

Zurich American Century Global Growth

Quarterly Investment Option Update

30 September 2020

Aim and Strategy

To provide investors with long-term capital growth by using a distinctive growth-oriented investment strategy designed for long-term investors who want to capitalise on the unique opportunities presented by fast-growing companies around the world. The portfolio invests in securities listed on international stock exchanges and aims to outperform the MSCI World ex-Australia Index in Australian dollars over periods of five or more years

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 investment timeframe	7+ years
Relative risk rating	6 / High
Investment style	Growth
Manager style	Single Manager

Asset Allocation	Benchmark (%)	Actual (%)
Global Shares	100	98.1
Cash	0	1.9

Sector Allocation	%
Communication Services	6.0
Consumer Discretionary	13.5
Consumer Staples	4.5
Energy	2.3
Financials	13.9
Health Care	14.8
Industrials	9.5
Information Technology	20.4
Liquids	1.8
Materials	6.6
Real Estate	6.2
Utilities	0.5

Regional Allocation	%
US	73.0
Canada	0.9
UK	3.9
Europe	10.9
Asia ex-Japan	5.4
Japan	3.4
Emerging Markets	0.7
Cash	1.8

Top Holdings	%
Amazon.com Inc	4.3
Alphabet Inc	2.9
Alibaba Group Holding	2.4
Equinix Inc	2.2
Visa Inc	2.2
Lowe's Cos Inc	2.0
American Express	1.8
Adobe Inc	1.8
Texas Instruments	1.6
ServiceNow Inc	1.5

Investment Option Commentary

The strategy produced a strong absolute return in the September quarter that was comfortably ahead of the index return. Calendar year-to-date, the strategy performance is impressively ahead of the index.

The key contributors to performance included Alibaba Group Holding, Roku and Avantor.

Alibaba Group Holding - The e-commerce company provided a positive long-term growth outlook at period-end, sending its stock sharply higher on the final day of the month. Management cited market opportunities, improved efficiency and innovation as reasons for the positive outlook.

Roku - Driving enthusiasm for the stock of this digital media player maker was news that exercise equipment and media company, Peloton, will launch its app on Roku's platform and that NBC Universal's Peacock streaming service is now available on Roku. Peacock is expected to provide a tailwind for advertising revenue.

Avantor - The stock of this scientific and technical instruments company rallied on better-than-expected quarterly revenue driven by strong sales in the Asia, Middle East and Africa region. Sales in the Americas and Europe also were robust. Investors were further encouraged by Avantor's exceptional cash generation during the quarter.

Detractors from performance included Illumina and not owning Apple and Tesla, both of which are constituents of the benchmark index and performed strongly but which do not fit the strategy's investment process.

Illumina – The company saw its stock decline as it moves forward with plans to acquire GRAIL, a developer of technologies for early cancer detection. The stock-and-cash deal has been factored in by the market, but the acquisition will be beneficial to Illumina as it builds its oncology segment.

Market Commentary

In a tale of two quarters, global equities roared in July and August, propelled by the FAANG stocks and other stay-at-home beneficiaries. Markets corrected swiftly in September as investors took profits after the huge run up and rotated into more cyclically oriented names.

As COVID-19 lingered, differing headlines about reopening, potential vaccines, lack of additional fiscal stimulus and new spikes in cases fuelled volatility. In response, investors vacillated between beneficiaries of the stay-at-home environment and companies exposed to economic recovery.

Outlook

Ongoing work-at-home and remote access trends drive technology gains. Despite profit-taking in September following the significant run up early in the quarter, the need for reliable remote access and home office upgrades continues to support long-term technology trends. These include digitalisation, cloud computing, 5G network rollout and data centre expansion. Holdings include companies that facilitate the proliferation of data and information (e.g., data centres, data infrastructure, 5G equipment) as well as software-as-a-service names providing mission-critical software support.

Health care names continue to be well positioned. Focus remains on medical devices and equipment, tools, diagnostics and production companies. Such names are benefiting from increased research and development needed for an aging population. Companies involved in production of testing equipment and life sciences tools and diagnostics are also seeing sustainable growth as the pandemic continues.

Communication services supported by increased cell tower demand. Companies in the business of developing and leasing cell towers remain attractive. Opportunities are driven by contracted annual price escalators and long-term contracts in the five- to 10-year or more duration. These names have minimal variable costs and feature a predictable range of outcomes likely to be less affected by the virus. 5G investment is expected to remain a powerful incremental growth driver.

Crisis continues to create opportunities in specialised retailers. Home improvement stores, such as Lowe's Companies, and paints and coverings retailers, such as The Sherwin-Williams Co., benefit from the stay-at-home environment. Big-box stores with exposure to remote computing and home office equipment, and specialty retailers focused on in-home activities such as crafts and games, are also benefiting despite the general decline in retail.

Availability

Product name	APIR
AMP Flexible Lifetime Super	AMP1031AU
AMP Flexible Super - Retirement account	AMP1363AU
AMP Flexible Super - Super account	AMP1492AU
CustomSuper	AMP1031AU
Flexible Lifetime - Allocated Pension	AMP1020AU
Flexible Lifetime - Term Pension	AMP1041AU
Flexible Lifetime Investment	AMP1054AU
Flexible Lifetime Investment (Series 2)	AMP1427AU
SignatureSuper	AMP2011AU
SignatureSuper Allocated Pension	AMP2017AU

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