



# Super Easy Australian Fixed Interest

Quarterly Investment Option Update

31 March 2020

## Aim and Strategy

The strategy aims to provide returns that track the Bloomberg AusBond Composite 0+ Yr Index. Investments into 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 each product, please visit [www.amp.com.au](http://www.amp.com.au)

## Investment Option Overview

<b>Investment category</b>	Australian Fixed Interest
<b>Suggested minimum investment timeframe</b>	3 years
<b>Relative risk rating</b>	Medium
<b>Investment style</b>	Index
<b>Manager style</b>	Single

<b>Asset Allocation</b>	<b>Benchmark (%)</b>
Australian Fixed Interest	100
Cash	0

## Market Review

Australian government bond yields moved lower in January against the backdrop of a softening in domestic economic momentum over the preceding months. Yields subsequently exhibited heightened volatility over the remainder of the March quarter as a sharp fall in response to the deepening impact of the COVID-19 crisis gave way to an upward spike amid fears of a liquidity crunch. The RBA addressed the issue of market liquidity by cutting the cash rate by 0.25%, setting a 0.25% yield target for Commonwealth 3-year bonds, and providing funding for domestic banks. The Commonwealth Government 10-year bond yield declined by 61 basis points over the quarter to 0.76%, while the Commonwealth Government 2-year bond yield ended 67 basis points lower at 0.25%.

## Outlook

Against the backdrop of the liquidity and pricing dislocation caused by the economic and financial market impact of COVID-19, the Reserve Bank of Australia (RBA) has acted decisively to lower the cash rate, purchase bonds and provide low cost funding for banks. The RBA's actions will undoubtedly help the Australian economy and the banking sector to weather the storm, but they will take their time to play out.

## Availability

Product Name	APIR
AMP Flexible Super - Retirement account	AMP1333AU
AMP Flexible Super - Super account	AMP1462AU

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