

Super Easy International Share

Quarterly Investment Option Update

30 September 2018

Aim and Strategy

The strategy aims to provide returns that track the MSCI World ex Australia Index with net dividends reinvested. This option is unhedged to Australian dollars. Investments in the International Share asset class will be attained through the use of low cost index-focused investment managers.

Investment Option Performance

To view the latest investment performances please visit www.amp.com.au

Investment Option Overview

Investment category	Global Shares
Suggested investment timeframe	5 – 7 years
Relative risk rating	High
Investment style	Index

Asset Allocation	Benchmark (%)
Global Shares	100
Cash	0

Sector Allocation	Benchmark (%)
Information Technology	16.65
Consumer Discretionary	16.17
Financials	15.36
Health Care	12.09
Industrials	11.89
Energy	6.60
Consumer Staples	6.41
Materials	4.33
Real Estate	2.56
Utilities	2.51
Telecommunication Services	1.75
Unclassified	1.59
Cash	1.56
Other	0.53

Top Holdings	Benchmark (%)
Apple Inc	2.73
Microsoft Corp	2.06
Amazon.Com Inc	2.05
Alphabet Inc	1.84
Facebook Inc	0.98
JP Morgan Chase & Co	0.95
Johnson & Johnson	0.93
Exxon Mobil Corporation	0.90
Royal Dutch Shell PLC	0.72
Bank Of America Corp	0.70

Fund Performance

Global shares, particularly those in developed markets, were up strongly in the September quarter. The MSCI World ex Australia Net Index finishing the period higher by 5.39%. In the US, decidedly positive sentiment lingered from good corporate earnings growth, combined with continued strong economic growth and low unemployment. The S&P 500 total return index ended the period up a scorching 7.71%, touching record highs in the process. Trade-related developments, while providing a source of volatility (both on the positive and negative side) were again a feature. While there was much negative media surrounding the war of words leading up to the threshing out of new deals, most developed markets seemed not overly concerned. There was also a marked change in top-performing sectors; technology stocks came under some pressure, while some of the more traditionally defensive segments of the market, such as REITs did well, which was perhaps a little surprising given rising bond yields. Some emerging markets struggled during the quarter, as the strong US dollar fanned currency outflows from markets such as Turkey, where inflation was recently estimated to be running at over 100% on an annual basis. Commodity prices however provided some support to many emerging markets and the MSCI Emerging Markets total return index finished down by just 0.04%. (All figures quoted in local currency terms.)

Outlook

Although economic fundamentals remain broadly positive for stocks, the potential for a US initiated trade war has increased, resulting in increased volatility and uncertainty. However, at this juncture, unless trade war risks escalate significantly, we still expect shares to trend higher over the next 12 months, helped by the expected continued pickup in global economic activity data outside the US and the flow-through to growth and corporate earnings. Although some election outcomes in the Eurozone have recently been decided, reducing uncertainty, there remain some unresolved tensions between member states which have impacted some European markets. Emerging market equities are likely to remain under pressure while the threat of a trade war remains and the US dollar remains strong. Japanese and individual European equities continue to be our pick to see the better performance on a valuation basis in the current global macro-environment.

Availability

Product name	APIR
AMP Flexible Super - Retirement account	AMP1380AU
AMP Flexible Super – Super account	AMP1509AU

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