



Future Directions Extended Markets International Share

Quarterly Investment Option Update

30 September 2019

Aim and Strategy

To provide a total return (income and capital growth) after costs and before tax, above the Fund's performance benchmark on a rolling 3 year basis. The Fund is designed to blend specialist investment managers from around the world, with the aim of maximising returns and managing levels of risk. In structuring the Fund, we take a four-stage investment approach: setting objectives and asset allocation; targeted manager selection; portfolio construction and implementation; and ongoing portfolio and manager review. The Fund is normally invested in international shares, with a focus on small companies and emerging markets.

Investment Option Performance

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

Investment Option Overview

Investment category	Global Shares
Suggested minimum investment timeframe	7 years
Relative risk rating	Very High
Investment style	Active
Manager style	Multi-manager

Asset Allocation	Benchmark (%)
International Shares	100
Cash	0

Actual Allocation	%
International Shares	99.90
Cash	0.10

Market Review

International shares climbed higher in the September quarter, with the MSCI World ex Australia index rising by 1.50% over the period. Markets started the quarter positively amid generally good US corporate earnings and hopes of a favourable US-China outcome. A pull-back then occurred in August and some volatility emerged as speculation rose in regard to the sustainability of global (and particularly US) growth. Mixed messages on monetary policy from the Fed also didn't help. Global markets then recovered to higher levels in September amid continued volatility. Drivers included central bank interest rate reductions and commentary (as the US Federal Reserve reduced the Federal Funds Rate range by a further 25 basis points to 1.75-2.0%), the drone strike in Saudi Arabia, as well as some small but positive US-China trade developments. Emerging markets however struggled during the quarter and underperformed their developed-market counterparts, with the MSCI Emerging Markets accumulation index finishing down by 2.07%. Geopolitical volatility, trade war fears and sovereign debt issues were all contributing factors. (All indices quoted in local currency terms and on a total-return basis, unless otherwise stated.)

Outlook

Global share markets remain at risk of further weakness in the months ahead on the back of the ongoing US-China trade dispute, Middle East tensions, and mixed economic data as we are in a seasonally weak part of the year for shares.

However, valuations are reasonable, particularly when compared against low bond yields. Global growth indicators are expected to improve by next year and monetary and fiscal policy are becoming more supportive, all of which should support decent gains for share markets on a 6-12 month horizon.

During the current turbulent period, quality companies with solid defensive properties may present the best opportunities for risk-adjusted returns.

Availability

Product Name	APIR
AMP Flexible Super - Retirement account	AMP1351AU*
Flexible Lifetime - Allocated Pension	AMP0880AU*
Flexible Lifetime - Term Pension	AMP0934AU*
SignatureSuper - Allocated Pension	AMP1148AU*

*Closed to new investors

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