

# Super Easy International Share

Quarterly Investment Option Update

31 March 2019

## 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](http://www.amp.com.au)

## Investment Option Overview

<b>Investment category</b>	Global Shares
<b>Suggested investment timeframe</b>	5 to 7 years
<b>Relative risk rating</b>	High
<b>Investment style</b>	Index

<b>Asset Allocation</b>	<b>Benchmark (%)</b>
International Shares	100
Cash	0

<b>Sector Allocation</b>	<b>%</b>
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

<b>Top Holdings</b>	<b>%</b>
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

## What Happened Last Period

- The Fund produced a strong positive return over the March quarter.
- Global shares rallied, with Chinese shares the clear standout.
- Until some semblance of longer-term stability supports global markets, shares will likely remain susceptible to volatility.

## Fund Performance

The Fund produced a strong positive return over the March quarter, as global shares rallied, with the MSCI World ex Australia ex Tobacco index finishing up by 11.38% in Australian dollar terms. The markets around the globe remain optimistic on the back of reasonably good global economic growth, a somewhat dovish US Federal Reserve, improving US trade relationships, strong resource prices and Chinese economic stimulus. However, this is 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% in local currency terms, 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 2018 a distant memory. Despite the markets' rise, broader risks to global growth have arguably not appreciably changed over the quarter, leading many commentators to urge caution, after the strong price rises.

## 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
AMP Flexible Super - Retirement account	AMP1380AU
AMP Flexible Super – Super account	AMP1509AU

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