



Future Directions Extended Markets International Share

Quarterly Investment Option Update

31 March 2020

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	99.81
Cash	0.19

Market Review

The March 2020 quarter was one of the worst periods ever for global share markets as the COVID-19 pandemic rapidly escalated fears around the globe. The MSCI World ex Australia index finished the period down by 20.0% (on a total return basis in local currency terms), having briefly reached lows not seen since 2016 before finishing the period with a late rally. Across regions and sectors, few stocks were spared from the falls, as traders continued to sell in favour of cash. Some panic-selling was evident, particularly later in the quarter as fundamentals undoubtedly took a backseat to momentum-trading. In the final week of March, the market was able to recoup some of these losses as the panic-selling dropped off. Price movements in many stocks were further exacerbated by the triggering of stop-losses, as well as some evidence of forced selling from funds in order to meet redemption requests. Emerging markets couldn't escape the sell-off and performed only marginally better than their developed-market peers.

While some apparent-bargains emerged from the sell-off, assessing the near-term hit to earnings and to what degree markets have priced this in is not easy. Indeed, many companies withdrew their forward guidance. A positive for shares was global stimulus levels promptly reaching unprecedented levels, as a swift, synchronised policy response was seen around the globe in the forms of monetary easing and enormous amounts of targeted fiscal stimulus.

Outlook

Global shares now appear to be significantly cheaper after the recent pullback related to the COVID-19 virus and relative to low bond yields, though given the lack of earnings visibility over the near-term, some caution is still warranted. While global economic activity is being sharply impacted due to the virus, we expect this to be transient in nature and likely to rebound at some point. Monetary and fiscal policy are also now heavily supportive, which is likely to continue to aid share markets.

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

Contact Details

Web: www.amp.com.au

Email: askamp@amp.com.au

Phone: 131 267



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