

AMP International Share

Quarterly Investment Option Update

31 March 2019

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	57.13
Europe ex UK	15.77
Japan	7.69
Asia ex Japan	6.38
Cash	5.17
United Kingdom	5.49
Others	2.20
Australasia	0.17

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 to 7 years
Relative risk rating	High
Investment style	Multi-Manager

Asset Allocation	Benchmark (%)
International shares	100
Cash	0

Sector Allocation	%
Information Technology	18.91
Health Care	15.86
Financials	11.07
Consumer Discretionary	10.58
Industrials	10.25
Communication Services	8.54
Consumer Staples	6.65
Cash	5.20
Energy	5.02
Materials	3.60
Utilities	2.51
Real Estate	1.78
Others	0.02

Fund Performance

The Fund posted a positive absolute return, but underperformed its benchmark over the March quarter. All of the five underlying fund managers delivered positive returns and one of them, American Century, outperformed its benchmark over the period. The Fund continues to outperform its benchmark over the longer term, including over 2, 3 and 5 years, and since inception (annualised). (All returns are before fees.) Country allocation was the key detractor from relative performance over the period. An exposure to South Korea and an underweight exposure to the United States were the main detractors, while an overweight exposure to Australia and an underweight exposure to Germany were the main positive contributors. Sector allocation also detracted from relative performance. An overweight exposure to health care and an underweight exposure to energy were the main detractors, while underweight exposures to financials and consumer staples and an overweight exposure to information technology were the main positive contributors. Stock selection also detracted from relative performance. The largest individual detractors were overweight exposures to US companies AbbVie, Kraft Heinz and XPO Logistics. Pharmaceutical company AbbVie fell (-12.6%) after announcing disappointing fourth quarter 2018 results. Food giant Kraft Heinz fell sharply (-24.2%) after reporting a fourth quarter 2018 loss, mainly due to brand write downs, and after disclosing a Securities and Exchange Commission probe into its accounting practices. Transport company XPO Logistics waned (-6.6%) after reporting soft fourth quarter 2018 results. The main positive contributors to relative performance were overweight exposures to US companies Celene Corporation, Mastercard and Facebook. Biotechnology company Celgene Corporation soared (+45.9%) after Bristol-Myers Squibb announced its intention to acquire the company. Financial services giant Mastercard climbed (+23.8%) after reporting strong fourth quarter 2018 results and as US credit card debt rose to record levels. Social-media company Facebook jumped (+22.8%) after announcing much better than expected Q4 2018 results.

Market Review

After heavy falls in the December quarter, global share markets posted extremely strong gains in the March quarter, the MSCI World ex Australia index finishing up by 12.66%. While markets around the globe remain optimistic on the back of reasonably good global economic growth, a somewhat dovish US Federal Reserve (Fed), improving US trade relationships, strong resource prices and Chinese economic stimulus, this is being balanced by some caution creeping in around an inverting US yield curve, softening (but still reasonable) US growth and relatively high price/earnings ratios - particularly in the US. Chinese shares were the clear standout over the period, as the CITIC300 index soared 27.63% on the back of positive trade talks with the US and stimulus measures introduced by the Chinese government. Most other major markets saw returns near or beyond double-digits for the period, as a wave of optimism seemed to make the falls of late 2019 a distant memory. Despite the markets' rise, broader risks to global growth have arguably not appreciably changed over the three months, leading many commentators to urge caution, after the strong price rises. Emerging markets were also strong over the period, the MSCI Emerging Markets index returning 9.84% as resource prices rose and the positive sentiment from developed markets spilled over, despite ongoing currency and debt issues that many developing economies continue to face. (All indices quoted in local currency terms and on a total-return basis, unless otherwise stated.)

Outlook

Ongoing and unresolved US-China trade negotiations continue to impart uncertainty to the markets, with recent short-term swings between a risk-on and risk-off bias. Therefore, until some semblance of longer-term stability supports global markets, equities will likely remain susceptible to volatility, especially following the rally from falls at the end of 2018. The US Federal Reserve has also changed tack, indicating from recent communications that further interest rate rises will not occur until 2019 and that it will halt the shrinking of its balance sheet by September 2019. European tensions remain high, particularly from Brexit uncertainty and the fast approaching exit date. Eurozone GDP remains anaemic, and with the German economy approaching technical recessionary territory, the European Commission has revised growth estimates down and implemented stimulatory measures, with more likely to come. Asian data remains mixed, with both Japan and China continuing to be accommodative.

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

Contact Details

Web: www.amp.com.au

Email: askamp@amp.com.au

Phone: 131 267 (Mon. to Fri. 8:30am to 6:00pm AEST)



What you need to know

This publication has been prepared by AMP Life Limited ABN 84 079 300 379, AFSL No. 233671 (AMP Life). The information contained in this publication has been derived from sources believed to be accurate and reliable as at the date of this document. Information provided in this investment option update are views of the underlying Investment Manager only and not necessarily the views of the AMP Group. No representation is given in relation to the accuracy or completeness of any statement contained in it. Whilst care has been taken in the preparation of this publication, to the extent permitted by law, no liability is accepted for any loss or damage as a result of reliance on this information. AMP Life is part of the AMP Group. In providing the general advice, AMP Life and AMP Group receives fees and charges and their employees and directors receive salaries, bonuses and other benefits.

The information in this document is of a general nature only and does not take into account your financial situation, objectives and needs. Before you make any investment decision based on the information contained in this document you should consider how it applies to your personal objectives, financial situation and needs, or speak to a financial planner.

The investment option referred to in this publication is available through products issued by AMP Superannuation Limited ABN 31 008 414 104, AFSL No. 233060 (ASL), AMP Capital Funds Management Limited ABN 15 159 557 724, AFSL 426455 (AMPCFM), ipac asset management limited ABN 22 003 257 225, AFSL 234655 (ipac) and/or AMP Life. Before deciding to invest or make a decision about the investment options, you should read the current Product Disclosure Statement for the relevant product, available from the issuer or your financial planner.

Any references to the "Fund", strategies, asset allocations or exposures are references to the underlying managed fund that the investment option either directly or indirectly invests in (underlying fund). The investment option's aim and strategy mirrors the objective and investment approach of the underlying fund. An investment in the investment option is not a direct investment in the underlying fund.

No other company in the AMP Group nor underlying fund manager guarantees the repayment of capital or the performance of any product or particular rate of return referred to in this document. Past performance is not a reliable indicator of future performance.