

International Share Index

Quarterly Investment Option Update

31 March 2021

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 to 7 years
Relative risk rating	High
Investment style	Index
Manager style	Single

Asset Allocation	Benchmark (%)
International shares	100
Cash	0

Actual Allocation	%
International Shares	96.61
Australian Shares	0.28
Listed Property and Infrastructure	2.38
Cash	0.73

Sector Allocation	%
Information Technology	21.79
Financials	13.28
Health Care	12.51
Consumer Discretionary	12.26
Industrials	10.69
Communication Services	9.20
Consumer Staples	6.48
Materials	4.24
Energy	3.16
Utilities	3.05
Real Estate	2.60
Futures	0.74

Top Holdings	%
APPLE INC	3.96
Microsoft Corp	3.23
Amazon.com Inc	2.52
Alphabet Inc	2.36
Facebook Inc	1.34
Tesla Inc	0.96
JPMORGAN CHASE & CO	0.87
JOHNSON & JOHNSON	0.83
UnitedHealth Group Inc	0.69
Visa Inc	0.67

Region Allocation	%
North America	71.10
Europe ex UK	15.31
Japan	7.72
United Kingdom	4.39
Asia ex Japan	1.39
Australasia	0.08

Fund Performance

The Fund posted a strong positive return over the March quarter, its fourth consecutive quarter of positive returns. It has also posted very strong positive returns over the longer term, including over 1, 2, 3 and 5 years, and since inception (annualised, before fees).

Market Review

Global shares rose over the March quarter, with the MSCI World ex Australia index finishing up by 6.17%. The quarter saw one of the most significant style rotations seen in many years, as money flowed out of mega-cap growth and 'stay-at-home' stocks into long underappreciated, value-oriented stocks. This move was accompanied by a dramatic surge in bond yields, as global fixed interest markets continued to price in a sustained recovery in economic growth. Key drivers of the market's continued push higher included a resolution to the US election at the start of the year, which subsequently paved the way for further, massive levels of US fiscal stimulus, as well as the success of vaccine rollouts in the US and UK, which have unsurprisingly resulted in significantly improved virus numbers. Continued dovishness from central banks and global governments continuing to provide large amounts of further stimulus also stoked optimistic sentiment in equities markets. Volatility however increased in the latter part of the quarter, as fears remained around bond yields continuing to rapidly climb. Worries also increased around vaccine efficacy against newer strains of COVID-19, as well as around some apparent roll-out difficulties in a number of countries, including Australia. (All indices are quoted in local currency terms and on a total-return basis, unless otherwise stated.)

Outlook

With valuations remaining stretched in many areas, and upward pressure on bond yields and inflationary concerns as further stimulus packages are rolled out, the medium-term outlook for international equities remains difficult to predict. Elevated volatility is likely to remain. Following America's most recent US\$1.9 trillion plan, the market awaits more in-depth details of the Biden administration's infrastructure plan and how this will impact policies, tax codes, and corporate America in general. We continue to believe investors should exercise caution, particularly where prices have risen quickly, and where valuations factor in perfection. Amid changing consumer dynamics, many companies will likely face challenging conditions for some time, while stronger businesses are likely to emerge post the COVID-19 vaccine implementation with gained market share. Governments generally continue to implement supportive monetary and, to an increasing extent, fiscal programmes to ease shorter-term economic stress. The hope is that post vaccine rollout, economies will be resilient enough to return to growth relatively quickly. However, recently there have been signs of further waves of pandemic breakouts with different strains, which will add to uncertainty. Despite uncertainty in the shorter term, we believe the longer-term market trend will remain to the upside.

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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