



Australian Fixed Interest Index

Quarterly Investment Option Update

31 December 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

Investment Option Overview

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

Asset Allocation	Benchmark (%)
Cash	0
Australian bonds	100

Top Holdings	%
AUSTRALIAN GOVERNMENT	48.12
TREASURY CORP VICTORIA	9.30
NEW S WALES TREASURY CRP	8.91
QUEENSLAND TREASURY CORP	7.03
WESTERN AUST TREAS CORP	2.22
SOUTH AUST GOVT FIN AUTH	1.82
INTL FINANCE CORP	1.01
KFW	0.95
EUROPEAN INVESTMENT BANK	0.88
INTL BK RECON & DEVELOP	0.83

Fund Performance

The Investment Option produced a small negative return over the December quarter, as Australian bonds lost value as yields rose on the back of fluctuating sentiment on the broader domestic economy and the path of interest rates. A positive return however was produced over one year.

Market Review

Australian government bonds outperformed global peers over the December quarter, with the 10-year Commonwealth yield rising by 39 basis points, to 4.36%. The RBA left the cash rate unchanged at 4.35% during the quarter, though replaced its neutral policy bias of "not ruling anything in or out" with more dovish language such as "the board is gaining confidence that inflation is moving sustainably towards target". The RBA assessed that economic data had been mixed, but on balance softer than forecast earlier in the quarter. The RBA also noted further progress had been made in closing the output gap and as a result, by quarter-end, expectations grew for rate cuts earlier than previously expected in 2025.

Australian bonds, as measured by the Bloomberg AusBond Composite (All Maturities) index, returned -0.26% over the period, while the AusBond Credit index returned 0.67% in Australian dollar terms. The inflation-linked market, as measured by the Bloomberg AusBond Inflation Government (All Maturities) index, delivered a return of -1.52% 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.

Availability

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

*Closed to new investors

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