

Future Directions Extended Markets International Share

Quarterly Investment Option Update

30 June 2019

Aim and Strategy

To provide a total return (income and capital growth) after costs and before tax, above the Fund's performance benchmark on a rolling 3 year basis. The Fund is designed to blend specialist investment managers from around the world, with the aim of maximising returns and managing levels of risk. In structuring the Fund, we take a four-stage investment approach: setting objectives and asset allocation; targeted manager selection; portfolio construction and implementation; and ongoing portfolio and manager review. The Fund is normally invested in international shares, with a focus on small companies and emerging markets.

Investment Option Performance

To view the latest investment performances for each product, please visit www.amp.com.au

Investment Option Overview

Investment category	Global Shares
Suggested minimum investment timeframe	7 years
Relative risk rating	Very High
Investment style	Active
Manager style	Multi-manager

Asset Allocation	Benchmark (%)
International Shares	100
Cash	0
Actual Allocation	%
International Shares	100.00

Market Review

The MSCI World (ex Australia) index finished the quarter up by 3.51%. Global equities were strong early in the quarter, amid a mostly positive US reporting season. Upbeat sentiment around the globe was further supported by a relatively dovish US central bank, sound levels of economic growth, strong resource prices and US-China trade deal optimism. Markets subsequently took back some of these gains mid-quarter. An escalating US-China trade conflict was the major culprit, along with the US flagging the possibility of increasing tariffs more broadly. Markets then powered ahead in June, with some even breaking record-highs as dovish central bank policies drove market sentiment. European equities, particularly Germany's DAX index, were very strong, as expectations of further easing from the European Central Bank rose. Emerging markets, while positive, couldn't match their developed counterparts' performance over the quarter; the MSCI Emerging Markets index finished the period up by 0.20%, despite mostly strong resource prices and broadly positive sentiment. (All indices quoted in local currency terms and on a total-return basis, unless otherwise stated.)

Outlook

Despite the general rise in share prices since the beginning of the year; looking ahead, elevated valuations and a currently unresolved US-China trade dispute present an asymmetric risk exposure, with an increased risk of a correction. The current environment of uncertainty has the potential to provide periods of heightened volatility as we enter the September quarter.

The downside risk will likely be exacerbated by geo-political risks, including the potential for an escalation in the conflict between the US and Iran.

In Europe, a weakening economy and political upheaval, including Brexit and internal European Union disagreements, will likely increase risks. Furthermore, with the German economy remaining susceptible to a further slowdown and the European Commission having revised down its growth estimates, any instability at the union's core will mean there will be little to mask any fragility within peripheral economies. Thus, further stimulatory measures are to be expected.

During the current turbulent period and given high valuations, quality companies with solid defensive properties should benefit the most.

Availability

Product Name	APIR
AMP Flexible Lifetime Super	AMP0864AU*
AMP Flexible Super - Super account	AMP1480AU*
CustomSuper	AMP0864AU*
SignatureSuper	AMP0952AU*

*Closed to new investors

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