

Future Directions Emerging Markets

Quarterly Investment Option Update

31 March 2025

Aim and Strategy

To provide high returns over the long term, while accepting a higher level of volatility, through a diversified portfolio of international shares, focusing on emerging markets. The objective is to provide a total return, after costs and before tax, higher than the return from the MSCI Emerging Markets (ex Tobacco) Net Return Index (AUD) on a rolling 3 to 5 years basis.

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 (%) | Actual (%) |
|------------------|---------------|------------|
| Global Shares | 100 | 98 |
| Cash | 0 | 2 |

*Allocation data may not add to 100% due to rounding.

| Sector Allocation | % |
|------------------------|-------|
| Financials | 22.72 |
| Information Technology | 21.24 |
| Consumer Discretionary | 14.44 |
| Communication Services | 10.58 |
| Industrials | 5.70 |
| Materials | 5.37 |
| Consumer Staples | 4.73 |
| Real Estate | 4.15 |
| Energy | 3.56 |
| Health Care | 2.92 |
| Utilities | 2.46 |
| Cash | 2.13 |
| Currency Overlay | 0.00 |

| Top Holdings | % |
|------------------------------|------|
| TSMC | 8.83 |
| Tencent Holdings Ltd | 6.76 |
| Alibaba Group Holding Ltd | 2.89 |
| Meituan | 2.52 |
| Samsung Electronics Co Ltd | 2.13 |
| Xiaomi Corp | 1.76 |
| Emaar Properties PJSC | 1.61 |
| MediaTek Inc | 1.35 |
| Trip.com Group Ltd | 1.34 |
| China Construction Bank Corp | 1.31 |

| Region Allocation | % |
|----------------------------|-------|
| Emerging Asia | 70.84 |
| Latin America | 9.75 |
| Middle East & Africa | 9.04 |
| Emerging Europe | 2.59 |
| Developed Asia x Aus x Jpn | 2.47 |
| Cash | 2.13 |
| North America | 1.78 |
| Europe ex UK | 1.33 |
| United Kingdom | 0.08 |
| Currency Overlay | 0.00 |

Fund Performance

The Investment Option posted a positive return and outperformed the benchmark in the March quarter. The three underlying managers all gained ground, led by new manager JO Hambro and Ninety One who also outperformed the benchmark. Double-digit returns were generated over 1 and 2 years, whilst over the long-term performance remains positive overall.

Country allocation during the quarter added value to performance, with the overweight position in Brazil the main contributor, whereas the overweight to Indonesia was the primary detractor. At a country level, stock selection in Brazil, Thailand and South Korea added the most value, compensating for stock positioning in India and Taiwan, which were the main detractors.

From a sector perspective, stock selection was the key driver of relative returns, with the active positions in materials, communication services and IT contributing the most. On the flipside, stocks held within consumer discretionary and financials were the main detractors. Elsewhere, sector allocation was a minor detractor overall, with no sector positions having a material impact.

At an individual stock level, the largest contributors for the period were the overweight positions in Pop Mart International Group, Xiaomi Corp and AngloGold Ashanti.

Shares in Chinese collectable toy company Pop Mart (+73%) soared after the release of robust results and upgrades in profit forecasts as the company reaped the benefits from offshore expansion and strong consumer demand. Chinese electronics and electric vehicle maker Xiaomi Corp (+41%) rose after reporting strong sales for its SU7 UltraEV and its latest smartphone. Shares in South African-based gold miner AngloGold Ashanti (+70%) were up strongly as investors were positive of the improving fundamentals by the company's strategic asset repositioning and also benefited alongside other gold mining peers from the rising gold price.

Significant detractors for the quarter included overweight positions in Bank Mandiri Persero, Delta Electronics and Trip.com Group. Shares in Indonesian Bank Mandiri Persero (-12%) continued to suffer alongside other stocks in the country amid heightened political uncertainty and fears of further economic slowdown. Taiwanese electronics maker Delta Electronics (-18%) fell after the company reported a sharp fall in its latest quarterly profit on the back of rising costs. Shares in Chinese-based multinational online travel conglomerate Trip.com Group (-9%) lost ground as concerns around global economic growth prospects weighed on investors as softer growth may impact on consumption.

Market Review

International shares first rose, then pulled back towards the end of the March quarter, closing lower overall (-2.7% in local currency terms) for the period. While for much of the quarter markets remained stable, towards the end of March concerns rose about potential impacts of tariffs from the Trump administration. Of the major developed markets, US shares were the main laggard despite a strong corporate earnings season, with the tech sector experiencing weakness following the release of DeepSeek, an apparent cost-effective Chinese artificial intelligence model, which in turn triggered more concern about expensive valuations in the sector. Elsewhere, European share markets, particularly Germany, were strong performers on the back of Germany's announcement of significant infrastructure and military spending, on top of broader large-scale European military spending announcements. Value stocks generally did well compared to growth, a reversal of what was experienced through most of 2024. Emerging markets shares meanwhile outperformed their developed peers to rise by 2.7%, with China's market finding support and a falling US dollar being a tailwind, given most emerging markets' debt is held in US dollars. (All returns quoted are in local currency terms and on a total-return basis, unless otherwise stated.)

Outlook

The overall macro environment for global shares is challenging in the short-term, given trade policy uncertainty. For the medium-term however, fundamentals remain reasonable, with interest rates now falling in most regions on the back of significantly decreased levels of inflation. Central banks also have scope to cut further if recession risks rise. Regardless, for longer-term investors, 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 |
|---|-------------|
| Flexible Lifetime - Investments (Series 1) | AMP1117AU** |
| Flexible Lifetime - Investments (Series 2) | AMP1414AU** |

**Closed to new and existing investors

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