



# International Share Index

Quarterly Investment Option Update

30 June 2023

## 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>
International Shares	97.86
Australian Shares	0.18
Listed Property and Infrastructure	2.04
Cash	-0.08

<b>Sector Allocation</b>	<b>%</b>
Information Technology	22.72
Financials	14.30
Health Care	12.88
Consumer Discretionary	11.26
Industrials	10.82
Communication Services	7.12
Consumer Staples	6.82
Energy	4.54
Materials	3.73
Utilities	2.83
Real Estate	2.38
Futures	0.68
Cash	-0.08

<b>Top Holdings</b>	<b>%</b>
APPLE INC	5.53
Microsoft Corp	4.34
Alphabet Inc	2.46
Amazon.com Inc	2.17
NVIDIA Corp	1.88
Tesla Inc	1.35
Meta Platforms Inc	1.15
UNITEDHEALTH GROUP INC	0.81
Berkshire Hathaway Inc	0.80
Exxon Mobil Corp	0.78

<b>Region Allocation</b>	<b>%</b>
North America	74.05
Europe ex UK	14.51
Japan	6.28
United Kingdom	4.06
Asia ex Japan	1.12
Australasia	0.06
Cash	-0.08

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## Fund Performance

The Option generated a strong positive return during the June quarter, as global share markets continued to rise, sustaining their rally which started during the fourth quarter of 2022. The financial year 2023 ended on a high as investors continued to favour 'risk-on' investments in the June quarter, despite continued concerns around inflation, rising interest rates and a potential recession towards late 2023/early 2024. The Option has continued to deliver healthy positive returns over the longer term, including over 1, 3 and 5 years, and since inception.

## Market Review

The June quarter proved to be another strong one for international shares, with markets finishing the period up 7.3%, as measured by the MSCI World ex Australia index, in local currency terms. Technology and growth-focussed stocks dominated, with some of these stocks approaching somewhat extreme-looking earnings multiples. The main driver of the rally was the overarching theme of central banks looking to slow or pause their rate-hikes as inflation, while still high, continued to fall. A clear tightening bias however remained. Economic data continued to be indicative of likely recessionary conditions ahead, though showed some resilience relative to investor expectations, particularly in the US. Meanwhile, the March US earnings season was generally reasonable, with more companies surprising on the upside than the downside, despite continuing to flag difficult conditions ahead in outlook statements.

Emerging markets meanwhile again underperformed their developed peers, returning 1.7% for the period amid weakening Chinese trade and manufacturing data. (All indices quoted in local currency terms and on a total-return basis, unless otherwise stated.)

## Outlook

After around a year of raising interest rates, some central banks have slowed or paused their hikes, despite maintaining a tightening bias, on the back of significantly decreased (though still high) levels of inflation. Economic growth has also slowed, with some economies already falling into recession. For long-term investors however, recession generally shouldn't be a concern, as this is part of the normal economic cycle. While the corporate environment may toughen further, stronger businesses will likely emerge with increased market dominance. Furthermore, share prices tend to lead the economic cycle, rather than be synchronised to it. We believe a diverse basket of businesses bought at reasonable prices, particularly those with strong competitive advantage that generate high amounts of cash from their shareholders' capital, will serve investors well over the long-term.

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## Availability

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

\*Closed to new investors

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