

International Share Index

Quarterly Investment Option Update

30 September 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/performance

Investment Option Overview

Investment category	Global Shares
Suggested minimum investment timeframe	5 - 7 years
Relative risk rating	6 / High
Investment style	Index
Manager style	Single

Asset Allocation	Benchmark (%)
International shares	100
Cash	0

Actual Allocation	%
International Shares	96.31
Australian Shares	0.25
Listed Property and Infrastructure	2.53
Others	0.27
Cash	0.64

Sector Allocation	%
Information Technology	22.57
Health Care	13.81
Consumer Discretionary	11.96
Financials	11.51
Industrials	10.10
Communication Services	9.09
Consumer Staples	7.55
Materials	4.20
Utilities	3.27
Real Estate	2.85
Energy	2.45
Cash	0.61
Others	0.03

Top Holdings	%
APPLE INC	4.57
Microsoft Corp	3.44
Amazon.com Inc	3.04
ALPHABET INC	2.02
Facebook Inc	1.43
Johnson & Johnson	0.89
Nestle SA	0.80
Procter & Gamble Co/The	0.78
Visa Inc	0.78
NVIDIA Corp	0.76

Region Allocation	%
North America	70.38
Europe ex UK	15.50
Japan	8.04
United Kingdom	3.98
Asia ex Japan	1.36
Cash	0.64
Australasia	0.10

Fund Performance

The Fund produced a strong return over the September quarter, building on its gains over the June quarter. The Fund has also achieved positive returns over the longer term, including over 1, 2, 3 and 5 years, and since inception (annualised, before fees).

Global share markets rose strongly over the September quarter, rallying in the first half before pulling back towards the end of the period to finish up 6.9%, as measured by the MSCI World ex Australia index. Growing confidence about the speed of the global economic recovery, better than expected corporate earnings, improved manufacturing activity data and reasonably good US jobs figures all contributed to the strong rise. This was despite renewed fears about further waves of COVID-19 and more specifically, how governments might react to the outbreaks. Geopolitical tensions abounded, although this was mostly regarded as noise. Towards the end of the quarter, a marked correction in technology stocks occurred, which pulled the broader share market down.

Amid a strong Chinese economic recovery and growing demand for commodities, emerging markets also rose over the period, outperforming developed markets and returning 8.7% as measured by the MSCI Emerging Markets index.

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

Market Review

Global share markets rose strongly in the first half of the September quarter, before pulling back somewhat towards the end of the period to finish up by 6.87%, as measured by the MSCI World ex Australia index. Growing confidence around the speed of the global economic recovery, better than expected corporate earnings, improved manufacturing activity data and reasonably strong US jobs figures all contributed to the strong rise. This was despite some renewed fears around further waves of COVID-19 and more specifically, how governments might react to renewed outbreaks. Geopolitical tensions abounded, though this was mostly treated as noise by markets. Towards the end of the quarter, a marked correction in technology stocks occurred, which in turn pulled the broader market down somewhat. Amid a strong Chinese economic recovery and growing demand for commodities, emerging markets also rose over the period, outperforming developed markets and returning 8.65% as measured by the MSCI Emerging Markets index. (All indices quoted in local currency terms and on a total-return basis, unless otherwise stated.)

Outlook

The medium-term outlook for earnings remains generally hard to predict; and varies greatly depending on company specifics. We continue to believe investors should exercise caution, particularly where prices have risen quickly. Amid changing consumer dynamics, many companies will likely struggle for some time, while stronger businesses are likely to emerge from the COVID-19 crisis with gained market share. Although pressure on some global economies has begun to ease, risks of further COVID-19 breakouts; and indeed, the manner in which governments choose to respond, remain a risk. Governments generally continue to implement supportive monetary and fiscal programmes to ease shorter-term burdens and keep economies more resilient, though some concern is growing around the sustainability of some programmes. Despite this, we believe the longer-term market trend will remain to the upside. As always, while the near-term direction of markets is impossible to accurately predict, we believe that those with a diversified portfolio of quality businesses, bought at a reasonable price, are likely to do well over the long term.

Availability

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

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