

International Share Index

Quarterly Investment Option Update

31 December 2019

Aim and Strategy

The strategy aims to provide returns that track the MSCI World ex-Australia ex-tobacco Index with net dividends reinvested. This option is unhedged to Australian dollars. Exposure to the International Shares asset class will be attained through the use of low cost index-focused investment managers.

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	5 - 7 years
Relative risk rating	High
Investment style	Index
Manager style	Single

Asset Allocation	Benchmark (%)
International shares	100
Cash	0

Actual Allocation	%
International Shares	96.17
Australian Shares	0.27
Listed Property and Infrastructure	2.88
Others	0.12
Cash	0.56

Sector Allocation	%
Information Technology	17.90
Financials	15.37
Health Care	13.13
Industrials	10.71
Consumer Discretionary	10.50
Communication Services	8.68
Consumer Staples	7.52
Energy	4.91
Materials	4.08
Utilities	3.40
Real Estate	3.22
Cash	0.55
Others	0.01

Top Holdings	%
Apple Inc	3.07
Microsoft Corp	2.63
Alphabet Inc	1.88
Amazon.com Inc	1.78
Facebook Inc	1.13
JPMORGAN CHASE & CO	1.04
Johnson & Johnson	0.89
Nestle SA	0.75
Visa Inc	0.74
BANK OF AMERICA CORP	0.73

Region Allocation	%
North America	67.80
Europe ex UK	16.14
Japan	8.36
United Kingdom	5.44
Asia ex Japan	1.61
Cash	0.56
Australasia	0.08
Others	0.00

Fund Performance

The Fund produced a strong positive return over the December quarter, as international shares rallied significantly, with the MSCI World ex Australia index up 7.7%.

Drivers included strong US corporate earnings, the announcement of a 'phase one' trade deal between China and the US in December, prevailing stimulatory central bank policies around the globe and an emphatic election result in the UK leading to an apparent resolution to ongoing Brexit delays. Against a backdrop of a solid US economy with generationally low unemployment, these factors combined to spur optimistic investor sentiment around the globe. Indices that were notably strong included the US S&P 500 (up 9.1%), the Chinese S&P/CITIC300 (up 7.1%) the European DJ Euro STOXX 50 (up 5.4%) and the German DAX (up by 6.6%).

(All indices quoted in local currency terms and on a total-return basis, unless otherwise stated.)

Market Review

Global share markets were up significantly over the December quarter, with the MSCI World ex Australia index finishing the period up by 7.66%. Drivers included strong US corporate earnings, the announcement of a "phase one" trade deal between China and the US in December, prevailing stimulatory central bank policies around the globe and an emphatic election result in the UK (leading to an apparent resolution to ongoing Brexit delays). Against a backdrop of a solid US economy with generationally low unemployment, these factors combined to spur optimistic investor sentiment around the globe. Indices that were notably strong included the US S&P 500 (up by 9.07%), the Chinese S&P/CITIC300 (up by 7.13%) the European DJ Euro STOXX 50 (up by 5.35%) and the German DAX (up by 6.61%). Emerging markets, meanwhile, produced some of the strongest returns of all; the MSCI Emerging Markets index finishing the quarter up by 9.54% on improving trade relations between China and the US, strong commodity prices and broader positive market-sentiment. (All indices quoted in local currency terms and on a total-return basis, unless otherwise stated.)

Outlook

Heading into 2020, global share valuations continue to look broadly reasonable, particularly when compared against low bond yields. Global growth indicators are expected to improve over the medium term and monetary and fiscal policy have become more supportive, all of which should support share markets on a 6-12 month horizon.

For investors, quality companies which generate strong cashflows may present the best opportunities for risk-adjusted returns.

Availability

Product Name	APIR
AMP Flexible Lifetime Super	AMP0858AU
CustomSuper	AMP0858AU
Flexible Lifetime - Allocated Pension	AMP0871AU
Flexible Lifetime - Term Pension	AMP0902AU
SignatureSuper	AMP0807AU
SignatureSuper - Allocated Pension	AMP1165AU

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