



Future Directions Extended Markets International Share

Quarterly Investment Option Update

30 June 2021

Aim and Strategy

To provide a total return (income and capital growth) after costs and before tax, above the Fund's performance benchmark on a rolling 3 year basis. The Fund is designed to blend specialist investment managers from around the world, with the aim of maximising returns and managing levels of risk. In structuring the Fund, we take a four-stage investment approach: setting objectives and asset allocation; targeted manager selection; portfolio construction and implementation; and ongoing portfolio and manager review. The Fund is normally invested in international shares, with a focus on small companies and emerging markets.

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	7 years
Relative risk rating	Very High
Investment style	Active
Manager style	Multi-manager
Asset Allocation	Benchmark (%)
International Shares	100
Cash	0

Market Review

International shares continued to rise significantly in the June quarter, with the MSCI World ex Australia index finishing up by 7.56%, as markets were buoyed by the ongoing global economic recovery, vaccine rollouts and massive fiscal stimulus programmes in place. A further US\$1.2 trillion of stimulus was announced later in the quarter, through yet another infrastructure spending deal. For most of the quarter the US Federal Reserve (Fed) remained dovish, though towards the end of the period the central bank's tone began to turn regarding future rate-hikes. COVID-19 case numbers were again widely discussed, though with an increasingly significant amount of people immunised, particularly those in higher-risk categories, daily fatality rates are now well below previous highs in many countries and have continued to fall. Rising inflation and continuing supply constraints in many industries also remained a concern. The dominant influence on markets however continued to be ongoing global recovery and reopening, with many countries now removing the bulk of their COVID-related restrictions, borders being reopened and flight and road traffic now approaching pre-COVID levels in some regions. Emerging markets also rose, though to a lesser degree than developed markets, with the MSCI Emerging Markets index finishing up by 3.83%. (All indices quoted in local currency terms and on a total-return basis, unless otherwise stated.)

Outlook

The economic backdrop has recently become more complicated. Uncertainty over the persistency of inflationary pressures, ongoing stimulus packages, more hawkish than expected US Federal Reserve communications, and stretched valuations in many areas, have all resulted in a more heterogeneous market interpretation of future events and an increasingly fluid risk on/ risk off bias. Thus, the medium-term outlook for international equities remains difficult to predict. The environment is further complicated by some supply-demand mismatches where it is difficult to ascertain with any degree of certainty what will be shorter-term and what will prove to be more secular in nature.

With changing consumer dynamics, many companies will likely face challenging conditions for some time yet, while stronger businesses are likely to emerge post the COVID-19 vaccine implementation with gained market share. Despite some inflationary concerns, governments generally continue to implement supportive monetary and fiscal programmes to ease shorter-term economic stress. The hope is that post vaccine rollout, economies will be resilient enough to return to sustainable growth relatively quickly. Although the shorter-term environment remains uncertain, we believe the longer-term trend will remain to the upside. Investors with a diversified portfolio of quality businesses, bought at a reasonable price, are likely to do well over the longer-term.

Availability

Product Name	APIR
AMP Flexible Super - Retirement	AMP1351AU*
Flexible Lifetime - Allocated Pension	AMP0880AU*
Flexible Lifetime - Term Pension	AMP0934AU*
SignatureSuper - Allocated Pension	AMP1148AU*

*Closed to new investors

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