



Future Directions Asian Share

Quarterly Investment Option Update

30 June 2022

Aim and Strategy

To provide high returns over the long term, while accepting a higher level of volatility, through a diversified portfolio of international shares within the Asia (ex-Japan) universe. The objective is to provide a total return, after costs and before tax, above the return from the MSCI All Country Asia ex Japan Net Index on a rolling 3 to 5 years basis.

Investment Option Performance

To view the latest investment performances for this 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 (%)
Global shares	100
Cash	0

Actual Allocation	%
Global Shares	94.18
Australian Shares	2.67
Listed Property and Infrastructure	0.31
Cash	2.84

Sector Allocation	%
Information Technology	20.96
Financials	20.49
Consumer Discretionary	12.67
Communication Services	8.74
Materials	7.08
Industrials	6.49
Energy	6.43
Consumer Staples	5.18
Health Care	3.40
Utilities	3.25
Cash	2.84
Real Estate	2.46

Top Holdings	%
TSMC	7.69
Samsung Electronics Co Ltd	4.85
TENCENT HOLDINGS LTD	4.50
ALIBABA GROUP HOLDING	3.91
RELIANCE INDUSTRIES LTD	2.67
AIA GROUP LTD	2.67
China Construction Bank Corp	1.72
DBS GROUP HOLDINGS LTD	1.67
NetEase Inc	1.59
Infosys Ltd	1.54

Region Allocation	%
Asia ex Japan	93.15
Cash	2.84
Australasia	2.67
United Kingdom	1.34

Fund Performance

The Fund posted a negative return and underperformed its benchmark over the June quarter. Both underlying managers lost ground and underperformed the benchmark. Over the long term, the Fund continues to post strong positive returns and has also outperformed the benchmark over 1, 2, 3 and 5 years, and since inception (annualised). (All returns are before fees.) Country allocation had a positive effect on relative returns. The main contributors were from underweight exposures to Taiwan and India, while the main detractor was an overweight position in Australia. The Fund's cash position, which is held mainly in US dollars, added value as markets retreated. Sector allocation held back the Fund's relative returns, with the main detractor being an underweight to consumer discretionary, which outweighed the contribution coming from an overweight exposure to energy which added most value.

Stock selection was the primary driver of the Fund's underperformance. The main detractors were positions in information technology, consumer discretionary and materials, whereas positions in consumer staples and communication services stocks benefitted during the period.

At an individual stock level, the main individual detractor from relative returns was an underweight position in Chinese online food delivery and local services platform Meituan (+36%), which surged as investors became optimistic that authorities may take a less punitive position on internet regulations and as Shanghai announced a plan to exit lockdown. Other significant detractors included overweight positions in Australian gold miner Newcrest Mining (-22%) and South Korean manufacturer of electronic components Samsung Electronics (-16%).

The main contributor to relative returns was an overweight position in China's second largest brewing company Tsingtao Brewery (+43%), which saw its share price rally as COVID restrictions were relaxed during June, with the expected benefit from the increasing domestic preference for more expensive high-end beers expected to help cushion the higher costs for raw materials and packaging. Other contributors included having a nil position in Singaporean-based global consumer internet company Sea Limited (-39%) and an overweight position in Chinese online financial platform East Money Information Company (+25%).

Market Review

Global shares fell significantly over the June quarter as the combination of prevailing high inflation, rising interest rates and fear of recession continued to dent market optimism. A highly volatile energy market also impacted, exacerbated by the Russian war on Ukraine which further stoked market fears. Some positives however did emerge, including China easing its lockdown restrictions and Fed officials slightly reining in their recent hawkish tone as some very tentative signs inflation may be close to a peak appeared. While corporate earnings growth has generally remained solid, management comments around increased cost pressures was another theme also likely factored into the price falls. Emerging markets also fell significantly, though to not as a great a degree as their developed peers, with China's easing of lockdowns appearing to be the prime driver of the outperformance. Meanwhile a strong US dollar may have likely capped stronger performance for emerging markets, as the majority of emerging market debt is held in this currency.

Outlook

As central banks continue to raise rates amid record levels of global debt, markets have begun to factor in a growing likelihood of recession, as well as inflation prevailing for some time yet. Corporate earnings remain mostly strong, though some companies have noted increased costs eating into margins. Russia's war on Ukraine meanwhile is continuing to exacerbate global supply chain issues. In this environment, businesses with a strong competitive advantage and power to raise prices are likely to gain market share. While further short-term volatility may ensue, 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 relatively well.

Availability

Product Name	APIR
Flexible Lifetime - Investments (Series 1)	AMP1205AU**
Flexible Lifetime - Investments (Series 2)	AMP1408AU**
SignatureSuper	AMP1211AU*
SignatureSuper - Allocated Pension	AMP1220AU*

*Closed to new investors

**Closed to new and existing investors

Contact Details

Web: www.amp.com.au

Email: askamp@amp.com.au

Phone: 131 267



What you need to know

This publication has been prepared by AWM Services Pty Limited ABN 15 139 353 496, AFSL No. 366121 (AWM Services). The information contained in this publication has been derived from sources believed to be accurate and reliable as at the date of this document. Information provided in this investment option update are views of the underlying investment manager only and not necessarily the views of AMP Limited ABN 49 079 354 519 (AMP Group). No representation is given in relation to the accuracy or completeness of any statement contained in it. Whilst care has been taken in the preparation of this publication, to the extent permitted by law, no liability is accepted for any loss or damage as a result of reliance on this information.

The investment option referred to in this publication is available through products issued by N.M. Superannuation Proprietary Ltd ABN 31 008 428 322, AFSL 234654 (NM Super), AMP Capital Funds Management Limited ABN 15 159 557 721, AFSL 426455 (AMPFCFM) and/or ipac asset management limited ABN 22 003 257 225, AFSL 234655 (ipac). Before deciding to invest or make a decision about the investment options, you should read the current Product Disclosure Statement (PDS) for the relevant product, available from the issuer or your financial planner.

Any advice in this document is of a general nature only and does not take into account your financial situation, objectives and needs. Before you make any investment decision based on the information contained in this document you should consider how it applies to your personal objectives, financial situation and needs, or speak to a financial planner. In providing any general advice, AMP Group receives fees and charges and their employees and directors receive salaries, bonuses and other benefits.

Any references to the "Fund", strategies, asset allocations or exposures are references to the underlying managed fund that the investment option either directly or indirectly invests in. The investment option's aim and strategy mirrors the objective and investment approach of the underlying fund. An investment in the investment option is not a direct investment in the underlying fund.

Neither NM Super, AMPFCFM, ipac, AWM Services, any other company in the AMP Group nor the underlying fund manager guarantees the repayment of capital or the performance of any product or particular rate of return referred to in this document, unless expressly stated in the PDS. Past performance is not a reliable indicator of future performance. Any slight asset allocation deviations from 100% may be caused by rounding, asset categorisation and/or hedging.