

# Arrowstreet Global Equity

Quarterly Investment Option Update

30 September 2020

## Aim and Strategy

To achieve a long-term total return (before fees and expenses) that exceeds the MSCI All Country World ex-Australia Index, in Australian dollars unhedged with net dividends reinvested. The portfolio provides exposure to a diversified portfolio of global equities which may include securities listed in emerging markets as well as securities of small capitalisation companies. The option will not invest in 'tobacco' securities as defined by Global Industry Classification Standards (GICS) and 'controversial weapon' securities as defined by MSCI, Inc. The option is actively managed using a quantitative approach and stock selection modelling to evaluate securities on an integrated basis to exploit tactical opportunities across different factors with the aim of controlling risk relative to its benchmark and maximising the likelihood of outperforming its benchmark. Arrowstreet's stock selection models are designed to:

- understand what information is likely to impact stock prices and obtain the information to forecast individual stock returns by evaluating a stock's potential on the basis of a diverse set of direct and indirect effects, and
- identify particular signals or segments of the market that exhibit the greatest mispricing (or inefficiencies) at any point in time.

The option may use derivatives to manage currency risk arising from differences in the currency weights of the portfolio's investments compared to its benchmark. The portfolio's exposure to foreign currencies is not hedged back to Australian dollars.

## Investment Option Performance

To view the latest investment performances for each product please visit:

[www.amp.com.au/performance](http://www.amp.com.au/performance)

## Investment Option Overview

<b>Investment Category</b>	Global Shares
<b>Suggested Investment timeframe</b>	7+ years
<b>Relative risk rating</b>	6/ High
<b>Investment style</b>	Core
<b>Manager Style</b>	Single Manager

Asset Allocation	Benchmark (%)	Actual (%)
Global Shares	100.00	99.25
Cash	0.00	0.75

Sector Allocation	%
North America	70.33
Europe ex UK	11.82
Emerging markets	11.34
Japan	3.57
United Kingdom	1.88
Asia ex Japan	0.31

Regional Allocation	%
Information Technology	28.03
Consumer Discretionary	14.33
Materials	10.74
Health Care	10.11
Communication Services	9.66
Industrials	9.16
Consumer Staples	7.10
Financials	5.24
Energy	3.72
Utilities	1.05

Top Holdings	%
Amazon.Com Inc	5.19
Microsoft Corp	4.52
Johnson & Johnson	2.12
Samsung Electronics	1.98
Apple Inc	1.83
Procter & Gamble Co	1.80
Micron Technology Inc	1.78
Alphabet Inc	1.77
Walmart Inc	1.74

## Market Commentary

Equities rose again in the third quarter, and in some regions major indices are now positive on the year. Stimulus from central banks and federal governments and optimism about a COVID-19 vaccine supported risk assets, despite rapidly increasing virus cases in parts of the world and the resulting possibility of stricter restrictions and lockdowns.

Growth indicators began to recover from second quarter troughs as economies slowly reopened, and corporate earnings were generally encouraging. Many central banks maintained benchmark interest rates close to zero, and asset purchase programs remained robust. Central banks continued to introduce new support measures, and bank officials committed to providing support for as long as necessary.

Similarly, a number of governments extended their fiscal aid packages and proposed additional relief measures. Relations between the US and China grew increasingly tense, particularly over the topics of technology and intellectual property, bringing into question the durability of the 2019 trade deal. Negotiations intensified between the European Union and the UK concerning the UK's imminent exit from the EU as the year-end Brexit deadline approaches. Spot gold reached an all-time high in July amid US dollar weakness and low real interest rates, however yield curves steepened later in the quarter as data and sentiment impro

## Availability

Product name	APIR
AMP Flexible Lifetime Super	AMP1530AU
AMP Flexible Super - Retirement account	AMP1590AU
AMP Flexible Super - Super account	AMP1578AU
CustomSuper	AMP1530AU
Flexible Lifetime - Allocated Pension	AMP1542AU
SignatureSuper	AMP1554AU
SignatureSuper Allocated Pension	AMP1566AU

## Contact Details

Web: [www.amp.com.au](http://www.amp.com.au)  
Email: [askamp@amp.com.au](mailto:askamp@amp.com.au)  
Phone: 131 267



### What you need to know

This publication has been prepared by AWM Services Pty Limited ABN 15 139 353 496, AFSL No. 366121 (AWM Services). The information contained in this publication has been derived from sources believed to be accurate and reliable as at the date of this document. Information provided in this investment option update are views of the underlying investment manager only and not necessarily the views of AMP Limited ABN 49 079 354 519 (AMP Group). No representation is given in relation to the accuracy or completeness of any statement contained in it. Whilst care has been taken in the preparation of this publication, to the extent permitted by law, no liability is accepted for any loss or damage as a result of reliance on this information.

The investment option referred to in this publication is available through products issued by N.M. Superannuation Proprietary Ltd ABN 31 008 428 322, AFSL 234654 (NM Super), AMP Capital Funds Management Limited ABN 15 159 557 721, AFSL 426455 (AMPCFM) and/or ipac asset management limited ABN 22 003 257 225, AFSL 234655 (ipac). Before deciding to invest or make a decision about the investment options, you should read the current Product Disclosure Statement (PDS) for the relevant product, available from the issuer or your financial planner.

Any advice in this document is of a general nature only and does not take into account your financial situation, objectives and needs. Before you make any investment decision based on the information contained in this document you should consider how it applies to your personal objectives, financial situation and needs, or speak to a financial planner. In providing any general advice, AMP Group receives fees and charges and their employees and directors receive salaries, bonuses and other benefits.

Any references to the "Fund", strategies, asset allocations or exposures are references to the underlying managed fund that the investment option either directly or indirectly invests in. The investment option's aim and strategy mirrors the objective and investment approach of the underlying fund. An investment in the investment option is not a direct investment in the underlying fund.

Neither NM Super, AMPCFM, ipac, AWM Services, any other company in the AMP Group nor the underlying fund manager guarantees the repayment of capital or the performance of any product or particular rate of return referred to in this document, unless expressly stated in the PDS. Past performance is not a reliable indicator of future performance. Any slight asset allocation deviations from 100% may be caused by rounding, asset categorisation and/or hedging.