

AMP International Bond

Quarterly Investment Option Update

30 September 2018

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 please visit www.amp.com.au

Investment Option Overview

Investment category	Global fixed interest
Suggested investment timeframe	2 - 3 years
Relative risk rating	Medium
Investment style	Active

Asset Allocation	Benchmark
Global fixed interest	100
Cash	0

Actual Allocation	%
Global fixed interest	99.56
Cash	0.44

Market Review

Global bond yields drifted higher for the majority of July, with trade tensions continuing to influence financial markets. In August, global bonds experienced a moderate rally across most markets, as geopolitical factors appeared to supersede economic data during the period, with trade negotiations between the US and Mexico, ongoing trade friction between the US and China and emerging market risks dominating headlines. September saw global bond yields rise as bond markets sold off on the back of positive economic data releases which outweighed geopolitical influences, in particular ongoing trade tensions which continued to occupy the attention of market participants. The US 10-year bond yield ended the quarter at 3.06%, while the German 10-year bond yield and its Japanese counterpart ended at 0.47% and 0.13% respectively.

Outlook

Very low, though rising, sovereign bond yields point to low medium-term returns. The abatement of deflationary pressures, the gradual reduction in spare capacity and a shift in policy focus from monetary to fiscal stimulus, primarily in the US, indicate yields are likely to steadily trend higher. Emerging market economies continue to see some outflows.

Availability

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

* Closed to new investors

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