up to date rates for Term Deposits, please visit [www.freedomofchoice.com.au/investments](http://www.freedomofchoice.com.au/investments) or call Client Services on 1800 806 013.

## Investment Market Commentary

*Note: Past performance is not a reliable indicator of future performance. Investment earnings can be positive or negative. Commentary relates to investment markets generally; not the Fund's specific investments.*

This commentary is provided by the Fund's Asset Consultant, TAG Asset Consulting Group Pty Ltd trading as Atchison Consultants ABN 58 097 703 047, AFS Licence No. 230846 and reflects their views. The information provided is for general use only.

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### 2019-20 (FY20) Financial Year

It is time to say farewell to one of the most historic and astonishing financial years in the history of the Australian financial market. It is unlikely investors will witness a repeat of what happened in the space of six months, the share market went from a full-blown bear market to a full-blown bull market.

Looking back, in comparison with the second half of FY20, the financial year started with some "normality" with "minor" distractions such as the continuation of political risks; for example, the US Congressional investigation into President Trump's dealings with the Ukraine to Brexit. In addition, share markets struggled to make headway from July to September 2019 in the face of US-China trade tensions and the associated manufacturing slowdown. The first three months of FY20 saw the Australian share market return a modest +2.4%, whilst the US stock market was up +1.4% and China +0.9%.

However, late 2019 saw share markets rally as central banks enacted a "U" turn on monetary policy and as US-China trade tensions eased, triggering a global manufacturing recovery. The rally received further fuel in early January 2020 when US and China negotiated a "Phase 1" trade deal, seemingly reducing the risks of a trade war. The Australian share market was up +3.1% for the six months to December 2019, with the US stock market returning +10.3% and China +8.7% over the same period.

Then came COVID-19 - a microbe has delivered the biggest peacetime shock to the global economy since the 1930s depression - and a challenge to the globalisation that has driven Australian prosperity over the past three decades. Initially markets brushed off the threat of COVID-19. As COVID-19 escalated into a global pandemic, risk assets began selling off sharply starting late February 2020.

The month of March 2020 saw the sell-off become a stampede as countries shut down large parts of their economy with lockdowns in order to contain the virus. Risk aversion measures skyrocketed to levels not seen since the Global Financial Crisis. After peaking at a record 7165 points on the 20th February 2020, just before quarantines and lockdowns began spreading from China to Europe to the American east coast, the Australian share market as represented by the ASX/S&P 200 Accumulation Index fell -36% by March 23rd (a seven-year low).

Governments and central banks around the world responded with unprecedented fiscal and monetary measures. Over FY20 the Reserve Bank of Australia (RBA) cut the official cash rate from 1.25% to 0.25% and the US Federal Reserve rate fell from 2.25-2.50% to 0.00-0.25%.

Markets finally began to stabilise in the final three months of FY20 and then began a very sharp rally that gathered momentum as the intensity of the virus receded and economies opened-up as lockdowns eased.

The Australian share market returned -7.7% for FY20, relatively modest compared to the panic and turmoil that gripped investors in March 2020 when the index was down -36% from its peak. International shares as represented by the MSCI World ex Australia (with net dividends reinvested) Index fared better in FY20, on an unhedged basis returning +5.2% and +1.3% on a hedged basis. Whilst Australian bonds had a positive year in the sharp falling interest rate environment returning +4.2%. Worst performing asset class came from the Australian listed property trust sector, returning -21.3% for the year.

Given the wild roller coaster of a year the markets experienced, members should not be too disappointed. The impact on a typical diversified balanced portfolio with an allocation of 60% to growth assets and 40% to defensive assets has not performed too poorly in FY20, on average such a portfolio would have returned around -2.0% for FY20.

### Australian Markets

The roller coaster ride for equities through FY20 resulted in glaring differential in the investment performance between equity markets around the world and at the sector level.

Surprisingly the Australian stock market substantially underperformed despite a relatively less severe progression of the virus, the S&P/ASX200 Accumulation Index (including the benefit of dividends) returned -7.7% in FY20.

Generally, defensive sectors outperformed cyclical ones. The best performing sector in FY20 was Health Care, up +27.4%, followed by Information Technology +19.4%. Whilst the worst performing sector was Energy returning -28.7%. Financials (i.e. Banks) and A-REITs (listed property trusts) also performed poorly, weighed down by closures of retail malls and office buildings.

Australia's underperformance in FY20 was to a large extent a function of its sector mix, heavily overweight underperforming Banks and underweight the outperforming Technology sector, led by payments company Afterpay +150.4% and accounting software company Xero +47.3%. Fischer & Paykel Healthcare was also a big winner from the pandemic, up +110.06% with demand for respiratory devices surging. Also, Mesoblast returned +108.4% for the year after it revealed its stem cell therapy showed promise in treating critically ill COVID-19 patients.

Banks which account for 20% of the market were negatively impacted by their exposure to 780,000 deferred loans, weak economic growth, low interest rates and signs of weakness in the property market. Australia's largest lender Commonwealth Bank was down -16.1% for year.

Heading into the new financial year, the Australian share market is expected to be challenging, with investors forecasting the market will remain turbulent at least for the remainder of the year.

### **Global Markets**

Global shares as represented by the MSCI World ex Australia (with net dividends reinvested) Index for FY20 returned +5.2% on an unhedged basis while the hedged return of +1.3% due to the weakened Australian dollar against the world's major currencies.

FY20 started strongly for global markets despite concerns and uncertainty surrounding the world's two largest economies - US and China. Meanwhile, a significant, if short-lived, rotation swept through financial markets globally out of relatively expensive stocks exhibiting low corporate earnings volatility and strong share price momentum, into cheaper, unloved sectors offering attractive valuations. Investors sold out of defensive low volatility stocks and higher growth technology companies which had propelled the decade-long bull market in the US. They opted instead for value stocks, which includes energy and financial stocks that had underperformed the broader market in recent years. For the month of September 2019, the MSCI World ex Australia Growth Index (unhedged) returned +0.7% versus the equivalent Value index (unhedged) of +4.1%.

By the end of December 2019 due to the easing of monetary conditions (central banks around the world consistently cutting interest rates) all asset classes rose in value. Investors were richly rewarded for taking risks in 2019. For the six-months to December 2019, the MSCI World ex Australia (with net dividends reinvested) Index delivered +9.1% (unhedged) and +9.3% (hedged). Global sovereign bonds (hedged) also delivered a positive, if muted +1.6% to investors for the six months. Further out on the risk curve, listed real estate assets benefited from falling bond yields and generated returns above +7.1%.

As we headed into 2020 optimism appeared unsustainable. The scale and speed of the correction to markets as the coronavirus pandemic rapidly paralysed large sections of the world economy broke many historical records. The swift

response from governments in terms of fiscal stimulus, combined with aggressive monetary easing and other unconventional policies, did appear to offer some support. Equities partially recovered towards the end of the March 2020 quarter. Despite this, for the quarter ended March 2020 the index delivered -9.0% (unhedged) and -21.1% (hedged) reversing all the gains made to 31 December 2019.

To compound issues, a stand-off between Saudi Arabia and Russia and the breakdown in OPEC supply restraints battered oil markets, plus the negative impact on demand for oil due to COVID-19. Energy was the worst performing sector during the March 2020 quarter followed by areas either directly impacted by the virus (most notably, transport and leisure) or less directly via the impact on global growth and interest rates, namely Financials and cyclical sectors such as Materials and Industrials. But more defensive areas of the equity market, namely Health Care, Consumer Staples, Utilities and Communications declined by less than the broader market. However, the US market held up well on a relative basis, driven by the continued outperformance of a small group of stocks, in particular Netflix and Amazon were regarded as net beneficiaries of self-isolation, whilst Microsoft enjoyed a surge in demand for its cloud-based applications. More surprising perhaps was the resilience of the other index heavyweights such as Alphabet and Facebook, as both are driven by cyclically sensitive advertising revenues.

The final quarter of FY20 witnessed a market recovery as hopes of a V-shaped economic rebound increased. The MSCI World ex Australia (with net dividends reinvested) Index to delivered +5.9% (unhedged) and +17.8% (hedged) for the three months to June 2020.

The Technology sector was, once again, the standout performer during the final quarter of FY20, beating the broader index by almost +12%. The bounce back has clearly been concentrated in the same popular index heavyweights that have dominated performance in recent years. Apple gained almost +44% over the June 2020 quarter whilst Amazon was up +41%, followed by Facebook +36% and Microsoft +29%. However, the strong performance of technology was relatively broad based and extended to other beneficiaries of the "stay-at-home" theme as well as areas geared into the global recovery, such as semiconductors.

Emerging market shares had a similar roller-coaster ride in FY20 finishing up lagging the broader global equity index. The MSCI Emerging Markets Shares Index (with net dividends reinvested) in Australian dollars returned -1.5% for the twelve months to June 2020.

### **Australian and International Property**

Returns from Australian listed property trusts (A-REITs) market were decimated in March 2020 returning -35.1% for the month alone but recovered to finish the FY20 down -21.3%, underperforming the broader share market by -13.6%. Some real estate assets were negatively impacted by the Government's decision to impose trading restrictions upon businesses to facilitate social distancing and lockdown measures. Particularly evident in the larger shopping centres where discretionary spending (non-essential) is a major driver of earnings.

Globally Real Estate Investment Trusts (G-REITs) were not immune either in FY20. The global property securities market

was down -17.2% in FY20. North America was the weakest performer followed by Europe and then Asia Pacific.

### **Cash, Fixed Interest and Corporate Bonds**

The RBA lowered the cash rate four times during FY20 from 1.25% to 0.25% (twice in March 2020) to support lending and employment. It is very unlikely that the RBA will move into negative interest rates from the current official cash rate of 0.25%.

The deteriorating economic situation beginning in February 2020, as well as the lowering of policy rates and the continuation of Quantitative Easing by central banks, saw global government bond yields fall during FY20. However, at the height of the crisis in March 2020, central banks were forced to intervene as signs of stress in fixed income markets saw government bond yields spike sharply, though temporarily.

During FY20 the Australian 10-year government bond yield fell from 1.32% to 0.87% and the US 10-year Treasury yield fell from 2.00% to 0.65% with both touching lows in March 2020 of 0.61% and 0.50% respectively.

The sharp rise in risk aversion in the final quarter for FY20 saw credit spreads skyrocket to levels not seen since the Global Financial Crisis. This prompted the US Federal Reserve to expand its purchase of corporate debt to include categories of non-investment grade debt. This announcement, as well as other measures, helped stabilise the corporate debt market and saw credit spreads begin to fall back to more normal levels.

### **Australian Dollar (AUD) Exchange Rate**

The big currency story of FY20 was the rise of the US Dollar on safe-haven buying. The Australian Dollar plummeted to a 17-year low of US\$0.57 in March 2020 before recovering to finish FY20 at US\$0.69, approximately where it had started the year.

### **Outlook for 2020/21 (FY21) Financial Year**

The global pandemic recession is far deeper than feared but Australia is deemed to be a standout performer as the only advanced economy to have its economic outlook upgraded by the International Monetary Fund (IMF).

The IMF forecasts the Australian economy to contract a still hefty -4.5% this year, less than the massive -6.7% fall it tipped in April. Economic growth is projected to recover 4% in 2021. But this recovery, to an extent, will be dependent on the Australian government carefully unwinding the stimulus packages put in place such as the JobKeeper program to avoid sudden income losses and business bankruptcies.

The macroeconomic picture will be based on the level of COVID-19 restrictions and will be the main feature over the course of FY21. The secondary key risk event on the horizon that will cause some volatility across markets will likely be the US November 2020 presidential election, and the US taking a more hard-line approach to China in the lead into the election.

The \$AUD could range trade as low as \$US0.65 and as high as US\$0.74, the upper range supported by a global economic recovery and iron ore prices remaining firm. Given the unique position the world finds itself in it is very difficult to predict a FY21 return.

Ultimately the outlook for FY21 hinges on the global race by a combination of private investment and government research to find a vaccine, or even a much-improved treatment to fight the virus that threatens all.

## Investment Returns

This section outlines more detailed information about how many of the Fund's investment options performed (other investment performance information including the performance of shares available from the AMG Super Division Direct Share Option (Direct Option), AMG Super Division Single Manager Options, Freedom of Choice Managed Funds Options and Freedom of Choice Direct Choice Options is shown in Annual Benefit Statements, where relevant to your account). It is not possible to provide performance data for the Term Deposit options (as a whole) available to AMG Super Division and Freedom of Choice Division members as the actual performance will depend on the individual Term Deposit a member has selected. If you are currently invested in a Term Deposit you can find out the applicable term and interest rate by logging on to your online account. For more information on how to login to your online account please contact the Administrator on 1300 264 264.

Investment performance shown is as at 30 June 2020.

Returns are net returns for each of the investment options after the deduction of relevant fees, costs and taxes (but not necessarily all fees, costs and, where applicable, taxes). See the current PDS relevant to your membership of the Fund for information about fees, costs and taxes deducted prior to the calculation or allocation of earnings. The returns are not your personal rate of return on your investment in the Fund, which depends on a range of factors including when money moves in or out of your account. Past performance is not a reliable indicator of future performance.

## Returns for AMG Super Division and Emplus Super Division (including AMG MySuper) investment options

The following returns relate to the investment options available to AMG Super Division and (in the case of AMG Multi-Manager investment options) Emplus Super Division members in accumulation phase. The AMG MySuper returns are relevant to all Division members (other than pension members) invested in AMG MySuper.

Investment performance for the options is shown separately as it relates to members in their accumulation phase ('Accumulation') or pension phase ('Pension') where applicable (not all options contain pension assets and, therefore, returns for pension products are not always shown). Investment performance for Pension members reflects the different tax treatment of investment earnings for pension products that are in retirement phase (retirement phase pensions are not subject to tax on investment earnings). (Note: Transition to retirement pensions are not retirement phase pensions and are subject to tax on investment earnings. Returns for Transition to retirement pensions are the same as the returns for Accumulation accounts.)

PERFORMANCE DATA										
	Unit Price (30/06/2020)	Year to 30/06/2020	Year to 30/06/2019	Year to 30/06/2018	Year to 30/06/2017	3 Year Annualised	5 Year Annualised	10 Year Annualised	Annualised from Inception	Inception Date
<b>Diversified Options (ACCUMULATION)</b>										
AMG Multi-Manager Conservative	\$2.4905	-0.02%	6.02%	4.11%	2.11%	3.34%	3.36%	4.71%	4.73%	13/10/2000
AMG Multi-Manager Capital Stable	\$2.5235	-1.46%	7.88%	6.19%	3.44%	4.12%	4.17%	5.53%	4.79%	29/09/2000
AMG Multi-Manager Balanced	\$2.8357	-1.64%	9.04%	8.60%	6.13%	5.22%	5.34%	6.92%	5.35%	1/07/2000
AMG Multi-Manager Managed Growth	\$2.9374	-3.56%	8.43%	9.39%	7.66%	4.58%	5.15%	7.21%	5.53%	1/07/2000
AMG Multi-Manager High Growth	\$2.8930	-3.93%	8.85%	10.74%	9.29%	5.01%	5.61%	7.82%	5.45%	1/07/2000
AMG Multi-Manager MySuper	\$1.4012	-0.87%	7.12%	6.63%	7.30%	4.23%	4.55%	n/a	5.33%	1/01/2014
<b>Diversified Options (PENSION)</b>										
AMG Multi-Manager Conservative	\$2.3866	-1.55%	7.33%	4.71%	2.35%	3.43%	3.53%	9.09%	5.41%	31/12/2003
AMG Multi-Manager Capital Stable	\$1.7260	-2.74%	8.74%	5.95%	3.19%	3.87%	4.14%	5.97%	4.69%	8/08/2010
AMG Multi-Manager Balanced	\$3.5049	-4.46%	9.44%	9.12%	6.60%	4.49%	5.07%	7.29%	6.60%	24/11/2000
AMG Multi-Manager Managed Growth	\$3.0961	-5.28%	9.84%	10.40%	8.53%	4.72%	5.49%	8.03%	5.96%	22/12/2000
AMG Multi-Manager High Growth	\$1.7570	-6.43%	10.47%	N/A	10.38%	8.90%	8.25%	n/a	8.93%	6/12/2013
<b>Sector Options (ACCUMULATION)</b>										
AMG Multi-Manager Cash	\$2.2628	1.34%	1.95%	1.93%	2.11%	1.74%	1.94%	2.96%	3.86%	1/07/2000
AMG Multi-Manager Australian Fixed Interest	\$1.9615	4.43%	7.46%	2.80%	1.40%	4.88%	3.88%	4.02%	3.42%	1/07/2000
AMG Multi-Manager International Fixed Interest	\$2.2553	3.65%	5.76%	1.01%	1.58%	3.45%	3.56%	3.81%	4.15%	1/07/2000
AMG Multi-Manager Australian Equities	\$3.4871	-8.27%	9.61%	14.37%	14.32%	4.77%	5.98%	8.61%	6.44%	1/07/2000
AMG Multi-Manager International Equities	\$2.8898	-0.89%	5.77%	11.68%	18.22%	5.39%	6.49%	11.49%	5.45%	1/07/2000
AMG Multi-Manager Listed Property	\$2.3090	-14.20%	17.41%	10.08%	-4.05%	3.51%	4.79%	7.31%	4.27%	1/07/2000
<b>Sector Options (PENSION)</b>										
AMG Multi-Manager Cash	\$2.4462	1.45%	2.21%	2.15%	2.37%	1.93%	2.16%	3.24%	4.67%	24/11/2000
AMG Multi-Manager Australian Fixed Interest	\$1.3083	5.21%	8.83%	3.30%	1.65%	5.76%	4.57%	n/a	4.39%	4/04/2014
AMG Multi-Manager Australian Equities	\$1.9834	-7.73%	9.00%	13.29%	13.14%	4.45%	5.39%	n/a	8.32%	9/12/2011
AMG Multi-Manager Listed Property	\$2.9522	-17.38%	20.64%	11.87%	-4.88%	3.69%	5.32%	8.33%	5.68%	24/11/2000
<b>AMG Direct Share Option - Managed Option</b>										
Dynamic Supplies Pty Ltd <sup>^</sup>	\$1.6401	2.90%	3.62%	11.71%	0.70%	6.00%	5.15%	n/a	5.93%	22/07/2011
Dynamic Supplies Pty Ltd (Pension) <sup>^</sup>	\$1.2269	n/a	3.23%	11.65%	1.28%	n/a	n/a	n/a	2.31%	29/11/2013

<sup>^</sup>Only available for Dynamic Supplies Pty Ltd employees.



## Returns for Freedom of Choice Division investment options

Investment performance data for investment options (other than the AMG MySuper option) available to Freedom of Choice members is available from the website [www.freedomofchoice.com.au](http://www.freedomofchoice.com.au). For information about the investment returns applicable to the AMG MySuper option, see above.

## How are investment returns passed on to members?

Investments in the Fund's investment options (except for investments available via the AMG Super Division Direct Share Option - Direct Option, AMG Super Division Term Deposit Options, Freedom of Choice Direct Choice Options and Freedom of Choice Term Deposit Options) are unitised, and therefore, at any time, member balances will reflect investment movements (increases or decreases), investment income and the deduction of relevant tax, fees and costs (for more information, see the current PDS relevant to your membership of the Fund). For investments in the AMG Super Division Direct Share Option - Direct Option, AMG Super Division Term Deposit Options, Freedom of Choice Direct Choice Options and Freedom of Choice Term Deposit Options, there may be investment income or interest allocated directly to member accounts (subject to any necessary adjustments). The withdrawal value of any benefit may also be adjusted for fees and taxes. The unit price for each unitised investment option is calculated weekly and member balances are updated weekly (except for AMG MySuper, which is calculated daily, with member balances usually updated daily) to reflect this change in price (subject to different arrangements applying in exceptional or other circumstances considered appropriate by the Trustee).

The Trustee reserves the right to change the frequency of the calculation of unit prices, to defer applications and withdrawals, and/or to defer valuations if the Trustee believes that this is in the best interests of members (for example, if an underlying investment fund or product becomes illiquid) or it is required to do so by law.

## Reserves

### Operational Risk Financial Reserve (ORFR)

The Trustee maintains an operational risk financial reserve ("ORFR") in response to the operational risk financial requirements under superannuation laws and APRA standards. The reserve is operated in accordance with the Trustee's Operational Risk Financial Requirement Strategy. The purpose of the ORFR is to provide funding for incidents where losses may arise from operational risks relating to the Fund. The level of reserve is determined by the Trustee based on an assessment of the risks faced by the Fund.

The ORFR balances for the past 3 financial years are as below:

	YEAR ENDED 30 JUNE 2020	YEAR ENDED 30 JUNE 2019	YEAR ENDED 30 JUNE 2018
<b>ORFR Balance</b>	\$3,030,000	\$3,217,000	\$2,130,000

The ORFR is invested in accordance with the Fund's overall asset allocation. The Fund's overall asset allocation is geared towards growth assets.

### Expense Recovery Reserve

The Trustee is entitled to be reimbursed for all Fund expenses. Fund expenses such as actuarial fees, Asset Consultant's fees and audit fees are generally charged to the Fund on a time cost basis and paid directly by the Fund (referred to as 'expense recoveries', with amounts for such recoveries held in an Expense Recovery Reserve in the Fund). The Trustee is also entitled to Trustee remuneration, which is paid from the Expense Recovery Reserve.

Expense Recovery payments are reflected in the administration fees for all investment options.

The Reserve is invested in the operating bank account for the Fund.

An amount from the Expense Recovery Reserve may be used to replenish the ORFR from time to time. The Trustee also reserves the right to deduct a one off fee of up to 0.10% of your account balance to fund any additional ORFR requirement should it be necessary. You will receive prior notice if this is to occur. The balances of the Expense Recovery Reserve for the last three financial years are as below:

	YEAR ENDED 30 JUNE 2020	YEAR ENDED 30 JUNE 2019	YEAR ENDED 30 JUNE 2018
<b>Expense Recovery Reserve Balance</b>	\$455,000	\$601,000	\$476,000

# Financial Accounts

## Abridged Financial Information

<b>Income Statement &amp; Statement of Changes in Member Benefits</b>	<b>AMG Super Year ended 30 June 2020 \$,000</b>	<b>AMG Super Year ended 30 June 2019 \$,000</b>
<b>Net Assets Available for Member Benefits at 1 July</b>	<b>1,221,394</b>	<b>820,644</b>
<b>Add:</b>		
Changes in Net Market Value of Assets	(93,459)	35,193
Investment Revenue	46,839	47,904
Insurance Benefits	4,891	3,902
Contributions		
Employer	49,904	41,724
Member	25,564	21,289
Government co-contributions	429	413
Transfers in	126,184	105,856
Successor fund transfer	-	276,549
	160,352	532,830
<b>Less:</b>		
Benefit Payments	58,619	33,781
Transfer to other superannuation entities	93,122	73,065
Administration Charges	15,032	13,321
Life insurance premiums	5,234	6,980
Tax	(6,055)	4,933
	165,952	132,080
<b>Net Assets Available for Member Benefits at 30 June</b>	<b>1,215,794</b>	<b>1,221,394</b>

<b>Statement of Financial Position</b>	<b>AMG Super Year ended 30 June 2020 \$,000</b>	<b>AMG Super Year ended 30 June 2019 \$,000</b>
<b>Assets</b>		
Cash and Cash equivalents	122,257	121,883
Receivables	10,524	16,924
Investments	1,087,310	1,092,542
Current Tax Asset	-	662
Deferred Tax assets	12,073	4,788
<b>Total Assets</b>	<b>1,232,164</b>	<b>1,236,799</b>
<b>Liabilities</b>		
Payables	2,744	3,323
Current Tax Liability	4,680	-
Deferred Tax Liability	8,946	12,082
<b>Total Liabilities Excluding Member Benefits</b>	<b>16,370</b>	<b>15,405</b>
<b>Net Assets Available to Pay Benefits at 30 June</b>	<b>1,215,794</b>	<b>1,221,394</b>
<b>Reserves</b>	<b>12,858</b>	<b>13,484</b>

The abridged information above is based on audited financial statements for the 2019/2020 financial year. A copy of the full audited financial statements and the auditor's report are available from the website [www.amgsuper.com.au/prescribed-information](http://www.amgsuper.com.au/prescribed-information) under the "Prescribed Information" page.

Note: The abridged information for the 2019/2020 financial year relates to the Fund as a whole (including all Divisions).

# Directory

## Administrator and Promoter

Acclaim Management Group Limited  
ABN 61 094 529 987  
AFS Licence No 244252  
PO Box 3528, Tingalpa DC, QLD 4173  
Contact Name: The Fund Administrator  
Phone: 1300 264 264  
Fax: (07) 3899 7299  
Website: [www.amgsuper.com.au](http://www.amgsuper.com.au)  
Email: [info@amgsuper.com.au](mailto:info@amgsuper.com.au)

## Auditor

Deloitte Touche Tohmatsu  
GPO Box 78, Melbourne, VIC 3001  
Phone: (03) 9671 7000  
Fax: (03) 9671 7001  
Website: [www.deloitte.com.au](http://www.deloitte.com.au)

## Asset Consultant

TAG Asset Consulting Group Pty Ltd trading as Atchison  
Consultants  
ABN 58 097 703 047  
AFS Licence No 230846  
Level 3, 155 Queen Street, Melbourne, VIC 3000  
Phone: (03) 9642 3835  
Fax: (03) 9642 8886  
Website: [www.atchison.com.au](http://www.atchison.com.au)

## Group Insurer

Hanover Life Re of Australasia Ltd  
ABN 37 062 395  
Tower 1, Level 33/100 Barangaroo Avenue, Sydney, NSW 2000  
Phone: (02) 9251 6911  
Fax: (02) 9251 6862  
Website: [www.hannover-re.com/1093873/australia\\_lh](http://www.hannover-re.com/1093873/australia_lh)

## Trustee

Equity Trustees Superannuation Limited  
ABN 50 055 641 757 AFS Licence No 229757  
RSE Licence No L0001458  
GPO Box 2307, Melbourne, VIC 3001  
Phone: (03) 8623 5000  
Website: [www.eqt.com.au](http://www.eqt.com.au)



### **More Information**

For further information, please contact your Adviser or AMG Super directly.

