



Australian Fixed Interest Index

Quarterly Investment Option Update

30 June 2022

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
Relative risk rating	Medium
Investment style	Index
Manager style	Single

Asset Allocation	Benchmark (%)
Australian fixed interest	100
Cash	0

Market Review

The Australian yield curve continued its march upwards over the June quarter. Domestic inflation data continued to dominate economic news flow, with price rises not seen since the start of the century. With the market not expecting the inflation level to peak before the end of 2022, the RBA pressed on with the normalisation of accommodative monetary policy by raising the official cash rate from 0.10% to 1.35% over three successive meetings starting from May. As is the case in the US, Australia's economy appears quite solid with record unemployment levels sitting at 3.90%. Australian bonds, as measured by the Bloomberg AusBond Composite (All Maturities) Index, returned -3.81% during the period, in Australian dollar terms.

Outlook

A hawkish RBA has signalled an aggressive profile for interest rates over the next 6-12 months. High household debt levels however are making rate hikes more potent, and therefore may reduce the need to raise rates as much as some expect. Moving earlier and faster should also help the RBA to slow down the pace of hikes next year. While risks remain to the broader economy, we believe rate hikes alone are unlikely to totally derail economic growth, as monetary policy is still very-easy relative to long-term normal levels, the terms of trade remains strong and employment remains full.

Availability

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

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