

Super Easy International Share

Quarterly Investment Option Update

30 June 2019

Aim and Strategy

The strategy aims to provide returns that track the MSCI World ex-Australia ex-tobacco Index with net dividends reinvested. 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.

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	5 - 7 years
Relative risk rating	High
Investment style	Index
Manager style	Single

Asset Allocation	Benchmark (%)
International shares	100
Cash	0

Actual Allocation	%
International Shares	95.86
Australian Shares	0.31
Listed Property and Infrastructure	2.90
Others	0.05
Cash	0.88

Sector Allocation	%
Information Technology	16.77
Financials	15.29
Health Care	12.70
Industrials	10.92
Consumer Discretionary	10.60
Communication Services	8.58
Consumer Staples	7.74
Energy	5.62
Materials	4.27
Utilities	3.40
Real Estate	3.23
Cash	0.82
Others	0.07

Top Holdings	%
Microsoft Corp	2.43
APPLE INC	2.32
Amazon.com Inc	1.96
Alphabet Inc	1.65
Facebook Inc	1.15
Johnson & Johnson	0.92
JPMORGAN CHASE & CO	0.92
EXXON MOBIL CORPORATION	0.80
Nestle SA	0.79
Visa Inc	0.75

Region Allocation	%
North America	67.08
Europe ex UK	16.33
Japan	8.18
United Kingdom	5.62
Asia ex Japan	1.85
Cash	0.88
Australasia	0.08
Others	0.00

Fund Performance

The Fund produced a strong positive return over the June quarter, as global shares rallied, with the MSCI World ex Australia index finishing 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.)

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 Super - Retirement account	AMP1380AU
AMP Flexible Super - Super account	AMP1509AU

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