

Fidelity Global Equities

Quarterly Investment Option Update

30 June 2018

Availability

Product Name	APIR
AMP FLEXIBLE SUPER – CHOICE (RETIREMENT)	AMP1342AU
AMP FLEXIBLE SUPER – CHOICE (SUPER)	AMP1471AU
CUSTOMSUPER	AMP1291AU
FLEXIBLE LIFETIME – ALLOCATED PENSION	AMP1298AU
FLEXIBLE LIFETIME – INVESTMENTS (SERIES 1)	AMP0846AU
FLEXIBLE LIFETIME – INVESTMENTS (SERIES 2)	AMP1432AU
FLEXIBLE LIFETIME – SUPER	AMP1291AU
FLEXIBLE LIFETIME – TERM PENSION	AMP1638AU
SIGNATURE SUPER	AMP1305AU
SIGNATURE SUPER – ALLOCATED PENSION	AMP1312AU

Investment Option Performance

Investment performances are subject to product fees and where relevant tax as outlined in the product PDS. Therefore investment performance may differ between Products. In addition, activity on your account such as contributions and deductions will also impact the investment performance specific to you. To view the latest investment performances for each product, please visit www.amp.com.au. You can also view the last investment performance specific to you by visiting your My Portfolio account.

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Overview

Aim & Strategy: To achieve returns in excess of the MSCI All Country World Index (Net) over a period of 5 years. The portfolio takes a "go-anywhere" approach – it is managed with broad geographic and sector parameters to allow the portfolio manager to build a portfolio of the best opportunities uncovered by the investment manager's strength in global research in a core international investment. The portfolio may invest in a variety of securities including shares, options, the equity linked

notes, convertible notes and debt securities. Unlisted international equities may also be held where they are reasonably expected to be listed within 6 months. Exposure to international assets is not hedged back to Australian dollars, therefore the value of an investment will also be affected by movements in exchange rates. Derivatives may also be used.

Investment Category: Global equities

Suggested Investment Timeframe: 5+ years

Relative Risk Rating: High

Investment Style: Core

Asset Allocation	Actual (%)	Range (%)
INTERNATIONAL SHARES	97.81	90-100
CASH & ONA	2.19	0-10

Holdings

Industry Exposure	%
INFORMATION TECHNOLOGY	24.85
FINANCIALS	17.67
CONSUMER DISCRETIONARY	10.68
HEALTH CARE	10.54
CONSUMER STAPLES	9.28
ENERGY	7.80
MATERIALS	6.13
INDUSTRIALS	5.82
REAL ESTATE	3.39
UTILITIES	1.01
TELECOMMUNICATION SERVICES	0.64
CASH & ONA	2.19

Regional Exposure	%
NORTH AMERICA	52.65
EUROPE EX UK	19.20
EMERGING MARKETS	9.64
UK	9.05
JAPAN	6.54
PACIFIC EX JAPAN	0.73
MIDDLE EAST	0.00
CASH & ONA	2.19

Top Ten Securities	%
MICROSOFT CORP	2.23
ALPHABET INC	2.01
ROYAL DUTCH SHELL PLC	1.99
MERCK & CO INC NEW	1.76
INTUIT INC	1.54
JPMORGAN CHASE & CO	1.53
WELLS FARGO & CO NEW	1.51
CANADIAN NATL RESOURCES LTD	1.48
KOTAK MAHINDRA BANK LTD	1.43
VISA INC	1.40

Market Commentary

The portfolio outperformed the index over the quarter (before fees). Markets remained volatile as concerns over faster interest rate hikes in the US, trade frictions between the US and other major economies, and political issues in Italy and Spain worried investors. Nonetheless, encouraging corporate earnings releases across markets supported stocks. Against this backdrop, the exposure to high conviction consumer discretionary franchises boosted returns, though certain holdings were weighed down by challenging business conditions.

Investment Option Commentary

Internet-related consumer holdings performed well

Ocado Group rose sharply following the announcement of a new partnership agreement with US grocer Kroger, under which the latter will use Ocado's technology on an exclusive basis in the US. TripAdvisor continues to execute well in a challenging market, and is seeing traction in its non-hotel segment, driven by strength in its attractions and restaurants businesses.

Robust earnings boosted certain key positions

Abiomed's fourth quarter results beat expectations, driven by solid momentum in Impella, its flagship heart pump product. India-based Kotak Mahindra Bank's solid quarterly results reflected strong loan growth and a sequential improvement in net interest margins.

Nintendo and Genmab declined

Nintendo declined on concerns related to a weak game pipeline. Nonetheless, the company's Switch console continues to do very well, exceeding sales targets and boosting its profitability; its investment thesis remains valid. Genmab fell after its partner Johnson & Johnson decided to terminate a trial that used Genmab's blockbuster cancer drug.

Outlook

The outlook for US equities appears positive, supported by the passage of the tax reform bill. From a valuation perspective, regions outside the US appear relatively more favourable, and the recent sell-off in emerging markets has thrown up some interesting opportunities. Eurozone growth remains strong and relative valuations are attractive. Japan continues to make economic progress and should benefit from a pickup in global demand. However, normalisation of interest rates and concerns over global trade frictions pose risks to markets.

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