

Super Easy International Share

Quarterly Investment Option Update

31 March 2020

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	95.99
Australian Shares	0.24
Listed Property and Infrastructure	2.89
Others	0.14
Cash	0.73

Sector Allocation	%
Information Technology	19.57
Health Care	14.64
Financials	13.15
Consumer Discretionary	10.36
Industrials	9.95
Communication Services	8.96
Consumer Staples	8.27
Materials	3.88
Utilities	3.80
Energy	3.44
Real Estate	3.23
Cash	0.65
Others	0.10

Top Holdings	%
Microsoft Corp	3.36
APPLE INC	3.32
Amazon.com Inc	2.42
Alphabet Inc	2.08
Facebook Inc	1.18
Johnson & Johnson	1.01
Nestle SA	0.90
JPMORGAN CHASE & CO	0.83
VISA INC	0.82
Procter & Gamble Co/The	0.80

Region Allocation	%
North America	68.20
Europe ex UK	15.79
Japan	8.68
United Kingdom	4.88
Asia ex Japan	1.65
Cash	0.73
Australasia	0.08
Others	0.00

Fund Performance

The Fund produced a negative return over the March quarter, as international shares experienced one of the worst periods ever due to the COVID-19 pandemic and global shutdowns to contain its spread.

The MSCI World ex Australia index finished the period down by 20%, 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 in March 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.

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 earnings guidance. A positive for shares was unprecedented levels of global stimulus, as a swift, synchronised policy response in the forms of monetary easing and enormous fiscal packages. In many cases, packages included direct payments to residents and businesses.

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

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.

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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	AMP1380AU
AMP Flexible Super - Super account	AMP1509AU

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