



AMP International Share Enhanced Index

Quarterly Investment Option Update

30 June 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	97.16
Australian Shares	-0.29
Property	1.76
Cash	1.37

Sector Allocation	%
Information Technology	24.33
Financials	16.16
Industrials	10.79
Health Care	10.65
Consumer Discretionary	10.45
Communication Services	7.73
Consumer Staples	5.62
Energy	4.32
Materials	3.35
Utilities	2.56
Real Estate	1.75
Cash	1.37
Futures	0.91

Top Holdings	%
NVIDIA Corp	4.78
Microsoft Corp	4.44
APPLE INC	3.40
Alphabet Inc	2.92
Amazon.com Inc	2.76
Meta Platforms Inc	1.88
Henderson Global Investors Ltd	1.60
Eli Lilly & Co	1.30
Broadcom Inc	0.99
Exxon Mobil Corp	0.94

Region Allocation	%
North America	75.28
Europe ex UK	13.14
Japan	5.77
United Kingdom	3.86
Cash	1.37
Asia ex Japan	0.93
Australasia	-0.35

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). Our three underlying managers all produced positive absolute returns, either matching or beating their benchmark. Over the full financial year, the Investment Option produced a strong double digit return, which was also ahead of benchmark.

Intech's relative volatility capture portfolio produced modest positive return and 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 had a positive effect on relative performance over the period. An overweight allocation to the utilities also aided the return. AQR's factor signals portfolio modestly outperformed. Global stock selection helped performance, with contributions seen from both Momentum and Sentiment categories. Global asset allocation also assisted, due to country selection via an underweight to Australia.

Finally, the allocation to Janus Henderson matched the benchmark's small positive return. The strategy continued to face a period of headwind, with widening of risk spreads and lower equity capital markets activity. Expectations for a steadier state of interest rates and for improved levels of market activity going forward, should be positive for the strategy.

Market Review

The June quarter was yet another solid period for global shares, with major developed markets rising by over 3% in local currency terms. (The return however was more modest in Australian dollar terms, as the Australian dollar strengthened). US shares were again strong, helped again by mega-cap IT companies, returning around 4.3% as markets focussed on potential upcoming rate-cuts. UK shares were also solid, returning around 3.7% amid improving economic sentiment and the Bank of England indicating a rate cut will be possible in months ahead. Developed Asian markets also did well, aided by gushing sentiment towards artificial intelligence-related companies, including chip manufacturers. Finally, emerging market shares were very strong, returning around 6.2%, aided by strong Asian markets and improving sentiment in China off the back of further regulatory support towards its real estate sector. (All returns quoted in local currency terms and on a total-return basis, unless otherwise stated.)

Outlook

Interest rates have begun falling in a number of regions on the back of significantly decreased levels of inflation and low economic growth. 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

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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