

INVESTMENT update



MARCH 2020

Due to the news headlines and market volatility caused by the COVID-19 coronavirus, here's a brief update on AMIST Super's investment portfolio.

Market update:

Share markets were going well through to the 20th of February this year approaching all-time highs. Beginning in late February, though, it became clear that COVID 19 was causing a variety of minor economic effects which could be seen in travel, tourism, education, and a variety of supply-chains sourced in China. As a result, share markets began to sell off stocks which meant by the end of February markets were down between 7% and 10% (in local currency terms). This sell-off has continued in March due to the low oil price shock and increased recession concerns.

Central banks around the world have reacted strongly to the increased chance for economic slowdown, cutting interest rates and announcing that they will support markets in other ways to keep economies going. Locally, the Australian government has been talking about providing fiscal

stimulus such as business investment allowances and financial boosts to pensioners. Globally, governments are considering various forms of fiscal stimulus to help avoid recession and support asset prices.



While market uncertainty continues as no one knows when the virus will be contained and how much of an impact it will have on global economies, all this bad news has already priced into the markets. Volatility will continue over the coming months, but several factors could lead to more positive investor views. These include

a quicker than expected recovery in China, shorter than expected impact from COVID 19 due to better testing and precautions taken, and higher than expected government fiscal stimulus coordinated globally.

AMIST Super's portfolio

AMIST Super is prepared and will continue to manage assets carefully, with appropriate caution, and focused on long-term returns for members.

While the AMIST Super portfolio will experience some short-term volatility given the market conditions, we are well-positioned in all member investment options to manage short-term risk and take advantage of

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1800 808 614**

any opportunities to maximise long-term benefits to members. The portfolio is well-diversified across asset classes, geographies, sectors, and currencies.

Within the Balanced/MySuper option, 25% of the portfolio is invested in defensive assets which provide strong protection during share market declines. Also, investments in unlisted property and infrastructure (such as airports and toll roads) are expected to perform well and benefit from lower interest rates.

"... these are the types of environments and unexpected market conditions the AMIST Super portfolio is designed to operate in."

The AMIST Super team is in regular contact with investment managers, and actively engaged with our asset consultant to ensure good management of your super. Our investment managers within each asset class are actively setting their portfolios to manage the risks and be ready to move into cheaper assets when appropriate.

While too early to tell when a market recovery may occur, these are the types of environments and unexpected market conditions the AMIST Super portfolio is designed to operate in.

Investing is for the long term

It's especially important to remember in these types of market conditions, that investing is for the long term. While we closely monitor investment managers and market conditions to make sure we're invested in the right places and managers are performing as expected, please remember that short-term decisions to move out of your current investment option may have a negative impact. Please seek financial advice before making any decision. You can call the AMIST Super Hotline on 1800 808 614 and speak with a financial planner at no extra cost to you.



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