



Specialist International Share (Hedged)

Quarterly Investment Option Update

30 June 2024

Aim and Strategy

The strategy aims to provide total returns (income and capital growth) after investment fees and before tax, above the MSCI World (ex-Australia, ex-tobacco) Accumulation Index with net dividends reinvested (100% hedged to Australian dollars) on a rolling 3-year basis. It uses a multi-manager approach that offers investors with exposure to different underlying investment strategies focused on international shares (excluding Australia). In certain market conditions, the portfolio may hold a higher level of cash than the 10% limit. Note: A currency hedged strategy attempts to reduce the impact of movements in the Australian dollar, relative to other currencies where the portfolio holds exposure, to smooth net performance.

Investment Option Performance

To view the latest investment performances for this product, please visit www.amp.com.au/performance

Investment Option Overview

Investment category	Global Shares
Suggested minimum investment timeframe	7 years
Standard Risk Measure	7/Very High
Investment style	Active
Manager style	Multi-manager

Asset Allocation	Benchmark (%)
Global shares	100
Cash	0

Actual Allocation	%
Global Shares	99.15
Cash	0.85

Sector Allocation	%
Information Technology	22.69
Financials	20.05
Health Care	10.84
Industrials	9.51
Consumer Discretionary	8.99
Communication Services	8.78
Energy	6.57
Consumer Staples	4.19
Utilities	3.24
Materials	2.11
Cash	2.08
Real Estate	0.72
Futures	0.24
Others	0.00

Top Holdings	%
NVIDIA Corp	4.77
Microsoft Corp	4.58
APPLE INC	3.32
Meta Platforms Inc	3.26
Alphabet Inc	2.49
Amazon.com Inc	2.17
Novo Nordisk A/S	2.08
Eli Lilly & Co	1.98
UnitedHealth Group Inc	1.29
Visa Inc	1.08

Region Allocation	%
North America	65.80
Europe ex UK	13.73
Asia ex Japan	6.65
Japan	5.59
United Kingdom	5.04
Cash	2.08
Others	1.11
Australasia	0.00

Fund Performance

The Investment Option gained ground however it underperformed its benchmark during the June quarter. Three of the five underlying managers gained ground and outperformed their benchmarks, with GQG the standout. Vinva and Arrowstreet also performed well on a relative basis. Notably healthy returns were delivered over the year to 30 June 2024 and the benchmark was comfortably exceeded. Furthermore, over the medium to long-term performance remains positive overall for 3 years, 5 years, and since inception.

At a country level, active allocation added some value overall, with the main contributions from Taiwanese and South Korean holdings and an overweight exposure to Denmark more than offset the detractor from the Fund's holdings in Brazil and an overweight position in Ireland, which detracted the most. Sector allocation was the main detractor from Fund returns, primarily due to the underweight position in IT whereas underweight exposures to real estate and materials contributed the most. Stock selection however enhanced Fund returns, with holdings in health care, energy and financials adding most value to more than offset stock positioning in consumer discretionary, IT and consumer staples which were the main detractors at a sector level.

From an individual stock perspective, significant contributors during the period included overweight positions in Novo Nordisk, AppLovin Corp and Eli Lilly & Co. Shares in Danish-based global pharmaceutical company Novo Nordisk (+11%) rose strongly after its latest trading update saw net profit soar on the back of sales growth in its Wegovy obesity drug had more than doubled compared to the same period last year. Online marketing software provider AppLovin Corp (+17%) rose after it released results showing continued growth in its AI-powered AXON advertising software. Shares in US-based pharmaceutical company Eli Lilly & Co. (+14%) also found support after the company announced its latest results that saw a significant increase in its diabetes and weight loss drugs' sales that exceeded the market's expectations.

Significant detractors during the period at a stock level included underweight holdings in Apple and Alphabet and an overweight exposure to Global Payments. Shares in US-based technology company Apple (+20%) were buoyed by its reporting of a revenue record in its Services division (which includes Apple Music and Apple Pay). Google parent Alphabet (+18%) saw its shares soar after the company announced its inaugural dividend, a significant stock buyback programme and robust quarterly earnings. Shares in US-based payment technology provider Global Payments (-29%) fell despite strong quarterly results after the company confirmed a more cautious outlook which reflects the potential for slower economic growth.

The hedged exposure to the Australian dollar had a positive impact on returns, primarily due to the currency's appreciation compared to the US dollar and most major currencies over the period.

Market Review

The June quarter was yet another solid period for global shares, with major developed markets rising by over 3% in local currency terms. (The return however was more modest in Australian dollar terms, as the Australian dollar strengthened). US shares were again strong, helped again by mega-cap IT companies, returning around 4.3% as markets focussed on potential upcoming rate-cuts. UK shares were also solid, returning around 3.7% amid improving economic sentiment and the Bank of England indicating a rate cut will be possible in months ahead. Developed Asian markets also did well, aided by gushing sentiment towards artificial intelligence-related companies, including chip manufacturers. Finally, emerging market shares were very strong, returning around

6.2%, aided by strong Asian markets and improving sentiment in China off the back of further regulatory support towards its real estate sector. (All returns quoted in local currency terms and on a total-return basis, unless otherwise stated.)

Outlook

Interest rates have begun falling in a number of regions on the back of significantly decreased levels of inflation and low economic growth. The corporate environment remains tough, though strong businesses, as always, will likely move forward with increased market dominance. We believe a diverse basket of businesses bought at reasonable prices, particularly those with strong competitive advantage that generate high amounts of cash from their shareholders' capital, will serve investors well over the long-term.

Availability

Product Name	APIR
SignatureSuper	AMP0953AU
SignatureSuper - Allocated Pension	AMP1156AU
SignatureSuper - Term Pension	AMP1156AU*

*Closed to new investors

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