



AMP International Share Enhanced Index

Quarterly Investment Option Update

30 September 2024

Aim and Strategy

To provide a total return (income and capital growth) after costs and before tax, higher than the return from the benchmark on a rolling 12-month basis. The portfolio invests in international shares and partially replicates the MSCI World (ex-Australia) (ex Tobacco) Index. Some of the portfolio's underlying managers may use short selling with the aim of implementing the investment objectives. The investment option may be geared, but in normal circumstances, the investment option will be no more than 100% exposed to international share market movements, after taking into account derivative positions. In normal circumstances, the investment option is unhedged to Australian dollars.

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	Enhanced Index
Manager style	Multi-manager

Asset Allocation	Benchmark (%)
Global shares	100
Cash	0

Actual Allocation	%
Global Shares	97.15
Australian Shares	-0.05
Property	1.74
Cash	1.17

Sector Allocation	%
Information Technology	23.57
Financials	16.46
Industrials	11.27
Health Care	11.13
Consumer Discretionary	9.72
Communication Services	7.80
Consumer Staples	5.58
Energy	3.81
Materials	3.10
Utilities	2.79
Futures	1.89
Real Estate	1.72
Cash	1.17

Top Holdings	%
NVIDIA Corp	4.44
Microsoft Corp	4.14
APPLE INC	3.57
Alphabet Inc	2.54
Amazon.com Inc	2.52
Meta Platforms Inc	1.95
Henderson Global Investors Ltd	1.50
Eli Lilly & Co	1.24
Broadcom Inc	1.05
Tesla Inc	0.99

Region Allocation	%
North America	75.98
Europe ex UK	12.81
Japan	5.50
United Kingdom	3.83
Cash	1.17
Asia ex Japan	0.83
Australasia	-0.12

Fund Performance

This Investment Option is invested via three portfolios, managed by AQR Capital Management (AQR), Intech and Janus Henderson. Each is a low-tracking risk portfolio relative to the benchmark index, constructed using different approaches. These approaches are typically focused on identifying opportunities to add value relative to the benchmark, through risk-controlled, systematic processes. The three approaches employed are: factor signals, volatility capture and multi-strategy.

The Investment Option posted a positive return and outperformed its benchmark (before fees). All three of our underlying managers produced positive absolute returns, with two outperforming their benchmark.

Intech's relative volatility capture portfolio outperformed its benchmark. This portfolio tends to overweight to small cap stocks, as due to their volatility they tend to provide more value capture opportunities; this again had a positive effect on relative performance over the period. An overweight allocation to utilities also aided the return.

AQR's factor signals portfolio meanwhile slightly underperformed its benchmark, though still produced a solid positive return. Stock selection, particularly in the US, detracted earlier in the quarter.

Finally, the allocation to Janus Henderson outperformed its benchmark. Strategies such as Protection, Event Driven, Risk Transfer, Convertibles and Equity Market Neutral made positive contributions around mid-quarter. Janus Henderson's protection strategy generated strong returns, particularly benefiting from its long volatility position in Japanese stocks when volatility spiked in August as the Yen carry trade was sharply unwound.

Market Review

International shares gained further ground in the September quarter, with markets generally sticking to their economic 'soft landing' thesis (i.e. falling interest rates combined with positive economic growth), which has so far proven to be accurate. Indicators of a possible recession in the US and other developed economies however remain. Major developed markets rose by around 4.6%, in local currency terms, although a more modest positive return was recorded in Australian dollar terms (as the Australian dollar strengthened). US shares saw record highs, aided by performance in the utilities and real estate sectors which outpaced the falls in the energy sector. Eurozone shares meanwhile underperformed on a relative basis, amid lacklustre economic growth in countries such as Germany, as well as Eurozone shares having a lower overall weighting to the booming technology sector. Chinese shares meanwhile surged in late September on news of further significant government stimulus. Finally, emerging market shares were strong, returning around 6.6% and outperforming developed market peers on the back of policy easing in China and the US. (All returns are quoted in local currency terms and on a total-return basis, unless otherwise stated.)

Outlook

The overall macro environment for global shares looks reasonable, with interest rates now falling in most regions on the back of significantly decreased levels of inflation and low, but still-positive economic growth. Of course, geopolitical and some valuation-related risk exists, which may result in some shorter-term volatility, however these factors could also surprise on the positive side. Regardless, for longer-term investors, 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
Flexible Lifetime - Investments (Series 1)	AMP0994AU**
Flexible Lifetime - Investments (Series 2)	AMP1396AU**

**Closed to new and existing investors

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