

International Share Index

Quarterly Investment Option Update

30 September 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	97.12
Australian Shares	0.22
Listed Property and Infrastructure	2.42
Cash	0.23

Sector Allocation	%
Information Technology	23.03
Financials	13.24
Health Care	12.75
Consumer Discretionary	12.33
Industrials	10.18
Communication Services	9.32
Consumer Staples	6.32
Materials	3.91
Energy	3.24
Utilities	2.77
Real Estate	2.68
Futures	0.20
Cash	0.02

Top Holdings	%
APPLE INC	4.19
Microsoft Corp	3.58
Alphabet Inc	2.82
Amazon.com Inc	2.64
Meta Platforms Inc	1.44
Tesla Inc	1.12
NVIDIA Corp	0.92
JPMORGAN CHASE & CO	0.87
Johnson & Johnson	0.75
Visa Inc	0.68

Region Allocation	%
North America	72.24
Europe ex UK	14.98
Japan	7.20
United Kingdom	4.24
Asia ex Japan	1.24
Australasia	0.07
Cash	0.02

Fund Performance

The Fund posted a strong positive return over the September quarter, its sixth consecutive quarter of positive returns. It has also posted very strong positive returns over the longer term, including over 1, 2, 3, 5 and 10 years, and since inception (before fees).

Market Review

International shares posted another quarter of gains, rising by 0.58% as measured by the MSCI World ex Australia index during the September quarter. Through July and August, markets remained buoyant driven by global reopening and the ongoing recovery. Economic and corporate fundamentals continued remained solid, particularly in the US, where earnings generally surprised on the upside through the 6-monthly reporting season and strong US employment data was released. As the quarter drew on into September however, a marked turn in sentiment was evident, emanating from a combination of factors including inflation concerns, volatile commodity prices reflecting slowing Chinese demand for steel, and global supply issues creating turbulence for energy resource prices. Adding further to the bearish turn in sentiment were solvency concerns with a major Chinese property developer, China Evergrande Group, and the perceived threat of an international spill-over. Emerging markets meanwhile fell by 6.69%, as measured by the MSCI Emerging Markets index, underperforming developed markets amid concerns around Chinese economic growth and regulatory risks, volatile commodity prices, vaccination challenges and further inflation concerns. (All indices quoted in local currency terms and on a total-return basis, unless otherwise stated.)

Outlook

The economic backdrop remains complicated. Uncertainty over the persistency of inflationary pressures, ongoing stimulus packages, the US Federal Reserve's timeline for tapering and stretched valuations in some areas, continue to muddy the market's interpretation of future events, with a 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. Likely tax hikes from the Biden administration will also impact US earnings.

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 the 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
CustomSuper	AMP0858AU
Flexible Lifetime - Allocated Pension	AMP0871AU
Flexible Lifetime - Super	AMP0858AU
Flexible Lifetime - Term Pension	AMP0902AU
SignatureSuper	AMP0807AU
SignatureSuper - Allocated Pension	AMP1165AU
SignatureSuper Select	AMP1547AU

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