

Australian Fixed Interest Index

Quarterly Investment Option Update

30 June 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 fixed interest	100

Top Holdings	%
AUSTRALIAN GOVERNMENT	49.05
TREASURY CORP VICTORIA	8.91
NEW S WALES TREASURY CRP	8.77
QUEENSLAND TREASURY CORP	6.63
WESTERN AUST TREAS CORP	2.18
SOUTH AUST GOVT FIN AUTH	1.75
KFW	1.05
EUROPEAN INVESTMENT BANK	0.99
INTL FINANCE CORP	0.98
ASIAN DEVELOPMENT BANK	0.89

Fund Performance

The Fund produced a negative return for the June quarter as bond prices fell. Over the full financial year however the return was solid, as bonds performed reasonably well.

Market Review

Australian bond yields mirrored global peers to rise over the June quarter, albeit to a greater degree and as a result, returns underperformed global counterparts. The main factor driving this was higher and stickier Australian inflation data than expected, which increased the risk that Australian interest rates may be held at current levels for longer than expected, or even raised higher if the resilience in inflation data does not moderate. Australian yields rose more aggressively than global counterparts as a result with the 10-year yield rising 0.35%, to end at 4.31%, while the 2-year yield rose 0.41%, to end at 4.16%. Australian bonds, as measured by the Bloomberg AusBond Composite (All Maturities) index, returned -0.84% over the period, while the AusBond Credit index returned 0.23% in Australian dollar terms. The inflation-linked market, as measured by the Bloomberg AusBond Inflation Government (All Maturities) index, delivered a return of -1.58% 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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