

Global Bond Index

Quarterly Investment Option Update

30 September 2018

Aim and Strategy

The strategy aims to provide returns that track the Bloomberg Barclays Global Aggregate Bond Index hedged to Australian dollars. This option is hedged to Australian dollars. 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 please visit www.amp.com.au

Investment Option Overview

Investment category	Global fixed interest
Suggested investment timeframe	3 years
Relative risk rating	Low – Medium
Investment style	Index

Asset Allocation	Benchmark (%)
Global fixed interest	100
Cash	0

Market Commentary

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	AMP1287AU
Flexible Lifetime - Allocated Pension	AMP1294AU
SignatureSuper	AMP1301AU
SignatureSuper - Allocated Pension	AMP1308AU
AMP Flexible Lifetime Super	AMP1287AU

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