

# Australian Fixed Interest Index

Quarterly Investment Option Update

30 September 2024

## Aim and Strategy

The strategy aims to provide returns that closely match the Bloomberg AusBond Composite 0+ Yr Index with net dividends reinvested before fees and taxes. Exposure to the Australian 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](http://www.amp.com.au/performance)

## Investment Option Overview

<b>Investment category</b>	Australian Fixed Interest
<b>Suggested minimum investment timeframe</b>	3 years
<b>Standard Risk Measure</b>	4/Medium
<b>Investment style</b>	Index
<b>Manager style</b>	Single

Asset Allocation	Benchmark (%)
Cash	0
Australian bonds	100

Top Holdings	%
AUSTRALIAN GOVERNMENT	48.45
TREASURY CORP VICTORIA	9.19
NEW S WALES TREASURY CRP	8.64
QUEENSLAND TREASURY CORP	6.54
WESTERN AUST TREAS CORP	2.14
SOUTH AUST GOVT FIN AUTH	1.75
KFW	1.01
INTL FINANCE CORP	1.01
EUROPEAN INVESTMENT BANK	0.90
INTL BK RECON & DEVELOP	0.77

## Fund Performance

The Investment Option produced a strong return for the September quarter as domestic bond prices rose over the period.

## Market Review

Australian government bonds underperformed compared to global peers, with the 10-year Commonwealth yield dropping by 34 basis points to 3.97%. Unlike many global central banks, including the US, UK and the Eurozone which began to cut rates, the RBA maintained its cash rate target at 4.35%, citing persistent inflationary pressures, especially in services. The RBA highlighted economic uncertainties and rising geopolitical risks, committing to restrictive monetary policy until inflation sustainably returns to target. Market expectations shifted towards the RBA joining the global easing cycle, with the first rate cut anticipated in Australia in early 2025.

Australian bonds, as measured by the Bloomberg AusBond Composite (All Maturities) index, returned 3.02% over the period, while the AusBond Credit index returned 3.06% in Australian dollar terms. The inflation-linked market, as measured by the Bloomberg AusBond Inflation Government (All Maturities) index, delivered a return of 2.96% over the same timeframe.

## Outlook

Like their global counterparts, Australian bond valuations have improved significantly in recent years and have moved closer to fair value as yields have risen. We therefore believe forward-looking returns are now significantly more compelling than in recent history when interest rates were close to zero.

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## Availability

Product Name	APIR
SignatureSuper	AMP1300AU
SignatureSuper - Allocated Pension	AMP1307AU
SignatureSuper - Term Pension	AMP1307AU*

\*Closed to new investors

## Contact Details

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