September 2024

Specialist Diversified Fixed Income Fund On-platform Class A

Investment objective

The Fund aims to provide a total return (interest income and capital growth) after costs and before tax, above the Fund's performance benchmark (60% Bloomberg AusBond Composite Bond 0+ Yr Index, 40% Bloomberg Global Aggregate Index (Hedged to AUD)), on a rolling 3 year basis. The Fund may be suitable for investors who are seeking a diversified portfolio of Australian and international fixed income securities. The Fund aims to pay distributions quarterly. You should be aware that although the Fund aims to pay distributions, the amount of each distribution may vary, or no distribution may be payable in a distribution period.

How we manage your money

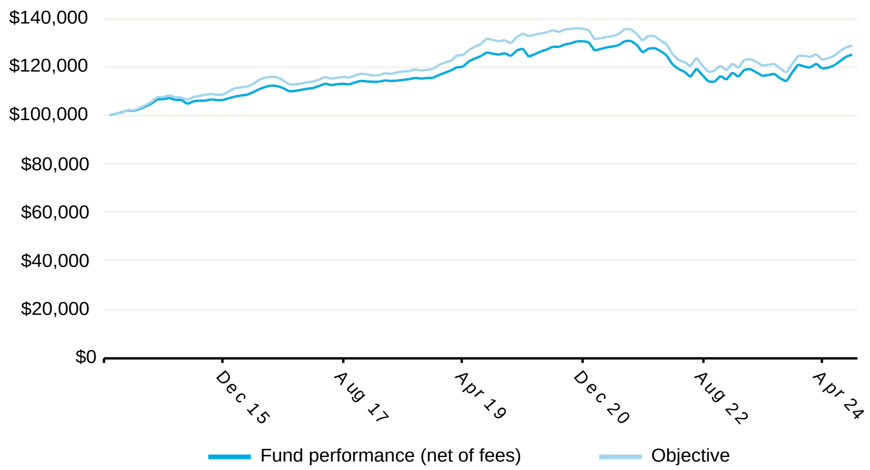
The fund normally invests in Australian and global fixed interest income securities including government securities, government-related securities, inflation linked securities, corporate securities, asset-backed securities, cash, derivatives and foreign currency. The Fund may invest in Australian and global fixed interest securities directly, or through other pooled vehicles.

Performance as at 30 September 2024

%	1 MTH	3 MTH	1 YR	3 YRS	5YRS	7YRS	SINCE INCEPT
Total Return - Net of Fees	0.73	3.74	8.58	-1.08	-0.06	1.49	2.25
Objective	0.61	3.41	7.94	-1.26	-0.35	1.57	2.54
Excess return	0.12	0.33	0.65	0.17	0.29	-0.07	-0.29

Past performance is not a reliable indicator of future performance. Performance is annualised for periods greater than one year. Total returns are calculated using the net asset value per unit for the relevant month end. This price may differ from the actual unit price for an investor buying or selling an investment. Actual unit prices will be confirmed following any transaction by an investor. Returns quoted are before tax, after fees and costs and assume all distributions are reinvested.

$100,000 invested since inception



FUND FACTS	
APIR	AMP1992AU
Inception date	09 May 2014
Fund Size	$164,316,666
Total ongoing annual fees and cost*	0.76% p.a.
Buy/Sell spread*	+0.10%/-0.14%
Distribution frequency	Quarterly
Minimum investment	$10,000,000
Minimum suggested time frame	3 years

*Fee information is correct as of 30 June 2024 and is updated biannually. Total ongoing annual fees and costs are made up of management fees and costs, performance fees (if applicable) and transaction costs. You should refer to the current PDS or other offer document for the relevant Fund available at www.amp.com.au/investments for the latest ongoing annual fees and costs as well as member activity-related fees and costs (if applicable).

What happened last period

- The Fund posted a strong positive return for the quarter, outperforming the benchmark (before fees)
- Bond yields fell notably over the quarter as markets around the world appeared to move into an easing cycle
- All three of our underlying managers again outperformed their respective benchmarks

Fund Performance

The Fund posted a positive return for the quarter, outperforming the benchmark (before fees). All three of our underlying managers again outperformed their respective benchmarks.

Within the Australian bonds sector, Macquarie's outperformance was mostly generated mid-quarter due to security selection and sector rotation.

Contrary to Macquarie, Schroders meanwhile produced most of its outperformance both early and late in the quarter. Asset allocation continued to aid returns. In July, swap spreads in Australia contracted and drove strong performance across both Australian investment grade credit and subordinated debt, benefitting the portfolio. By quarter's end, the manager had taken some risk off the table amid fuller looking valuations, including taking some profits on long US rates.

Within the global bonds sector, JP Morgan marginally outperformed its benchmark. Earlier in the quarter the manager's overweight to agency mortgage backed securities, curve steepening position in the US and an overweight to Spain contributed to this performance. Looking ahead, JP Morgan are focussing on protecting against recession risk.

Market Review

During the September quarter, global bond yields fell notably as central banks shifted to easing cycles amid moderating inflation and softer labour markets, resulting in positive returns from bonds. Yield curve steepening was a dominant theme, including the 2-10 year US treasury spreads, which uninverted for the first time in over two years. In a historically large move, the US Fed reduced its policy rate by 50 basis points in September to a target range of 4.75%-5.00%. The Fed also slightly lowered their inflation forecasts and raised their unemployment projections, maintaining a soft-landing outlook. Other key central banks followed suit in cutting rates, including the European Central Bank and those in Switzerland, Canada, the UK and New Zealand. The Bank of Japan however was an exception, raising its policy rate to 0.25% in July for the first time in decades given firmer inflation and domestic macro-economic dynamics. In other noteworthy news, Chinese policymakers showed determination to provide a cyclical boost to the economy through the use of various monetary measures, including a 20-basis point cut to the 7-day repo rate. Markets ended the quarter awaiting further details on the size and focus of these measures. Regarding global credit, spreads tightened across both investment grade and high yield markets, despite a brief disruption in August due to the "yen carry trade unwind" and volatility in French sovereign spreads. Optimism around central bank easing quickly restored demand for corporate credit, resulting in spread tightening across sectors, leading to positive returns and outperformance compared to government bonds. Global bonds, as measured by the Bloomberg Global Aggregate index ($A hedged), returned 3.99% in Australian dollar terms. Global investment grade and high yield credit meanwhile returned 4.74% and 5.16% respectively, as measured by the Bloomberg Global Aggregate Corporate index ($A hedged) and Bloomberg Global High Yield index ($A hedged).

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 not cutting rates 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

Global bond markets are likely to continue to focus on the expected paths for US interest rates. Large drawdowns in recent years, resulting in bonds being available at significantly cheaper prices, continue to lead us to believe returns going forward will likely be reasonable; perhaps around current running yield or a little more, as inflation slows, and central banks cut rates. Furthermore, bonds will likely serve as a diversifier to growth assets, particularly during economic slowdown. Stickier than expected inflation remains a risk, as this could cause further delays to interest rate cuts.

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 for Australian bonds are now significantly more compelling than in recent history when interest rates were close to zero.

Portfolio Manager

Chris Baker

Chris was appointed as Portfolio Manager, Fixed Income in October 2021. In this role, he is responsible for devising investment strategy, conducting manager research and selection and constructing multi-manager portfolios. He joined AMP from BlackRock where, as Director and Senior Fixed Income Strategist, he was the lead strategist in Australia for BlackRock's Australian and global Fixed Income franchise.

Further information

For information about the Fund including fees, features, benefits and risks talk to your financial advisor today or read the product disclosure statement (PDS) which can be found on:

www.amp.com.au/investments

You can also call us on **133 267**