



# AMP International Share Enhanced Index

Quarterly Investment Option Update

30 June 2021

## Aim and Strategy

To provide a total return (income and capital growth) after costs and before tax, higher than the return from the benchmark on a rolling 12-month basis. The portfolio invests in international shares and partially replicates the MSCI World (ex-Australia) (ex Tobacco) Index. Some of the portfolio's underlying managers may use short selling with the aim of implementing the investment objectives. The investment option may be geared, but in normal circumstances, the investment option will be no more than 100% exposed to international share market movements, after taking into account derivative positions. In normal circumstances, the investment option is unhedged to Australian dollars.

## Investment Option Performance

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

## Investment Option Overview

<b>Investment category</b>	Global Shares
<b>Suggested minimum investment timeframe</b>	7 years
<b>Relative risk rating</b>	High
<b>Investment style</b>	Enhanced Index
<b>Manager style</b>	Multi-manager

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

<b>Actual Allocation</b>	<b>%</b>
International Shares	94.78
Australian Shares	0.32
Listed Property and Infrastructure	2.31
Cash	2.60

<b>Sector Allocation</b>	<b>%</b>
Information Technology	20.75
Financials	13.12
Consumer Discretionary	12.48
Health Care	11.39
Industrials	10.79
Communication Services	8.60
Consumer Staples	6.32
Materials	4.11
Utilities	2.87
Energy	2.83
Real Estate	2.54
Unit Trust	1.59
Futures	1.47
Cash	1.14

Top Holdings	%
Microsoft Corp	3.47
APPLE INC	2.83
Amazon.com Inc	2.70
Alphabet Inc	2.19
HENDERSON GLOBAL EQUITY MULTI STRATEGY FUND	1.59
Facebook Inc	1.45
Tesla Inc	0.81
JPMORGAN CHASE & CO	0.77
NVIDIA Corp	0.76
PROCTER & GAMBLE CO/THE	0.67

Region Allocation	%
North America	70.00
Europe ex UK	14.95
Japan	6.64
United Kingdom	4.37
Cash	2.60
Asia ex Japan	1.40
Australasia	0.05
Others	0.00

## Market Review

International shares continued to rise significantly in the June quarter, with the MSCI World ex Australia index finishing up by 7.56%, as markets were buoyed by the ongoing global economic recovery, vaccine rollouts and massive fiscal stimulus programmes in place. A further US\$1.2 trillion of stimulus was announced later in the quarter, through yet another infrastructure spending deal. For most of the quarter the US Federal Reserve (Fed) remained dovish, though towards the end of the period the central bank's tone began to turn regarding future rate-hikes. COVID-19 case numbers were again widely discussed, though with an increasingly significant amount of people immunised, particularly those in higher-risk categories, daily fatality rates are now well below previous highs in many countries and have continued to fall. Rising inflation and continuing supply constraints in many industries also remained a concern. The dominant influence on markets however continued to be ongoing global recovery and reopening, with many countries now removing the bulk of their COVID-related restrictions, borders being reopened and flight and road traffic now approaching pre-COVID levels in some regions. Emerging markets also rose, though to a lesser degree than developed markets, with the MSCI Emerging Markets index finishing up by 3.83%. (All indices quoted in local currency terms and on a total-return basis, unless otherwise stated.)

## Outlook

The economic backdrop has recently become more complicated. Uncertainty over the persistency of inflationary pressures, ongoing stimulus packages, more hawkish than expected US Federal Reserve communications, and stretched valuations in many areas, have all resulted in a more heterogeneous market interpretation of future events and an increasingly fluid risk on/ risk off bias. Thus, the medium-term outlook for international equities remains difficult to predict. The environment is further complicated by some supply-demand mismatches where it is difficult to ascertain with any degree of certainty what will be shorter-term and what will prove to be more secular in nature.

With changing consumer dynamics, many companies will likely face challenging conditions for some time yet, while stronger businesses are likely to emerge post the COVID-19 vaccine implementation with gained market share. Despite some inflationary concerns, governments generally continue to implement supportive monetary and fiscal programmes to ease shorter-term economic stress. The hope is that post vaccine rollout, economies will be resilient enough to return to sustainable growth relatively quickly. Although the shorter-term environment remains uncertain, we believe the longer-term trend will remain to the upside. Investors with a diversified portfolio of quality businesses, bought at a reasonable price, are likely to do well over the longer-term.

## Availability

Product Name	APIR
Flexible Lifetime - Investments (Series 1)	AMP0994AU**
Flexible Lifetime - Investments (Series 2)	AMP1396AU**

\*\*Closed to new and existing investors

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