

Specialist Hedged International Share

Quarterly Investment Option Update

30 June 2025

Aim and Strategy

The strategy aims to provide total returns (income and capital growth) after investment fees and costs 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 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 (%)	Actual (%)
Global Shares	100	96
Currency Overlay	NA	1
Cash	0	1

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

Sector Allocation	%
Financials	22.69
Information Technology	18.15
Industrials	12.04
Communication Services	11.52
Health Care	8.86
Consumer Discretionary	6.99
Utilities	4.83
Consumer Staples	4.63
Energy	4.02
Materials	2.56
Cash	1.36
Currency Overlay	1.33
Real Estate	1.01
Futures	0.01
Others	0.00

Top Holdings	%
Microsoft Corp	3.62
NVIDIA Corp	2.99
Meta Platforms Inc	2.55
Apple Inc	2.16
Amazon.com Inc	2.05
QXO Inc	1.64
Netflix Inc	1.64
Alphabet Inc	1.51
AT&T INC	1.27
Elevance Health Inc	1.16
Region Allocation	%
North America	66.06
Europe ex UK	12.19
Asia ex Japan	8.80
Japan	4.76
United Kingdom	3.92
Others	1.55
Cash	1.36
Currency Overlay	1.33
Australasia	0.03

Fund Performance

The Investment Option delivered a strong return for the June quarter, although it slightly underperformed its benchmark. Among our underlying managers, Orbis, Arrowstreet, American Century, and Vinva all produced robust absolute returns and outperformed their respective benchmarks. GQG, however, was the outlier, losing ground and underperforming its benchmark.

Over the full financial year, the Investment Option achieved high double-digit returns. Performance across the medium to longer term remains strong, with double-digit returns delivered on average over the past five years.

At the country level, active allocation contributed positively to the Investment Option's relative return. An overweight position in South Korea was the largest contributor, while an underweight allocation to the US was the biggest detractor. Sector allocation detracted from performance, primarily due to an underweight position in Information Technology. Conversely, an overweight to Communications was a key contributor. Stock selection was a positive factor, particularly within Industrials, though also within most other sectors.

From an individual stock perspective, notable contributors included an overweight holding in US-based QXO, which provides IT solutions to the building products distribution industry. QXO's shares performed strongly over the period, supported by positive analyst coverage, the completion of the US\$11 billion acquisition of Beacon Roofing Supply in April, and broader market optimism. An underweight position in US technology giant Apple also contributed positively, as the stock faced challenges during the quarter, largely due to concerns over US tariffs and its reliance on China as a primary assembly location. Additionally, an overweight position in streaming giant Netflix was a significant contributor, with the stock outperforming due to minimal expected impact from tariffs and ongoing solid fundamentals.

The main detractors at the stock level were underweight positions in major US technology companies, including Nvidia, Broadcom, and Microsoft. These stocks surged over the quarter amid continued global optimism towards the sector and a rebound in sentiment regarding global trade following earlier volatility due to US tariff announcements.

Market Review

International shares had a strong June quarter, closing the period up by 9.5% in local currency terms. (In Australian

dollar terms the return was 5.9% as the Australian dollar strengthened against the US dollar.) This was despite pockets of market panic seen earlier in the quarter caused by the US administration's 'Liberation Day' tariff rate announcements, where double-digit falls were temporarily seen in many indices before markets steadily recovered to achieve new all-time highs by the end of June. The bullish sentiment was driven by trade talks between the US and partners such as Canada, Mexico, the EU and Japan, as well as optimism around US-China negotiations. Corporate earnings, particularly in the US, also remained robust, while growing expectations of lower interest rates from the Fed also helped. Emerging markets' shares produced robust returns (+7.9%), though slightly underperformed their developed peers amid trade deals tilting to be more favourable for the US, with higher tariffs significantly impacting emerging markets. (All returns quoted are in local currency terms and on a total-return basis, unless otherwise stated.)

Outlook

While shorter-term risks remain around trade policy uncertainty, geopolitical tension, and high valuations in some areas, fundamentals remain reasonable, with interest rates 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)	AMP1006AU**
Flexible Lifetime - Investments (Series 2)	AMP1418AU**

**Closed to new and existing investors

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