

Australian Fixed Interest Index

Quarterly Investment Option Update

31 December 2023

Aim and Strategy

The strategy aims to provide returns that closely match the Bloomberg AusBond Composite 0+ Yr Index with net dividends reinvested before fees and taxes. Exposure to the Australian fixed interest 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 this product, please visit www.amp.com.au/performance

Investment Option Overview

Investment category	Australian Fixed Interest
Suggested minimum investment timeframe	3 years
Standard Risk Measure	4/Medium
Investment style	Index
Manager style	Single

Asset Allocation	Benchmark (%)
Cash	0
Australian fixed interest	100

Top Holdings	%
AUSTRALIAN GOVERNMENT	51.23
TREASURY CORP VICTORIA	8.45
NEW S WALES TREASURY CRP	8.14
QUEENSLAND TREASURY CORP	6.68
WESTERN AUST TREAS CORP	2.46
SOUTH AUST GOVT FIN AUTH	1.76
KFW	1.25
EUROPEAN INVESTMENT BANK	1.01
INTL FINANCE CORP	0.98
ASIAN DEVELOPMENT BANK	0.75

Fund Performance

The Fund produced a strong return for the December quarter.

Market Review

Australian bond yields again mirrored movements of global peers over the December quarter, however lagged in terms of performance. Australia was unable to fully participate in the global bond rally, with stubbornly high local inflation compelling the RBA to lift the cash rate in November 2023. Despite the rate hike during the period, given the correlation of Australian yields to US yields, the Australian 10-year yield fell 0.53%, to end at 3.96%, while the 2-year yield fell 0.37%, to end at 3.71%.

Australian bonds, as measured by the Bloomberg AusBond Composite (All Maturities) Index, returned 4.04% over the period, while the AusBond Credit index returned 3.18% in Australian dollar terms. The Inflation-linked market, as measured by the Bloomberg AusBond Inflation Government (All Maturities) Index, delivered a return of -6.27% over the same timeframe, given real yields fell over the period.

Outlook

Like their global counterparts, Australian bond valuations have improved significantly and have moved closer to fair valuation levels as yields have risen. We therefore believe forward-looking returns are now significantly more compelling than in recent history.

Availability

Product Name	APIR
SignatureSuper	AMP1300AU
SignatureSuper - Allocated Pension	AMP1307AU
SignatureSuper Term Pension	AMP1307AU*

*Closed to new investors

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