

Specialist Diversified Fixed Income Fund

On-platform Class A
Quarterly Update for 31 March 2026



Description

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.

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.

Key Information

APIR code	AMP1992AU
Manager name	AMP Investments (National Mutual Funds Management Ltd)
Portfolio managers	Chris Baker Senior Portfolio Manager
Inception date	09 May 2014
Distribution frequency	Quarterly
Minimum investment horizon	3 years
Investment management fee	0.59% pa
Total indirect costs	0.03% pa
Performance fee	0% pa
Buy/Sell spread	0.09% / 0.11%
Risk level (1-7)	4. Medium
Total fund size (millions)	\$158m

Refer to the current PDS or other offer document for the relevant Fund available at amp.com.au/investments for the latest ongoing annual fees and costs.

Performance Summary (%)

	3m	6m	1yr	3yr*	5yr*	10yr*	SI*
Gross Return	-0.83	-0.94	2.13	2.88	0.58	2.34	2.83
Net Return	-0.94	-1.18	1.63	2.35	0.00	1.65	2.12
Benchmark	-0.31	-0.72	2.10	2.47	0.05	1.70	2.43
Excess Return (Net)	-0.63	-0.46	-0.47	-0.12	-0.05	-0.05	-0.31

*Performance for periods greater than one year is annualised

Net returns are calculated before tax and after all fees and costs, with all distributions reinvested. Past performance is not a reliable indicator of future performance. For further details, please refer to the 'What you need to know' section below.

Fund Commentary

The Fund posted a modest negative return for the March quarter, underperforming the benchmark.

Global government bond markets were volatile over the first quarter of 2026, with returns pressured by renewed geopolitical tensions and higher energy prices that revived inflation concerns. US Treasury yields initially declined through January and February on signs of moderating inflation and a cooling labour market, before rising sharply in March as markets reassessed inflation risks linked to the energy shock. The Fed kept policy rates unchanged over the quarter, signalling a more cautious stance as upside inflation risks re-emerged. Global credit spreads widened modestly during periods of heightened risk aversion, but remained historically tight, supported by strong corporate balance sheets and manageable refinancing needs. For the quarter, the Bloomberg Global Aggregate index (\$A hedged) was down -0.25% (in Australian dollar terms) reflecting higher global yields. Global investment grade and high yield credit lagged even more, returning -0.64% and -0.98% respectively, as measured by the Bloomberg Global Aggregate Corporate index (\$A hedged) and Bloomberg Global High Yield index (\$A hedged).

Australian government bond yields also rose materially over the March quarter, driven by a more hawkish domestic policy outlook and global inflationary pressures. The RBA raised the cash rate by 25 basis points in both February and March, taking the policy rate to 4.10%, citing persistent services inflation, resilient labour market conditions, and ongoing housing price strength. Australian government bond markets underperformed most developed peers, as yields increased sharply across the curve. The 2-year Commonwealth bond yield rose by 60 basis points (bps) to 4.66%, while the 10-year yield rose 22 bps to 4.98%. Australian credit markets meanwhile remained relatively resilient over the quarter, once again outperforming government bonds. Credit spreads were relatively stable supported by conservative corporate balance sheets, limited new issuance and solid demand from domestic investors. The Bloomberg AusBond Composite (All Maturities) index delivered -0.34%, while the AusBond Credit index returned -0.20%. The inflation-linked bond market, represented by the Bloomberg AusBond Inflation Government (All Maturities) index posted a return of 0.51%.

Underlying Australian bonds manager, Schroders, was our top-performing allocation for the quarter. This manager has been defensively positioned, retaining a significant cash position. In credit, they are prioritising quality and liquidity, while in government bonds they hold targeted country and curve positions, including those offering protection from inflation. Underlying global bonds manager, JP Morgan, meanwhile was our weakest performing allocation. The manager had been positioned for sub-trend growth and for major central banks being expected to stay on hold or maintain an easing bias on interest rates. This negatively impacted performance as inflationary concerns spiked.

Looking ahead, we believe global bond markets are likely to continue to focus on the expected path 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. Importantly, bonds can also serve as a diversifier to growth assets, particularly during economic slowdown.

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.

We're here to support you

If you have any questions about this update, please contact your Account Manager (if you are an adviser) or our Investor Services team via email at ampinvestments@amp.com.au or on 133 267, Monday to Friday between 8.30am and 5.30pm (Sydney time).

What you need to know

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