



Global Fixed Interest Index (Hedged)

Quarterly Investment Option Update

31 March 2023

Aim and Strategy

The strategy aims to provide returns that closely match the Bloomberg Global Aggregate Bond Index (hedged to Australian dollars) before fees and taxes. Exposure to the global 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	Global Fixed Interest
Suggested minimum investment timeframe	3 years
Standard Risk Measure	5/Medium to High
Investment style	Index
Manager style	Single
Asset Allocation	Benchmark (%)
Cash	0
Global Fixed Interest	100
Actual Allocation	%
Global Fixed Interest	99.23
Australian Fixed Interest	1.77
Cash	-0.99

Top Holdings	%
US TREASURY N/B	16.09
Fannie Mae	4.90
JAPAN (10 YEAR ISSUE)	4.54
CHINA GOVERNMENT BOND	4.41
Freddie Mac	3.37
FRANCE (GOVT OF)	2.84
UNITED KINGDOM GILT	2.78
JAPAN (20 YEAR ISSUE)	2.65
BUONI POLIENNALI DEL TES	2.60
Government National Mortgage A	2.48

Region Allocation	%
North America	44.58
Europe ex UK	24.63
Japan	12.74
Asia ex Japan	12.13
United Kingdom	4.36
Australasia	1.94
Others	0.62
Cash	-0.99

Fund Performance

The Fund produced a solid return for the March quarter as yields were volatile and fell over the period.

Market Review

Fixed income markets in the March quarter were defined by three distinct phases. Investors started the new year with a continuation of flows into the bond market on expectations rate hiking cycles may be drawing to an end. By the middle of the quarter, US inflation data, which appeared to have peaked months earlier, looked to be stickier than expected by some, with services inflation not yet declining as quickly as goods inflation. In addition, central banks reiterated their firm stance on higher rates for longer periods, thus yields climbed, which largely offset the strong performance in January. The focus in March turned to stresses in the financial sector, with the sudden and seemingly idiosyncratic failures of US regional banks Silvergate, Silicon Valley and Signature. Concerns of broader contagion led to sharp spikes in volatility in both equity and bond markets. US authorities promptly stepped in to assuage market concerns about the health of the banking sector, injecting significant liquidity.

The following weekend, attention turned to Credit Suisse. The longstanding Swiss bank had endured in recent years a stretch of executive turnover, perceptions of a poor risk culture within its investment banking division, and large outflows from its wealth management business over more recent periods. Credit Suisse was subsequently taken over by Swiss rival UBS at a heavily discounted price, while the Swiss National Bank contributed CHF100 billion to ensure the deal went through, in an effort to prevent further contagion and maintain Switzerland's long-standing reputation as a safe and stable global hub for finance.

Global bonds, as measured by the Bloomberg Global Aggregate Index (\$A hedged), gained 2.38%, in Australian dollar terms.

Outlook

Inflation, the path of interest rate movements and recession are likely to continue to be the dominant themes driving bond markets over the medium-term. After long, drawn-out falls in bond prices in recent years, yields now have reverted to more attractive valuation levels. We therefore believe there is scope for improved returns from the asset class over the shorter to medium-term.

Availability

Product Name	APIR
SignatureSuper	AMP1301AU
SignatureSuper Allocated Pension	AMP1308AU
SignatureSuper Term Pension	AMP1308AU*

*Closed to new investors

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