

International Share Index

Quarterly Investment Option Update

31 March 2023

Aim and Strategy

The strategy aims to provide returns that closely match the MSCI World (ex-Australia, ex-Tobacco) Accumulation 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	7 years
Standard Risk Measure	7/Very High
Investment style	Index
Manager style	Single

Asset Allocation	Benchmark (%)
Global Shares	100
Cash	0
Actual Allocation	%
Global Shares	97.64
Australian Shares	0.20
Listed Property and Infrastructure	2.16

Sector Allocation	%
Information Technology	20.99
Financials	14.69
Health Care	13.50
Industrials	10.80
Consumer Discretionary	10.73
Consumer Staples	7.34
Communication Services	7.09
Energy	5.01
Materials	3.98
Utilities	3.04
Real Estate	2.47
Futures	0.39

Top Holdings	%
APPLE INC	5.06
MICROSOFT CORP	3.94
Alphabet Inc	2.29
Amazon.com Inc	1.82
NVIDIA Corp	1.31
Tesla Inc	1.08
Meta Platforms Inc	0.92
EXXON MOBIL CORPORATION	0.86
UNITEDHEALTH GROUP INC	0.85
Johnson & Johnson	0.78

Region Allocation	%
North America	72.76
Europe ex UK	15.32
Japan	6.32
United Kingdom	4.28
Asia ex Japan	1.26
Australasia	0.07

Fund Performance

The Option generated a strong positive return during the March quarter. While continuing to experience some volatility, the Option benefitted overall alongside global share markets as inflationary and interest rate pressures showed further signs of moderating, lending support to markets mainly during January and February. Despite this recent volatility, the Option has continued to deliver healthy positive returns over the longer term, including over 3 and 5 years, and since inception.

Market Review

Despite some volatility, international shares rose strongly over the March quarter, with the MSCI World ex Australia index finishing the period up by 7.5% in local currency terms, or 9.2% in Australian dollar terms given relative weakness in the Australian dollar.

Reflecting recent previous quarters, the policy and tone of the central banks seemed to have prime influence over the market's direction, compared to economic fundamentals. Exemplifying this was the sudden emergence of solvency concerns in regional US banks after the collapse of Silicon Valley and Signature banks, as well as the rescue of Credit Suisse courtesy of a UBS takeover, combined with the help of the Swiss National Bank. For the remaining weeks of the quarter however sharemarkets generally rose strongly, as traders were spurred on by a prompt move from global central banks to limit any contagion, by way of providing significant cheap liquidity.

Economic data continued to be indicative of likely recessionary conditions ahead, with the market again taking this somewhat positively given continued moderation of inflation levels. Corporate data meanwhile was soft and reflective of higher interest rates beginning to bite, with more negative surprises in the December earnings results than positive. Energy and industrials were the standout sectors, showing strong earnings growth. Forward guidance statements were unsurprisingly focussed on rising costs.

Outlook

After many months of rate rises from central banks, signs are emerging more broadly that global inflation has indeed topped out and a recession appears quite likely, though not guaranteed. In any case, for long-term investors, this generally shouldn't be a concern, as these conditions are part of the normal economic cycle. While the environment may toughen for companies, stronger businesses will likely emerge with increased market dominance. Furthermore, share prices tend to lead the economic cycle, rather than be synchronised to it. We believe a diverse basket of businesses bought at reasonable prices, particularly those with strong competitive advantage that generate high amounts of cash from their shareholders' capital, will serve investors well over the long-term.

Availability

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

*Closed to new investors

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