



# Future Directions International Share Original

Quarterly Investment Option Update

31 March 2024

## Aim and Strategy

The strategy aims to provide total returns (income and capital growth) after investment fees and before tax, above the MSCI World (ex-Australia, ex-Tobacco) Accumulation Index with net dividends reinvested on a rolling 3-year basis. It uses a multi-manager approach that offers investors with exposure to different underlying investment strategies focused on international shares (excluding Australia). In certain market conditions, the portfolio may hold a higher level of cash than the 10% limit. 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](http://www.amp.com.au/performance)

## Investment Option Overview

<b>Investment category</b>	Global Shares
<b>Suggested minimum investment timeframe</b>	7 years
<b>Standard Risk Measure</b>	7/Very High
<b>Investment style</b>	Active
<b>Manager style</b>	Multi-manager
<b>Asset Allocation</b>	<b>Benchmark (%)</b>
Global shares	100
Cash	0

<b>Actual Allocation</b>	<b>%</b>
Global Shares	99.98
Cash	0.02

<b>Sector Allocation</b>	<b>%</b>
Information Technology	26.18
Financials	20.97
Industrials	10.56
Consumer Discretionary	9.84
Health Care	9.46
Communication Services	7.64
Energy	6.29
Utilities	2.37
Consumer Staples	2.15
Materials	2.08
Cash	1.22
Real Estate	1.01
Futures	0.23
Others	0.00

<b>Top Holdings</b>	<b>%</b>
Microsoft Corp	4.97
NVIDIA Corp	4.04
Meta Platforms Inc	3.21
APPLE INC	2.43
Amazon.com Inc	2.41
Novo Nordisk A/S	2.14
Eli Lilly & Co	1.65
Alphabet Inc	1.46
Visa Inc	1.31
UnitedHealth Group Inc	1.20

Region Allocation	%
North America	66.11
Europe ex UK	13.87
Emerging Markets	7.30
Japan	6.59
UK	4.11
Cash	1.22
Pacific ex Japan	0.80

## Fund Performance

The Fund gained significant ground and outperformed its benchmark during the March quarter. All of the Fund's five underlying managers performed well to outperform their benchmarks, led by GQG, American Century and Vinva. Over the medium to long-term, Fund performance remains positive overall for 3 years, 5 years, and since inception, while continuing to outperform its benchmark thus far during the 2023/24 financial year.

At a country level, active allocation was slightly negative overall, with contributions from South Korean holdings and an underweight exposure to Switzerland being outweighed by the Fund's holdings in Brazil and an overweight position in the UK. Stock selection was the primary contributor to Fund returns, with holdings in IT, financials and health care adding most value to more than offset stock positioning in energy and industrials. Sector allocation also enhanced returns, with the underweight positions in consumer staples and real estate contributing most, whereas the Fund's cash holding was the primary detractor as markets rose strongly.

From an individual stock perspective, significant contributors during the period included an overweight position in NVIDIA Corp and underweight exposures to Tesla and Apple. Shares in AI and gaming software company Nvidia continued to soar after being buoyed by the release of its latest results which included record quarterly and full-year revenue. Shares in US-based electric vehicle and energy storage company Tesla fell after it announced earnings for the December quarter which disappointed investors. US-based technology company Apple suffered as the company continues to face demand concerns for its iPhones in China, amid aggressive competition from locally-based operators, such as Huawei.

Significant detractors during the period at a stock level included overweight holdings in GXO Logistics, Intel and UnitedHealth Group. US-based logistics company GXO Logistics suffered alongside other freight operators as oil prices rose sharply and uncertainty surrounding when rates may fall weighed. Shares in US-based computer technology company Intel fell after the release of its latest results which saw the market react negatively to disappointing sales data. US-based health conglomerate UnitedHealth Group came under pressure after news broke that the Justice Department had initiated an antitrust investigation into its acquisitions and as an outage following a cyber attack impacted during the period.

## Market Review

The March quarter was another outstanding period for global shares, with many indices seeing new highs as major developed markets rose by over 10% in local currency terms. (Over 14% in Australian dollar terms, as the Australian dollar weakened). 'Goldilocks' like market conditions prevailed, particularly in the US, as traders bet on inflation continuing to fall and any near-term recessionary conditions to be mild. Oscillating sentiment around the path of US interest rates appeared to have little to no impact on global share markets, which rose steadily and despite significantly less rate cuts being priced in at quarter-end relative to the end of 2023. Interestingly, stock gains on a sector basis were more broadly based than recent prior quarters, where IT stocks have dominated. Emerging market shares also rose strongly, returning around 4.5% for the period, though significantly underperformed developed markets on the back of continued Chinese economic growth concerns. (All returns quoted in local currency terms and on a total-return basis, unless otherwise stated.)

## Outlook

Interest rates have begun falling in some countries on the back of significantly decreased levels of inflation and low economic growth, particularly outside of the US. The corporate environment remains tough, though strong businesses, as always, will likely move forward with increased market dominance. 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

<b>Product Name</b>	<b>APIR</b>
Flexible Lifetime - Investments (Series 1)	AMP0017AU**

\*\*Closed to new and existing investors

## Contact Details

**Web:** [www.amp.com.au](http://www.amp.com.au)

**Email:** [askamp@amp.com.au](mailto:askamp@amp.com.au)

**Phone:** 131 267



**What you need to know** This publication has been prepared by AWM Services Pty Limited ABN 15 139 353 496, AFSL No. 366121 (AWM Services). The information contained in this publication has been derived from sources believed to be accurate and reliable as at the date of this document. Information provided in this investment option update are views of the underlying investment manager only and not necessarily the views of AMP Limited ABN 49 079 354 519 (AMP Group). No representation is given in relation to the accuracy or completeness of any statement contained in it. Whilst care has been taken in the preparation of this publication, to the extent permitted by law, no liability is accepted for any loss or damage as a result of reliance on this information.

The investment option referred to in this publication is available through products issued by ipac asset management limited ABN 22 003 257 225, AFSL 234655 (ipac). Before deciding to invest or make a decision about the investment options, you should read the current Product Disclosure Statement (PDS) for the relevant product, available from the issuer or your financial planner.

Any advice in this document is of a general nature only and does not take into account your financial situation, objectives and needs. Before you make any investment decision based on the information contained in this document you should consider how it applies to your personal objectives, financial situation and needs, or speak to a financial planner. In providing any general advice, AMP Group receives fees and charges and their employees and directors receive salaries, bonuses and other benefits.

Any references to the "Fund", strategies, asset allocations or exposures are references to the underlying managed fund that the investment option either directly or indirectly invests in. The investment option's aim and strategy mirrors the objective and investment approach of the underlying fund. An investment in the investment option is not a direct investment in the underlying fund.

Neither ipac, AWM Services, any other company in the AMP Group nor the underlying fund manager guarantees the repayment of capital or the performance of any product or particular rate of return referred to in this document, unless expressly stated in the PDS. Past performance is not a reliable indicator of future performance. Any slight asset allocation deviations from 100% may be caused by rounding, asset categorisation and/or hedging.

For notices and disclaimers related to the MSCI Benchmarks within this document, please refer to [www.msci.com/notice-and-disclaimer](http://www.msci.com/notice-and-disclaimer)