

International Share Index

Quarterly Investment Option Update

30 September 2022

Aim and Strategy

The strategy aims to provide returns that closely match the MSCI World ex-Australia ex-Tobacco Accumulation 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. Note: An unhedged strategy results in net performance being impacted (positively or negatively) by movements in the Australian dollar, relative to other currencies where the portfolio holds exposure.

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	7 / Very High
Investment style	Index
Manager style	Single

Asset Allocation	Benchmark (%)
Global shares	100
Cash	0

Actual Allocation	%
International Shares	96.27
Australian Shares	0.14
Listed Property and Infrastructure	2.36
Cash	1.23

Sector Allocation	%
Information Technology	21.46
Health Care	14.07
Financials	13.05
Consumer Discretionary	11.39
Industrials	9.66
Communication Services	7.19
Consumer Staples	7.10
Energy	5.17
Materials	3.80
Utilities	3.20
Real Estate	2.72
Cash	0.81
Futures	0.38

Top Holdings	%
APPLE INC	5.00
MICROSOFT CORP	3.70
ALPHABET INC	2.50
AMAZON.COM INC	2.31
Tesla Inc	1.57
UNITEDHEALTH GROUP INC	1.06
JOHNSON & JOHNSON	0.96
EXXON MOBIL CORPORATION	0.83
Berkshire Hathaway Inc	0.77
Meta Platforms Inc	0.70

Region Allocation	%
North America	74.20
Europe ex UK	13.42
Japan	6.12
United Kingdom	4.14
Asia ex Japan	1.26
Cash	0.81
Australasia	0.05

Fund Performance

The Option continued to experience volatility alongside global share markets during the September quarter and generated a positive return. Despite this recent volatility, it has continued to deliver healthy positive returns over the longer term, including over 2, 3, 5 and 10 years, and since inception.

Market Review

A rally early in the September quarter promptly reversed, as share markets fell on concerns around the ongoing high levels of inflation, further rate rises from central banks and a growing likelihood of recession. International shares ended the quarter down by 4.5%, as measured by the MSCI World ex Australia index. (However due to currency movements, positive returns were recorded in both Australian and New Zealand dollar terms.) While hopes of a peak in inflation were stoked by a pullback in the prices of some core goods, core services now look to be taking the lead in driving the CPI. An escalating situation in Ukraine also didn't help, with Russian nuclear threats reiterated. US corporate earnings meanwhile came in generally ahead of expectation, while outlooks were not as bad as feared. Emerging markets fared worse over the period, falling by 8.2%, as measured by the MSCI Emerging Markets index. Chinese equities were a major driver of the underperformance amid weak Chinese growth, ongoing uncertainty around "zero-COVID" lockdown restrictions and property market issues. A strengthening US dollar also likely impacted, given most emerging-market national debt is held in US dollars. (All indices quoted in local currency terms and on a total-return basis, unless otherwise stated.)

Outlook

As central banks continue to raise interest rates to fight inflation, markets appear to have factored in a strong likelihood of recession. Corporate earnings are facing headwinds, with increased costs eating into margins often reflected by downwards revisions to earnings estimates. The war in Ukraine is likely to continue to exacerbate uncertainties in energy prices. In this environment, businesses with a strong competitive advantage and power to raise prices are likely to gain market share. Significant falls in markets tend to create strong investment opportunities and we believe investors with a diversified portfolio of quality businesses, bought at a reasonable price, are likely to do relatively well in the long-term.

Availability

Product Name	APIR
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SignatureSuper - Allocated Pension	AMP1165AU
SignatureSuper Term Pension	AMP1165AU

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