

# Zurich American Century Global Growth

Quarterly Investment Option Update

31 March 2019

## Aim and Strategy

To provide investors with long-term capital growth by using a distinctive growth-oriented investment strategy designed for long-term investors who want to capitalise on the unique opportunities presented by fast-growing companies around the world. The portfolio invests in securities listed on international stock exchanges and aims to outperform the MSCI World ex-Australia Index in Australian dollars over periods of five or more years.

## Investment Option Performance

To view the latest investment performances for each product please visit [amp.com.au](http://amp.com.au)

## Investment Option Overview

<b>Investment category</b>	Global Shares
<b>Suggested investment timeframe</b>	7+ years
<b>Relative risk rating</b>	6 / High
<b>Investment style</b>	Growth

Asset Allocation	Benchmark (%)	Actual (%)
Global Shares	100	97.6
Cash	0	2.4

Regional Allocation	%
US	69.3
Canada	0.5
UK	4.4
Europe	10.9
Asia ex-Japan	4.6
Japan	5.0
Emerging Markets	2.9
Cash	2.4

Sector Allocation	%
Communication Services	4.3
Consumer Discretionary	9.4
Consumer Staples	5.7
Energy	4.7
Financials	18.5
Health Care	16.6
Industrials	12.5
Information Technology	18.3
Liquids	2.4
Materials	4.2
Real Estate	3.5
Utilities	0.0

Top Holdings	%
Alphabet	3.6
Amazon.com Inc	2.7
Visa Inc-Class A	2.4
Adobe Systems	2.0
Equinix	2.0
Danaher Corp	1.8
American Express Co	1.7
Home Depot Inc	1.7
AIA Group Ltd	1.6
Alibaba Group Holding	1.6

## Portfolio Summary

- Key positive contributors in the March quarter included Worldpay, Keysight Technologies and ServiceNow.
- Notable purchases in the March quarter included Koninklijke DSM and IDEXX Laboratories.
- Notable sales in the March quarter included UnitedHealth Group and The Mosaic Co.

## Investment Summary

The key contributors to relative performance included Worldpay, Keysight Technologies and ServiceNow. The stock of payment processing company Worldpay surged on news that Fidelity National Information Services agreed to purchase the company at a premium to its share price. Higher revenue and earnings-per-share growth contributed to stock gains for Keysight Technologies, a manufacturer of electronic measurement instruments and software. Recent alliances with AT&T and Qualcomm support the investment thesis for Keysight. ServiceNow, the cloud-based enterprise software maker, rallied after management reported stronger-than-expected fourth-quarter earnings. The investment team believe that growth is sustainable given continued adoption of its products and its ability to displace legacy service offerings that are more expensive to maintain.

A key detractor from relative performance was Burlington Stores, which declined after management reported mixed financial results. Although the company announced better-than-expected fourth-quarter earnings-per-share growth, sales fell short of analysts' expectations.

Other key detractors from performance included not owning Apple and Facebook. Apple's share price benefitted from signs of stabilising iPhone sales trends and reports that several analysts had lifted their price target for the stock. Facebook rallied after fourth-quarter earnings and revenue handily beat analysts' estimates. The Fund is not invested in Facebook as the investment team believe its growth trajectory is limited given that advertising loads are close to peak and user growth is slowing.

## Market Commentary

Global equities rebounded after the sharp year-end decline. Investor confidence improved in the first quarter as central bank policies turned more dovish, prospects for a resolution of the US-China trade conflicts improved and the outlook for China's economy grew more positive.

## Outlook

The investment team retains a bias for companies that are beneficiaries of long-lasting secular growth drivers. These opportunities are generally independent of the overall swings in macroeconomic cycles. They also prefer businesses that have a relatively high level of revenue visibility, such as companies that provide services under long-term contracts, businesses that are subscription based and those companies that rely on aftermarket sales of consumables. Lastly, the Fund continues to invest in companies exhibiting company-specific growth drivers. These drivers may range from new product innovation, restructuring or self-help programs to other market share gain initiatives. All represent varying forms of catalysts that allow for sustained revenue and earnings.

## Availability

Product name	APIR
AMP Flexible Lifetime Super	AMP1031AU
AMP Flexible Super - Retirement account	AMP1363AU
AMP Flexible Super - Super account	AMP1492AU
CustomSuper	AMP1031AU
Flexible Lifetime - Allocated Pension	AMP1020AU
Flexible Lifetime - Term Pension	AMP1041AU
Flexible Lifetime Investment	AMP1054AU
Flexible Lifetime Investment (Series 2)	AMP1427AU
SignatureSuper	AMP2011AU
SignatureSuper Allocated Pension	AMP2017AU

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