

# International Share Index

Quarterly Investment Option Update

31 March 2022

## Aim and Strategy

The strategy aims to provide returns that closely match the MSCI World ex-Australia ex-Tobacco Index with net dividends reinvested before fees and taxes. 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. Note: An unhedged strategy results in net performance being impacted (positively or negatively) by movements in the Australian dollar, relative to other currencies where the portfolio holds exposure.

## 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>	5 to 7 years
<b>Relative risk rating</b>	7 / Very High
<b>Investment style</b>	Index
<b>Manager style</b>	Single

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

<b>Actual Allocation</b>	<b>%</b>
International Shares	95.14
Australian Shares	0.15
Listed Property and Infrastructure	2.38
Cash	2.32

<b>Sector Allocation</b>	<b>%</b>
Information Technology	22.63
Financials	13.02
Health Care	12.75
Consumer Discretionary	11.58
Industrials	9.70
Communication Services	7.90
Consumer Staples	6.32
Energy	4.23
Materials	3.93
Utilities	2.90
Real Estate	2.71
Cash	1.90
Futures	0.44

<b>Top Holdings</b>	<b>%</b>
APPLE INC	4.91
MICROSOFT CORP	3.77
ALPHABET INC	2.80
AMAZON.COM INC	2.55
Tesla Inc	1.58
NVIDIA CORP	1.17
Meta Platforms Inc	0.90
UNITEDHEALTH GROUP INC	0.83
JOHNSON & JOHNSON	0.80
Berkshire Hathaway Inc	0.79

Region Allocation	%
North America	72.78
Europe ex UK	13.74
Japan	6.18
United Kingdom	4.16
Cash	1.90
Asia ex Japan	1.19
Australasia	0.05

## Fund Performance

The Fund lost ground in the March quarter, its first negative return after seven consecutive quarters of positive returns. Despite this pullback, it has continued to deliver very strong positive returns over the longer term, including over 1, 2, 3, 5 and 10 years, and since inception (before fees).

## Market Review

Global share markets fell by 4.75% in the March quarter, as measured by the MSCI World ex Australia index. Major drivers were increased inflation levels around the globe and the growing belief that central banks, particularly in developed economies, may have fallen considerably behind the ball in normalising interest rates, thus further exacerbating inflation. Russia's unprovoked invasion of Ukraine in late February added to share price falls. Beyond the horrible human cost, the war has further inflamed already-significant global supply chain issues and commodity price volatility. Unsurprisingly, European shares were weak over the quarter, particular in countries that are more reliant on Russian energy exports. Countering this pessimistic backdrop however, much of the global economy continues to grow, corporate earnings are generally solid - particularly in the US - and COVID-19 restrictions, in many countries, have become a thing of the past (with the notable exception of China). Emerging markets also fell over the period, with the MSCI Emerging Markets index closing the quarter down by 6.1%. Emerging markets were impacted by similar fears as developed markets. Chinese stocks particularly struggled over the period, as the nation's COVID-zero policies resulted in further mass-scale lockdowns which, along with ongoing regulatory concerns, contributed to heavy falls. (All indices quoted in local currency terms and on a total-return basis, unless otherwise stated.)

## Outlook

Prevailing high inflation rates remain a prime market concern, particularly when taken into account with record debt -levels across the globe presenting difficulties as central banks begin to raise interest rates. Meanwhile, corporate earnings remain reasonably strong and growing, as companies continue to move ahead from the 2020 COVID downturn. Russia's war on Ukraine is also likely to produce further volatility in the near-term as the conflict plays out. Supply-demand mismatches remain and, in some areas, have been exacerbated by the war. Likely tax hikes from the Biden administration are a further issue on the horizon which will impact earnings. Businesses with a strong competitive advantage, which tend to have power to raise prices, should do relatively well in an inflationary environment. As more central banks initiate rate rises in the coming months, this may actually ease, rather than add to market uncertainty. We continue to believe the longer-term trend will remain to the upside, and that 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
SignatureSuper	AMP0807AU
SignatureSuper - Allocated Pension	AMP1165AU
SignatureSuper Term Pension	AMP1165AU

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