

International Share Index

Quarterly Investment Option Update

30 June 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 this product, please visit www.amp.com.au/performance

Investment Option Overview

Investment category	Global Shares
Suggested minimum investment timeframe	5 to 7 years
Relative risk rating	Very High
Investment style	Index
Manager style	Single

Asset Allocation	Benchmark (%)
Global shares	100
Cash	0

Actual Allocation	%
Global Shares	96.48
Australian Shares	0.14
Listed Property and Infrastructure	2.47
Cash	0.91

Sector Allocation	%
Information Technology	21.55
Health Care	14.28
Financials	13.19
Consumer Discretionary	10.75
Industrials	9.59
Communication Services	7.71
Consumer Staples	7.08
Energy	4.99
Materials	3.85
Utilities	3.25
Real Estate	2.84
Futures	0.92

Top Holdings	%
APPLE INC	4.66
MICROSOFT CORP	3.82
ALPHABET INC	2.67
AMAZON.COM INC	2.03
Tesla Inc	1.24
UNITEDHEALTH GROUP INC	1.01
JOHNSON & JOHNSON	0.97
NVIDIA CORP	0.79
Meta Platforms Inc	0.78
EXXON MOBIL CORPORATION	0.76

Region Allocation	%
North America	73.85
Europe ex UK	13.95
Japan	6.34
United Kingdom	4.44
Asia ex Japan	1.36
Australasia	0.05

Fund Performance

The Fund endured a volatile end to the 2021/22 financial year, generating a negative return in the June quarter. Despite this recent volatility, it has continued to deliver very strong positive returns over the longer term, including over 2, 3, 5 and 10 years, and since inception.

Market Review

Global shares fell significantly over the June quarter as the combination of prevailing high inflation, rising interest rates and fear of recession continued to dent market optimism. A highly volatile energy market also impacted, exacerbated by the Russian war on Ukraine which further stoked market fears. The MSCI World ex Australia index returned -14.4% over the quarter, capping off one of the worst consecutive two quarters for performance in around 50 years. Some positives however did emerge, including China easing its lockdown restrictions and Fed officials slightly reining in their recent hawkish tone as some very tentative signs inflation may be close to a peak appeared. While corporate earnings growth has generally remained solid, management comments around increased cost pressures was another theme also likely factored into the price falls. Emerging markets also fell significantly, though to not as a great a degree as their developed peers, returning -8.1%, as measured by the MSCI Emerging Markets index. China's easing of lockdowns appeared to be the prime driver of the outperformance. Meanwhile a strong US dollar may have likely capped stronger performance for emerging markets, as the majority of emerging market debt is held in this currency. (All indices quoted in local currency terms and on a total-return basis, unless otherwise stated.)

Outlook

As central banks continue to raise rates amid record levels of global debt, markets have begun to factor in a growing likelihood of recession, as well as inflation prevailing for some time yet. Corporate earnings remain mostly strong, though some companies have noted increased costs eating into margins. Russia's war on Ukraine meanwhile is continuing to exacerbate global supply chain issues. In this environment, businesses with a strong competitive advantage and power to raise prices are likely to gain market share. While further short-term volatility may ensue, 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 relatively well.

Availability

Product Name	APIR
SignatureSuper	AMP0807AU
SignatureSuper - Allocated Pension	AMP1165AU
SignatureSuper Term Pension	AMP1165AU

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