

Fidelity Global Equities

Quarterly Investment Option Update

30 September 2018

Aim and Strategy

To achieve returns in excess of the MSCI All Country World (ex-Australia) (ex-Tobacco) Index over the suggested minimum investment time period of five to seven years. The strategy 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 global research in core international investment. Fidelity believes that markets are semi-efficient and share prices don't always reflect inherent value. Through in-house, bottom-up company research, Fidelity aims to uncover the opportunities that it believes offer the greatest scope for outperformance. Based on this research approach, Fidelity seeks out shares that it believes are undervalued and likely to generate growth. The companies selected for the portfolio must demonstrate good management, strong competitive advantages and enjoy favourable industry dynamics. The option's exposure to international assets will not be hedged back to Australian dollars.

Investment Option Performance

To view the latest investment performances for each product please visit amp.com.au

Investment Option Overview

Investment category	Global Shares
Suggested investment timeframe	5 to 7 years
Relative risk rating	6 / High
Investment style	Core

Asset Allocation	Benchmark (%)	Actual (%)
Global Shares	90-100	97.48
Cash & ONA	0-10	2.52

Regional Allocation	%
NORTH AMERICA	53.45
EUROPE EX UK	19.24
EMERGING MARKETS	9.75
JAPAN	8.01
UK	7.02
PACIFIC EX JAPAN	0.00
MIDDLE EAST	0.00
CASH & ONA	2.52

Sector Allocation	%
INFORMATION TECHNOLOGY	19.54
FINANCIALS	19.16
HEALTH CARE	11.97
COMMUNICATION SERVICES	9.69
ENERGY	7.93
INDUSTRIALS	7.54
CONSUMER STAPLES	6.74
CONSUMER DISCRETIONARY	5.69
MATERIALS	5.05
REAL ESTATE	3.19
UTILITIES	0.97
CASH & ONA	2.52

Top Holdings	%
MICROSOFT CORP	2.42
MERCK & CO INC NEW	2.15
ALPHABET INC	2.02
ROYAL DUTCH SHELL PLC	1.91
ORACLE CORP	1.82
JPMORGAN CHASE & CO	1.71
VISA INC	1.65
WELLS FARGO & CO NEW	1.53
ROCHE HOLDING LTD	1.49
NORFOLK SOUTHERN CORP	1.45

Portfolio Summary

- Market volatility given the concerns around the escalation of trade war between the US and China.
- Global equities has gradually turned more cautious in view of risks in the current late-cycle environment.

Market Commentary

Markets generated positive returns supported by encouraging corporate earnings. However, there was intermittent volatility given the concerns around the escalation of trade war between the US and China. Against this backdrop, certain stock specific factors and negative news flow hurt key holdings, while the exposure to high conviction fundamentally strong franchises added value.

Outlook

The outlook for global equities has gradually turned more cautious in view of risks in the current late-cycle environment. Tightening US monetary conditions, slowing Chinese growth, global trade frictions and rising interest rates at a time of higher corporate indebtedness present headwinds to the global economy and equity markets. Nonetheless, a late cycle is still positive for risk assets, and increased market volatility can create interesting dislocations and throw up interesting opportunities to add value.

Availability

Product name	APIR
AMP Flexible Lifetime Super	AMP1291AU
AMP Flexible Super - Retirement account	AMP1342AU
AMP Flexible Super - Super account	AMP1471AU
CustomSuper	AMP1291AU
Flexible Lifetime - Allocated Pension	AMP1298AU
Flexible Lifetime - Term Pension	AMP1638AU
Flexible Lifetime Investment	AMP0846AU
Flexible Lifetime Investment (Series 2)	AMP1432AU
SignatureSuper	AMP1305AU
SignatureSuper Allocated Pension	AMP1312AU

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