



# International Share Index

Quarterly Investment Option Update

31 December 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](http://www.amp.com.au/performance)

## Investment Option Overview

<b>Investment category</b>	Global Shares
<b>Suggested minimum investment timeframe</b>	7 years
<b>Standard Risk Measure</b>	7/Very High
<b>Investment style</b>	Index
<b>Manager style</b>	Single

<b>Asset Allocation</b>	<b>Benchmark (%)</b>
Global shares	100
Cash	0

<b>Actual Allocation</b>	<b>%</b>
Global Shares	97.18
Australian Shares	0.16
Listed Property and Infrastructure	2.27
Cash	0.39

<b>Sector Allocation</b>	<b>%</b>
Information Technology	21
Health Care	15
Financials	14
Industrials	10
Consumer Discretionary	10
Consumer Staples	7
Communication Services	7
Energy	6
Materials	4
Utilities	3
Real Estate	2
Futures	0

<b>Top Holdings</b>	<b>%</b>
APPLE INC	4.32
MICROSOFT CORP	3.51
Alphabet Inc	2.11
Amazon.com Inc	1.59
UNITEDHEALTH GROUP INC	1.02
Johnson & Johnson	0.96
EXXON MOBIL CORPORATION	0.95
Berkshire Hathaway Inc	0.83
JPMORGAN CHASE & CO	0.81
NVIDIA Corp	0.75

<b>Region Allocation</b>	<b>%</b>
North America	73
Europe ex UK	15
Japan	6
United Kingdom	4
Asia ex Japan	1
Australasia	0

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## Fund Performance

The Option generated a positive return during the December quarter. Despite continuing to experience higher levels of volatility, the Option benefitted overall alongside global share markets as inflationary and interest rate pressures showed some signs of easing to support some recovery in markets during October and November. Despite this recent volatility, the Option has continued to deliver healthy positive returns over the longer term, including over 3, 5 and 10 years, and since inception.

## Market Review

International sharemarkets rose over the December quarter, with volatility remaining elevated, as was the case through most of the calendar year. Shares made strong gains through October and November as markets began to factor in inflation showing signs of peaking and central banks accordingly toning back their hawkish commentary. December however saw shares pull back, amid a realisation that rates may still be higher for longer in order to keep inflation under control. Economic data, largely unsurprisingly, also became increasingly indicative of potential recessionary conditions ahead, though this is not guaranteed; and, for long-term investors, perhaps not materially important. Interestingly, shares continued to show a propensity to rise on negative economic data surprises and fall on positives, highlighting the dominant role of the potential interest rate path in influencing short-term trading. The MSCI World ex Australia index finished the period up by 7.4% in local currency terms, or 3.9% in Australian dollar terms, given strength in the domestic currency through the quarter. Emerging markets were also strong over the period, returning 6.6%, with particular strength notable in Chinese, Korean and Taiwanese markets. (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, 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. Meanwhile, the continued push in the west away from traditional energy sources, such as oil and coal, is likely to continue to drive uncertainty in energy markets. In this environment, businesses with a strong competitive advantage and power to raise prices are likely to gain market share. Share price volatility tends to create stronger 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.

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## Availability

Product Name	APIR
SignatureSuper	AMP0807AU
SignatureSuper - Allocated Pension	AMP1165AU
SignatureSuper Term Pension	AMP1165AU

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