

International Share Index

Quarterly Investment Option Update

31 March 2019

Aim and Strategy

The strategy aims to provide returns that track the MSCI World ex-Australia ex-tobacco Index with net dividends reinvested. This option is unhedged to Australian dollars. Exposure to the International Shares 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	International shares
Suggested investment timeframe	5 - 7 years
Relative risk rating	High
Investment style	Index

Asset Allocation	Benchmark (%)
International shares	100
Cash	0

Sector Allocation	%
Financials	15.10
Information Technology	16.31
Health Care	12.98
Industrials	11.24
Consumer Discretionary	10.52
Communication Services	8.54
Consumer Staples	7.68
Energy	6.07
Materials	4.19
Utilities	3.38
Real Estate	3.32
Cash	0.67
Others	0.01

Top Holdings	%
Apple Inc	2.33
Microsoft Corp	2.21
Amazon.com Inc	1.91
Alphabet Inc	1.87
Facebook Inc	1.03
Johnson & Johnson	0.96
Exxon Mobil Corporation	0.88
JPMorgan Chase & Co	0.87
Nestle SA	0.76
Visa Inc	0.70

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	AMP0858AU
Flexible Lifetime - Allocated Pension	AMP0871AU
AMP Flexible Lifetime Super	AMP0858AU
Flexible Lifetime - Term Pension	AMP0902AU
SignatureSuper	AMP0807AU
SignatureSuper - Allocated Pension	AMP1165AU

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