



AMP International Bond

Quarterly Investment Option Update

31 December 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/performance

Investment Option Overview

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

Asset Allocation	Benchmark (%)
International and Australian Fixed Interest	100
Cash	0
Actual Allocation	%
International Fixed Interest	99.76
Cash	0.24

Market Review

Data evidence of resilience in the US housing sector underpinned strength in US bond yields early in the December quarter, notwithstanding market caution ahead of the US presidential election. Yields were further boosted by the successful clinical trial and regulatory approval of the COVID-19 vaccine developed by Pfizer and its German partner BioNTech, and subsequent moves towards the commencement of mass inoculation. Central banks maintained their commitment to providing financial market support, with the US Federal Reserve undertaking to continue asset purchases "at least at the current pace" over "coming months", along with a similar undertaking from the European Central Bank. The US 10-year bond yield ended the quarter 23 basis points higher at 0.92%. The German 10-year bond yield declined by five basis points to -0.57% and its Japanese counterpart rose by one basis point to 0.02%. Global bonds, as measured by the Bloomberg Barclays Global Aggregate Index (hedged), returned 0.79% for the period (in Australian dollar terms).

Outlook

The outbreak of COVID-19 triggered a global recession and policy makers around the world continue to respond with significant levels of monetary and fiscal stimulus. The emergence of the pandemic within an ongoing weak state of fundamentals and subdued inflation, as well as the adoption of yield-curve targeting and quantitative easing monetary programmes, continues to argue for a bias towards long duration positions, although the level of unconventional monetary policy stimulus has already helped to drive a recovery in a number of risk asset markets as well as tradable inflation-sensitive markets.

Availability

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

*Closed to new investors

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