March 2025

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

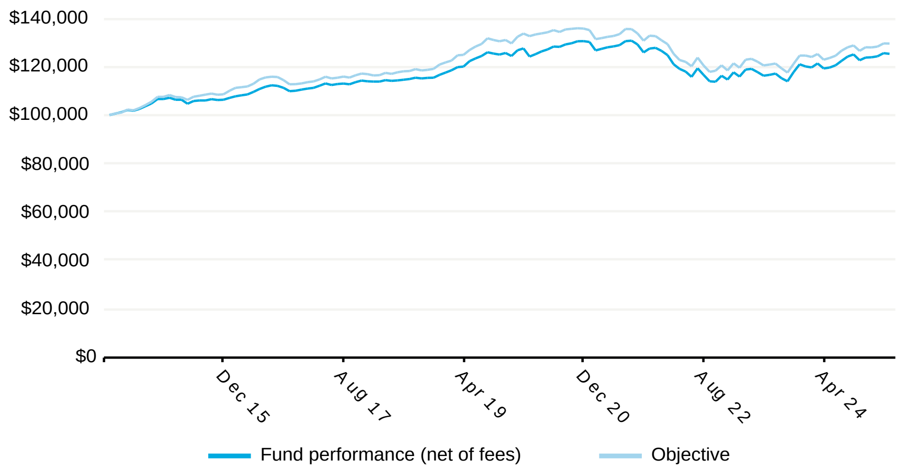
The fund normally invests in Australian and global fixed interest income securities including government securities, government-related securities, inflation linked securities, corporate securities, asset-backed securities, cash, derivatives and foreign currency. The Fund may invest in Australian and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

Performance as at 31 March 2025

%	1 MTH	3 MTH	1 YR	3 YRS	5YRS	7YRS	SINCE INCEPT
Total Return - Net of Fees	-0.22	1.17	3.30	1.18	0.18	1.31	2.16
Objective	-0.07	1.24	3.44	1.11	-0.47	1.41	2.48
Excess return	-0.15	-0.07	-0.14	0.07	0.65	-0.10	-0.31

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	$163,171,503
Total ongoing annual fees and cost*	0.76% p.a.
Buy/Sell spread*	+0.10%/-0.13%
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 Investment Option posted a positive return for the March quarter, marginally outperforming the benchmark (before fees)
- Global bond markets delivered positive returns amid increased uncertainty, largely due to speculation around US tariff levels
- Underlying manager performance was solid over the quarter

Fund Performance

The Investment Option posted a positive return for the March quarter, marginally outperforming the benchmark (before fees). Underlying manager performance was solid.

Within the Australian bonds sector, Macquarie outperformed their benchmark, largely due to security selection, particularly towards the end of the period.

Schroders meanwhile matched their benchmark over the quarter. Through much of 2024, Schroders had been positioned for a soft landing scenario. Recently however, amid increased geopolitical uncertainty, they have reduced credit-related risk in their portfolio in preference to government related sectors and cash.

Within the global bonds sector, JP Morgan performed broadly in line with their benchmark. Towards quarter-end, an underweight European duration positioning detracted, whilst a US steepening positioning added to the relative return. A short US dollar position also contributed. Meanwhile, an overweight position to credit contributed at the start of the quarter, but faded towards quarter-end as volatility increased.

Market Review

Bond investors experienced a mixed market landscape over the March quarter given rising inflation, volatility and geo-political risks, with safety sought in high quality assets including government bonds, as yields fell in the US. Sources of uncertainty were many and varied, ranging from trade tensions, monetary and fiscal policy divergence, and technological disruption following DeepSeek's emergence as a cost-effective rival to US tech companies specialising in AI. The Trump administration's extensive tariff regime, primarily targeting China but also affecting allies like Canada, Mexico, and the EU, added notably to volatility. US economic growth forecasts 2025 meanwhile were revised down, while inflation expectations rose. Monetary policy decisions reflected regional economic variations throughout the quarter, contributing to divergence in bond returns. The Fed maintained its target rate at 4.25%-4.5% while signalling potential future cuts, the ECB reduced rates to 2.5%, continuing its easing cycle, while the Japanese rate was increased by the BOJ to 0.5%.

Global bonds, as measured by the Bloomberg Global Aggregate index ($A hedged), returned 1.14% in Australian dollar terms. Global investment grade and high yield credit meanwhile returned 1.73% and 1.13% respectively, as measured by the Bloomberg Global Aggregate Corporate index ($A hedged) and Bloomberg Global High Yield index ($A hedged).

Regarding global credit, spreads widened modestly across both investment grade and high yield markets, with riskier sectors delivering lower returns, albeit still positive. Balance sheets and fundamentals remained generally sound, though individual bond selection was key given pockets of idiosyncratic pressure.

Australian government bonds outperformed global peers over the March quarter, with the 2-year Commonwealth yield falling by 18 basis points (bps), to 3.68%. The Australian yield curve steepened by 21 bps between 2 and 10 year maturities, on the back of the RBA's February decision to cut the cash rate by 25 bps, to 4.10%, with the long end of the curve seeing modest increases in yields. The rate move was interpreted by markets as a 'hawkish cut', with the RBA noting inflation pressures were moderating, though the outlook remained uncertain.

Australian bonds, as measured by the Bloomberg AusBond Composite (All Maturities) index, returned 1.29% over the quarter, while the AusBond Credit index returned 1.52%. The inflation-linked market, as measured by the Bloomberg AusBond Inflation Government (All Maturities) index, delivered a return of -0.42% over the same timeframe.

Outlook

Global and Australian bond markets are likely to continue to focus on the expected path of 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 additional interest rate cuts.

Portfolio Manager

Chris Baker

Chris Baker was appointed as Portfolio Manager, Fixed Income, in October 2021. His prior experience includes strategy formulation and fixed income technical advice, investment consulting and foreign exchange & fixed income portfolio management. Chris holds a Bachelor of Commerce with a major in Accounting and Finance and is CFA qualified. He has also been a Bloomberg AusBond Index and a FTSE Asia Pacific Fixed Income Advisory Member.

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