

# AMP Capital Ethical Leaders International Share Fund

## Investment objective

To provide high returns over the long term while accepting high levels of volatility in returns. The benchmark for the Fund is the MSCI All Country World Index. In seeking to achieve the investment objective, we aim to provide a total return, after costs and before tax, high than the return from the benchmark on a rolling 5 year basis.

## How we manage your money

The Fund normally invests in international shares.

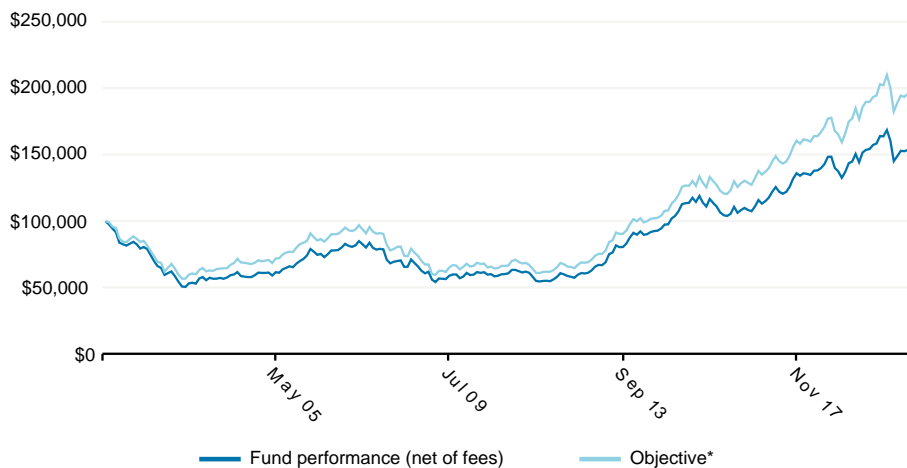
## Performance as at 31 March 2021

%	1 MTH	3 MTH	1 YR	3 YRS	5YRS	7YRS	SINCE INCEPT
Total Return - Net of Fees	6.04	9.37	27.61	11.17	12.22	10.86	3.18
Objective*	4.36	5.94	24.23	12.34	13.44	12.51	4.21
Excess return	1.68	3.43	3.37	-1.17	-1.22	-1.65	-1.04

Past performance is not a reliable indicator of future performance. Performance is annualised for periods greater than one year. Total returns are calculated using the net asset value per unit for the relevant month end. This price may differ from the actual unit price for an investor buying or selling an investment. Actual unit prices will be confirmed following any transaction by an investor. Returns quoted are before tax, after fees and costs and assume all distributions are reinvested.

\* The benchmark for this Fund changed from the MSCI World Accumulation Index to the MSCI All Country World Index on 1 August 2011. Past performance of this Fund is reported using the MSCI World Accumulation Index up to 31 July 2011. Performance reported after 1 August 2011 uses the current benchmark, the MSCI All Country World Index..

## \$100,000 invested since inception



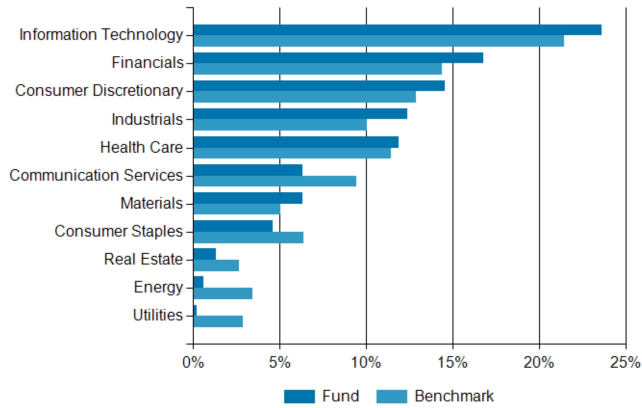
FUND FACTS	
APIR	AMP0455AU
Inception date	20 April 2001
Fund Size	\$143,143,262
Management costs*	1.15% p.a.
Buy/Sell spread*	+0.25%/-0.25%
Distribution frequency	Half-yearly
Minimum investment	\$500,000
Minimum suggested time frame	5 years

\*Fee information is accurate as at 30 June 2020, figures are updated bi-annually. The Fund PDS outlines the latest management costs and other relevant components, as well as other fees and costs that may apply to your investment. You can review the PDS at [www.ampcapital.com](http://www.ampcapital.com)

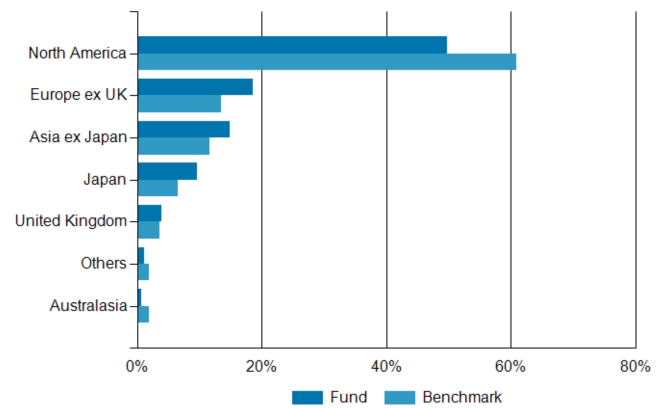
## What happened last period

- The Fund produced a positive return and outperformed the benchmark in March
- Stock selection was particularly strong in the information technology sector
- An overweight to the emerging markets detracted

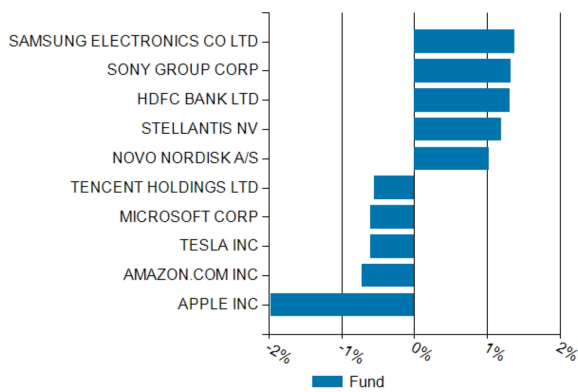
## Sector allocation (%)



## Regional allocation (%)



## Top/Bottom Excess Weights



## Fund Performance

The Ethical Leaders International Shares Fund produced a positive return and outperformed the benchmark over the period. Stock selection was the main contributor to performance, however, it was offset by the sector allocation decisions. Stock selection was particularly strong within the information technology sector, including through an underweight to Apple along with overweights to Applied Materials, Concentrix and Synnex. Stock selection in consumer discretionary and industrials further contributed to performance. Conversely, an underweight to the energy sector was the major detractor from relative performance, particularly as we don't own ExxonMobil and Chevron. At an underlying manager level, Boston Partners and Lazard outperformed the Fund benchmark, whilst the Ethical Leaders Emerging Markets Fund and C Worldwide underperformed. An overweight to emerging markets was a detractor, as emerging markets underperformed developed markets over the month.

## Market review

March was another volatile month for global share markets, though the MSCI World ex Australia index finished the month with a strong return of 4.25%. Broadly, the rotation away from 'COVID-safe' and technology stocks towards cyclical and value stocks

continued, against a backdrop of the global economic recovery and the continuing rollout of COVID-19 vaccines. US President Biden's US\$1.9 million stimulus package, combined with an even larger infrastructure plan also helped fuel market gains, though in some cases served to increase concerns around future inflation. Also adding to market volatility, particularly in the energy sector amid fears of supply disruptions, was a container ship running aground in the Suez Canal and causing a massive maritime jam, which was subsequently removed towards month-end. Finally, pockets of further COVID-19 hotspots also contributed to volatility, with some parts of continental Europe and also Canada re-entering new lockdowns, amid fears of third wave breakouts occurring before any sort of herd immunity is reached. Despite all this, many indices continued to hit new record highs and the overall tone remained cautiously positive. Emerging markets meanwhile pulled back slightly, as markets continued to expect the US recovery to outpace emerging countries over the medium term. Spiking COVID-19 figures in India also impacted sentiment, leading the MSCI Emerging Markets index to close the month down by 0.87%. (All indices are quoted in local currency terms and on a total-return basis, unless otherwise stated.)

## Outlook

With valuations remaining stretched in many areas, and upward pressure on bond yields and inflationary concerns as further stimulus packages are rolled out, the medium-term outlook for international equities remains difficult to predict. Elevated volatility is likely to remain. Following America's most recent US\$1.9 trillion plan, the market awaits more in-depth details of the Biden administration's infrastructure plan and how this will impact policies, tax codes, and corporate America in general. We continue to believe investors should exercise caution, particularly where prices have risen quickly, and where valuations factor in perfection. Amid changing consumer dynamics, many companies will likely face challenging conditions for some time, while stronger businesses are likely to emerge post the COVID-19 vaccine implementation with gained market share. Governments generally continue to implement supportive monetary and, to an increasing extent, fiscal programmes to ease shorter-term economic stress. The hope is that post vaccine rollout, economies will be resilient enough to return to growth relatively quickly. However, recently there have been signs of further waves of pandemic breakouts with different strains, which will add to uncertainty. Despite uncertainty in the shorter term, we believe the longer-term market trend will remain to the upside.

## Environmental, Social and Governance

During the March quarter, our underlying fund managers remained focussed on climate change and related green projects. Engagement included a collaboration with Samsung Electronics regarding a commitment to fit micro-plastic filters in their factories, as well as co-signing the 2021 Global Investor Statement to Governments on the Climate Crisis, which calls on governments to act on climate change. Ongoing company engagements included meeting with BlueScope Steel and Rio Tinto.

Managers were also active in addressing human rights in relation to supply chains. Engagement included liaising with companies relating to the human rights crisis in the Xinjiang Uyghur Autonomous Region (XUAR). As well as identifying and disclosing any direct and indirect business relationships that are connected to XUAR, companies were asked to demonstrate steps to disengage any business relationships with forced labour in and from XUAR, and publicly disclose efforts and progress on the above.

There was engagement with First Republic Bank, which highlighted climate risk as a new prominent topic being in the early days of an internal assessment considering Task Force on Climate-related Financial Disclosures (TCFD) and Customer Data Platform as reporting frameworks, and more broadly adopting the Sustainability Accounting Standards Board framework for materiality analysis.

There were also discussions with S&P Global, covering a broad range of issues. These included the integration of ESG across the organisation and how this has evolved over the past 10 years, recent initiatives including increased stakeholder engagement and the process of reviewing key materiality issues. Lessons learned from the financial crisis and reputational risk from the inherent conflict of interest in the company's credit ratings business were also discussed.



The AMP Capital Ethical Leaders Range has been certified by RIAA according to the strict disclosure practices required under the Responsible Investment Certification Program.

The Certification Symbol signifies that an investment product or services takes environmental, social, ethical or governance considerations into account along with financial returns. See [www.responsibleinvestment.org](http://www.responsibleinvestment.org) for details<sup>1</sup>.

1. The Responsible Investment Certification Program does not constitute financial product advice. Neither the Certification Symbol nor RIAA recommends to any person that any financial product is a suitable investment or that returns are guaranteed. Appropriate professional advice should be sought prior to making an investment decision. RIAA does not hold an Australian Financial Services Licence.

## Portfolio Manager



### Trent Loi

Trent Loi joined AMP Capital in May 2012 as the portfolio manager for the international share and Australian small companies' portfolios within the Specialist, AMP Capital Ethical Leaders, Experts' Choice and ipac ranges of funds. Prior to joining AMP Capital, he was an Associate Consultant at Mercer Investment Consulting. Prior to that, he was an Investment Analyst at Aon Investment Consulting.

## Further information

For information about the Fund including fees, features, benefits and risks talk to your financial advisor today or read the product disclosure statement (PDS) which can be found on:

[www.ampcapital.com/ethical-leaders-international-share-fund](http://www.ampcapital.com/ethical-leaders-international-share-fund)

You can also call us on **1800 658 404**

INSIGHTS  
IDEAS  
RESULTS

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