

AMP International Share

Quarterly Investment Option Update

31 December 2018

Aim and Strategy

To provide total returns (income and growth) after costs and before tax, above the performance benchmark on a rolling 3-year basis. The benchmark is the MSCI World ex Australia (ex Tobacco) Index NR in AUD. The portfolio provides investors with access to international shares, and exposure to a range of international share managers. Generally the portfolio is unhedged to Australian dollars. Currency exposures are individually managed by the underlying investment managers.

Region Allocation	%
North America	59.21
Europe ex UK	14.97
Japan	8.55
Asia ex Japan	5.83
Cash	4.71
United Kingdom	4.66
Others	1.85
Australasia	0.22

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	Active

Asset Allocation	Benchmark (%)
Global shares	100
Cash	0

Sector Allocation	%
Information Technology	17.42
Health Care	15.85
Financials	13.78
Consumer Discretionary	11.59
Industrials	9.93
Communication Services	9.84
Consumer Staples	5.35
Cash	4.67
Energy	4.15
Materials	3.25
Utilities	2.26
Real Estate	1.79
Others	0.12

Market Commentary

Global equities fell heavily in the December quarter, the MSCI World ex Australia Net Index finishing lower by 13.28%. Early in the quarter, an apparently deflating US technology-stock bubble was a prime culprit, as high valuations combined with broader concerns around future growth to trigger a selloff, which broadened to other sectors and markets beyond the US. World markets remained volatile in November, as continued uncertainty around the US-China trade war, negative sentiment regarding the US mid-term elections and the APEC summit; and general global political uncertainty lingered. December subsequently saw the most significant falls, with the US S&P 500 index plunging by 9.03%, its worst December performance in many decades. Concerns of the previous months combined with a flattening US Treasury yield curve contributed to the falls, as did the further falls in technology stocks in the US. Emerging markets, which had struggled throughout much of 2018 outperformed their developed peers for the quarter, though were still unable to escape the broader prevailing negativity towards equities. The MSCI Emerging Markets total return index finished down by 7.43%. (All returns quoted in local terms unless otherwise stated.)

Outlook

The US-China focussed trade war and tariff regime have increased global risks, resulting in elevated volatility and uncertainty. There are global expectations for a positive outcome from the recently announced US-China tariff truce. In the meantime, global equities are likely to remain under pressure. European tensions remain high, particularly from Brexit uncertainty, Italian debt issues and French social dissention; all of which could add to short-term volatility. Emerging market equities remain under pressure with a strong US dollar pushing up funding costs. Until the final extent of the recent equity sell-off is known, and the global political landscape stabilises, it is too early to accurately judge the immediate economic prospects as we head into 2019.

Availability

Product name	APIR
CustomSuper	AMP0168AU*
Flexible Lifetime - Allocated Pension	AMP0818AU*
Flexible Lifetime - Term Pension	AMP0901AU*
AMP Flexible Lifetime Super	AMP0168AU*

* Closed to new investors

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