Global Bond Index*

Quarterly Investment Option Update

30-June-2018

This option is named "Super Easy International Fixed Interest" under the AMP Flexible Super product line

Availability

Product name	APIR
AMP Flexible Super – Choice (Retirement)	AMP1379AU*
AMP Flexible Super – Choice (Super)	AMP1508AU*
CustomSuper	AMP1287AU
Flexible Lifetime – Allocated Pension	AMP1294AU
Flexible Lifetime – Super	AMP1287AU
Signature Super	AMP1301AU
Signature Super – Allocated Pension	AMP1308AU

Investment Option Performance

Investment performances are subject to product fees and where relevant tax as outlined in the product PDS. Therefore investment performance may differ between products. In addition, activity on your account such as contributions and deductions will also impact the investment performance specific to you. To view the latest investment performances for each product, please visit **www.amp.com.au**. You can also view the last investment performance specific to you by visiting your My Portfolio account.

Contact Us

Web: www.amp.com.au

Email: askamp@amp.com.au

Phone: 131 267 (Mon. to Fri 8:30am to 6:00pm AEST)

Overview

Aim & Strategy: To provide returns over the long term in line with an appropriate index by investing in International Fixed Interest. Exposure to this asset class will be attained through the use of index focussed investment managers. The strategy aims to provide returns that track the Citigroup (Customised Benchmark) M1 Global ex Australia Index hedged to Australian dollars with net dividends reinvested. This option is hedged to Australian dollars. Currently managed by UBS Asset Management (Australia) Ltd.

Investment category: Fixed Interest – Core Fixed Interest

Suggested Investment Timeframe: 3 years

Relative Risk Rating: Low

Investment Style: Index style

Credit Rating Allocation	Actual (%)	Range (%)
Total	100.0	100.0
AAA	39.72	3969
AA	1577	15.94
A	28.34	29.20
BBB	15.24	1515
NR	0.92	0.01

Holdings

Industry Exposure	Fund (%)	Benchmark (%)
Treasury / Sovereign / GovInflLink	55.05	55.48
Semi-Govt	0.31	-
Govt Related	10.33	10.83
Corporate	18.73	18.54
Asset Backed	15.47	15.15
Cash	0.11	-

Regional Exposure	Fund (%)	Benchmark (%)
Australia	1.99	1.65
US	39.86	38.36
Canada	3.22	3.27
New Zealand	0.20	0.14
UK	5.44	5.47
Europe	26.30	26.15
Japan	17.55	17.26
Sweden	0.98	0.84
Supra	0.16	0.17
Other	6.31	6.69
FX	-2.01	0.00

Top Ten Securities	%
AMERICA, UNITED STATES OF 1.50000% 17-15.04.20	0.75
AMERICA, UNITED STATES OF 1.75000% 17-31.05.22	0.69
AMERICA, UNITED STATES OF 1.62500% 15-30.06.20	0.52
JAPAN 0.10000% 15-20.03.20	0.49
JAPAN 0.10000% 15-20.09.20	0.43
AMERICA, UNITED STATES OF 1.25000% 15-31.01.20	0.40
JAPAN 0.10000% 17-20.06.22	0.39
JAPAN 0.10000% 17-20.03.22	0.35
JAPAN 0.10000% 17-20.06.27	0.34
AMERICA, UNITED STATES OF 1.87500% 17-31.03.22	0.33

Market Commentary

The second quarter was extremely eventful in financial markets as a combination of trade war headlines and tariff announcements, political uncertainty in Italy and negative news from emerging markets created a volatile backdrop. In the US, the Fed raised rates as expected and the yield curve continued to flatten, with 2 year yields up 26bps and 30 year yields just 2bps higher. The Fed also signalled two further increases in 2018 — one more than it had previously forecast – and a further three rate rises in 2019 as it upgraded its growth expectations for the US economy in 2018 to 2.8%. Bunds outperformed as political uncertainty in Europe once again came to the fore with Italian government bond yields selling off aggressively towards the end of May after Italian President Mattarella rejected Paolo Savona, an avowed Eurosceptic, as finance minister, raising the likelihood of further elections later this year. Ten year BTP yields finished the quarter 90bps higher, which was some 50bps off the highs of the quarter. Bund yields rallied approximately 20bps over the period attracting safe haven flows and also gaining support from a more dovish ECB in June than many had anticipated.

Investment grade corporate bonds underperformed governments during the quarter as credit spreads widened across the major markets as a result of the softer market environment. Excess returns were weakest in Europe, where the market was more significantly weighed down by the political situation in Italy.