

Super Easy International Fixed Interest

Quarterly Investment Option Update

30 June 2019

Aim and Strategy

The strategy aims to provide returns that track the Bloomberg Barclays Global Aggregate Bond Index hedged to Australian dollars. Investments into the International 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 each product, please visit www.amp.com.au

Investment Option Overview

Investment category	Global fixed interest
Suggested minimum investment timeframe	3 years
Relative risk rating	Medium
Investment style	Index
Manager style	Single

Asset Allocation	Benchmark (%)
International Fixed Interest	100
Cash	0

Market Review

Global government bond yields mostly moved higher in April, amid generally favourable economic data releases. In the US, gross domestic product rose at a stronger than expected rate over the March quarter as contributions from trade and inventory offset slower growth in consumer spending and investment. Yields subsequently reversed direction over the remainder of the June quarter as a lowering of regional growth forecasts stoked expectations of co-ordinated easier monetary policy on the part of major central banks. A mix of dovish pivots by the US Federal Reserve (Fed) and the European Central Bank, generally soft data releases and geopolitical uncertainty in relation to US-China trade negotiations and escalations in US-Iran tensions helped drive global rates to fresh lows and record-low levels in some countries. The US 10-year bond yield ended the quarter at 2.01%, while the German 10-year bond yield and its Japanese counterpart ended at -0.33% and -0.16% respectively.

Outlook

Very low sovereign bond yields and increasing global economic uncertainty point to low short to medium-term returns from global sovereign bonds. Within a generally benign inflationary environment, an unresolved US-China trade dispute causing a flight to safety, and a recent increased bias from central banks towards more accommodative stances; any upward pressure on bond yields is now likely to be subdued for the time being; at least until the global economic environment shows signs of improved sentiment, momentum and visibility.

Availability

Product Name	APIR
AMP Flexible Super - Retirement account	AMP1379AU
AMP Flexible Super - Super account	AMP1508AU

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