

# Global Bond Index

Quarterly Investment Option Update

30 September 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](http://www.amp.com.au)

## Investment Option Overview

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

<b>Asset Allocation</b>	<b>Benchmark (%)</b>
International Fixed Interest	100
Cash	0

## Market Review

After showing some signs of consolidating early in the September quarter, global government bond markets rallied into the widely anticipated move by the US Federal Reserve to lower the Federal Funds Rate range by 0.25% following its policy meeting on 31 July, and picked up momentum during August as an escalation of the US-China trade dispute eroded investor confidence in global economic growth prospects. The significant fall in bond yields prompted yield curves globally to flatten. In September, bond yields initially moved higher amid indications that the US economy continues to create new jobs, however yields subsequently retraced part of their rise after disruptive drone attacks on Saudi Arabian oil facilities saw the return of 'risk off' sentiment and the US Federal Reserve lowered the target range for the federal funds rate by a further 0.25%. Monetary easing also featured in Europe later in the period, where the European Central Bank announced a reduction in its deposit rate to -0.50% and a planned restart in November of its asset purchase plan at a rate of €20 billion per month. The US 10-year bond yield ended the quarter at 1.66%, while its German and Japanese counterparts ended at -0.57% and -0.21% respectively.

## Outlook

Very low sovereign bond yields point to a low medium-term return potential from global sovereign fixed interest. However, with a generally benign inflationary environment, an unresolved US-China trade dispute causing a flight to safety, and a general bias from central banks towards more accommodative stances; any upward pressure on bond yields is now likely to be subdued for the time being. Lower bond yields may persist, at least until the global economic environment shows signs of improved sentiment, momentum and visibility.

## Availability

Product Name	APIR
AMP Flexible Lifetime Super	AMP1287AU
CustomSuper	AMP1287AU
Flexible Lifetime - Allocated Pension	AMP1294AU
SignatureSuper	AMP1301AU
SignatureSuper - Allocated Pension	AMP1308AU

## Contact Details

**Web:** [www.amp.com.au](http://www.amp.com.au)

**Email:** [askamp@amp.com.au](mailto:askamp@amp.com.au)

**Phone:** 131 267



### What you need to know

This publication has been prepared by AMP Life Limited ABN 84 079 300 379, AFSL No. 233671 (AMP Life). The information contained in this publication has been derived from sources believed to be accurate and reliable as at the date of this document. Information provided in this investment option update are views of the underlying Investment Manager only and not necessarily the views of the AMP Group. No representation is given in relation to the accuracy or completeness of any statement contained in it. Whilst care has been taken in the preparation of this publication, to the extent permitted by law, no liability is accepted for any loss or damage as a result of reliance on this information. AMP Life is part of the AMP Group. In providing the general advice, AMP Life and AMP Group receives fees and charges and their employees and directors receive salaries, bonuses and other benefits.

The information in this document is of a general nature only and does not take into account your financial situation, objectives and needs. Before you make any investment decision based on the information contained in this document you should consider how it applies to your personal objectives, financial situation and needs, or speak to a financial planner.

The investment option referred to in this publication is available through products issued by AMP Superannuation Limited ABN 31 008 414 104, AFSL No. 233060 (ASL), AMP Capital Funds Management Limited ABN 15 159 557 724, AFSL 426455 (AMPCFM), ipac asset management limited ABN 22 003 257 225, AFSL 234655 (ipac) and/or AMP Life. Before deciding to invest or make a decision about the investment options, you should read the current Product Disclosure Statement for the relevant product, available from the issuer or your financial planner.

Any references to the "Fund", strategies, asset allocations or exposures are references to the underlying managed fund that the investment option either directly or indirectly invests in (Global Bond Index). The investment option's aim and strategy mirrors the objective and investment approach of the underlying fund. An investment in the investment option is not a direct investment in the underlying fund.

No other company in the AMP Group nor underlying fund manager guarantees the repayment of capital or the performance of any product or particular rate of return referred to in this document. Past performance is not a reliable indicator of future performance.