

AMP International Bond

Quarterly Investment Option Update

31 March 2020

Aim and Strategy

To provide total returns (income and capital growth) after costs and before tax, above the performance benchmark on a rolling 3-year basis. The benchmark is the Bloomberg Barclays Capital Global Aggregate Index in AUD (AUD Hedged). The portfolio provides investors with access to a diversified portfolio of short and long-term global fixed income securities. Generally, this portfolio is hedged to Australian dollars.

Investment Option Performance

To view the latest investment performances for each product, please visit www.amp.com.au

Investment Option Overview

Investment category	Global fixed interest
Suggested minimum investment timeframe	3 years
Relative risk rating	Medium
Investment style	Active
Manager style	Multi-manager

Asset Allocation	Benchmark (%)
International and Australian Fixed Interest	100
Cash	0
Actual Allocation	%
International Fixed Interest	99.82
Cash	0.18

Market Review

Global government bond yields drifted lower at the start of the year amid geopolitical tensions in the Middle East and the impeachment of US President Donald Trump. Yields subsequently accelerated lower as a rapid escalation in the human and economic impact of COVID-19 prompted global central bankers to significantly lower interest rates and governments to undertake unprecedented fiscal stimulus. Trading was characterised by heightened volatility, reflecting market concerns over the longer-term cost of the fiscal response, contrasting with optimism regarding its near-term social benefits. The US 10-year bond yield ended the quarter 125 basis points lower at 0.67%. Similarly, the German 10-year bond yield declined by 135 basis points to -0.47%, while its Japanese counterpart ended the quarter at 0.02%.

Outlook

Governments and central bankers around the world have announced unprecedented support and stimulus measures to ensure that the collateral damage to businesses and households is kept to a minimum through the shutdown period necessary to contain the spread of COVID-19. To date, these appear to be containing upward pressure on bond yields, with asset purchase programs by central banks also likely to encourage yields to move lower.

Availability

Product Name	APIR
AMP Flexible Lifetime Super	AMP0344AU*
CustomSuper	AMP0344AU*
Flexible Lifetime - Allocated Pension	AMP0610AU*
Flexible Lifetime - Term Pension	AMP0900AU*

*Closed to new investors

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