

International Share Index

Quarterly Investment Option Update

31 December 2021

Aim and Strategy

The strategy aims to provide returns that closely match the MSCI World ex-Australia ex-Tobacco Index with net dividends reinvested before fees and taxes. 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
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Suggested minimum investment timeframe	5 to 7 years
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Relative risk rating	Very High
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Investment style	Index
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Manager style	Single
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Asset Allocation	Benchmark (%)
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Global shares	100
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Cash	0
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Actual Allocation	%
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International Shares	97.05
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Australian Shares	0.21
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Listed Property and Infrastructure	2.42
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Cash	0.32
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Sector Allocation	%
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Information Technology	24.24
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Financials	12.78
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Health Care	12.74
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Consumer Discretionary	12.45
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Industrials	10.04
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Communication Services	8.47
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Consumer Staples	6.34
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Materials	3.94
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Energy	3.15
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Utilities	2.78
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Real Estate	2.74
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Futures	0.30
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Cash	0.02
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Top Holdings	%
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Apple Inc	4.82
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Microsoft Corp	3.95
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Alphabet Inc	2.80
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Amazon.com Inc	2.50
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Tesla Inc	1.46
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Meta Platforms Inc	1.32
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NVIDIA Corp	1.21
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JPMORGAN CHASE & CO	0.78
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UnitedHealth Group Inc	0.77
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Johnson & Johnson	0.74
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Region Allocation	%
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North America	73.58
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Europe ex UK	14.75
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Japan	6.37
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United Kingdom	4.09
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Asia ex Japan	1.14
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Australasia	0.06
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Cash	0.02
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Fund Performance

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

Market Review

Global share markets continued to steam ahead over the December quarter, with the MSCI World ex Australia index gaining 8.25% for the period. As is often the case with equity markets, strong gains came despite significant prevailing fears and concerns, which over this period centred around inflation and the monetary path ahead for central banks, and, to a lesser degree, the Omicron COVID-19 variant. US inflation was shown to be at 6.8% over the year to November, a multi-decade high, with many other nations recording similar spikes. Ironically however, a growing degree of acceptance of the prevailing inflationary environment may have started to remove some uncertainty, as investors increasingly look to allocate cash to companies with pricing power and thus potentially provide some shelter from the increasing cost of living. Reports of the new Omicron variant mid-quarter gave markets an initial scare, though positive momentum was quickly recovered amid signs symptoms were generally milder in nature, despite the variant being considerably more infectious, and a growing realisation that further new variants will almost certainly be an ongoing endemic feature, rather than something to be surprised by. (All indices quoted in local currency terms and on a total-return basis, unless otherwise stated.)

Outlook

Uncertainty over the persistence of inflationary pressures remains a prime focus going forward, particularly when taken into account with record debt-levels across the globe presenting obvious difficulties as central banks begin to raise interest rates. Meanwhile, corporate earnings remain generally strong and growing, as companies continue to recover from the COVID downturn. Thus, the medium-term outlook for international equities is still difficult to predict. Supply-demand mismatches also remain. Likely tax hikes from the Biden administration are a further issue on the horizon which will impact earnings, although currently proposed increases are less than initially feared, so the hit to earnings may be smaller than initially thought. Business with power to raise prices should do relatively well in an inflationary environment. While more governments may raise rates over the next year or so, this is likely to be done slowly, and may even remove some market uncertainty. While the shorter-term environment remains uncertain, we continue to believe the longer-term trend will remain to the upside, and that 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
SignatureSuper	AMP0807AU
SignatureSuper - Allocated Pension	AMP1165AU
SignatureSuper Term Pension	AMP1165AU

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