

AMP CAPITAL CORPORATE BOND FUND

Are you looking to reduce the volatility of your portfolio and receive regular, reliable income?
The AMP Capital Corporate Bond Fund aims to provide regular income to help meet basic living expenses.

Get more out of your hard earned money in retirement

- > Regular, reliable income can mean you don't have to make sacrifices
- > Comfort that we predominantly invest in high quality corporate bonds
- > Potential to reduce overall portfolio volatility
- > Suitable for defensive component of investment portfolios

Live More, Worry Less

That's what everyone wants, right?

The AMP Capital Corporate Bond Fund is a 'true to label' bond fund. Investors in this fund can know that we are aiming to preserve capital and provide income.

We predominantly invest in companies which have been able to withstand a recession and exhibit lower levels of financial risk. In addition, we invest in a diverse range of stable industries such as financials, utilities and telecommunications as these industries provide core services that tend to perform even in times of downturn.

The number of bonds in which we invest is also important and we typically invest in more than 100 bonds at any one time. This helps us to minimise risks and puts us in a good position to provide regular, reliable income.

The strategy has been tried and tested for 16 years. This means you can live more and worry less.

This fund may be suitable for those who:

- > are looking to replace their salary
- > are looking for a lower risk income solution
- > are low marginal tax rate payers
- > are thinking about retirement
- > have an SMSF portfolio

How does the team aim to provide regular, reliable income?

- > We predominantly invest in high quality corporate bonds issued in the Australian bond market and lend to companies that are in stable industries, such as financials, utilities and telecommunications
- > We actively manage the bonds in the portfolio to minimise any risk associated with changes in interest rates. Not all fixed income funds operate this way
- > We have the flexibility to capitalise on income opportunities in the global bond market

GLOBAL CHIEF INVESTMENT OFFICER FIXED INCOME



Simon Warner

Simon Warner was appointed as Global Chief Investment Officer, Fixed Income in March 2017. Before that he was Head of Global Fixed Income, a position he held since February 2014. Mr Warner has been responsible for the management of AMP Capital's active fixed income strategies including macro markets, credit markets, commercial lending and protected growth, with more than \$55 billion in assets under management. He leads a global team of more than 30 investment professionals in Sydney, Chicago, Hong Kong and Wellington.

What you need to be aware of:

Risks specific to the AMP Capital Corporate Bond Fund may include or be associated with:

- > **counterparty or default risk** – substantial losses can be incurred if a counterparty fails to deliver on its contractual obligations or experiences financial difficulties, or if the issuers or entities upon which the Fund's investments depend default on their obligations.
- > **credit** – the value of the Fund's investments may be sensitive to changes in the market's perception of credit quality.
- > **derivatives** – the use of derivatives may magnify any losses incurred.
- > **gearing** – increases in interest rates may affect the cost of the Fund's borrowings and so reduce the Fund's returns.
- > **interest rates** – including the risk of capital loss in a rising interest rate environment.
- > **international investments** – including losses related to currency exchange rates, hedging, and changes in the state of the Australian and world economies.
- > **liquidity** – assets subject to liquidity risk may be difficult to trade and it may take longer for their full value to be realised, and in circumstances where the Fund's portfolio ceases to be 'liquid' for Corporations Act purposes, there may be significant delays or a freeze on withdrawal requests.
- > **listed hybrid securities** – as these are a combination of debt and equity, they carry the risks associated with interest rates, derivatives and share market investments.
- > **share market investments** – the value of the Fund's investment in listed securities may decrease as a result of adverse share market movements. When you invest in a managed investment scheme, the risks are also

Key Facts

The Fund aims to deliver regular monthly income, whilst seeking to provide capital stability to investors over the medium term. In addition, it aims to provide total returns (primarily income with some capital growth) above the Fund's performance benchmark* over a rolling 3 year basis.

The Fund focuses on high quality corporate bonds in the Australian market with some exposure to global bonds.

* The Fund's performance benchmark has changed from UBS Credit Index 0+ Yr Index to Bloomberg AusBond Bank Bill Index, as at 29 February 2016.

	OFF PLATFORM	ON PLATFORM
APIR CODE	AMP1285AU	AMP0557AU
MINIMUM INVESTMENT	A\$10,000	Check with your platform provider or speak with your financial adviser
MANAGEMENT COSTS*	0.76% pa	0.61% pa
<i>Management fee</i>	0.75%	0.60%
<i>Recoverable expenses</i>	0.01%	0.01%
RISK LEVEL	4. Medium	
DISTRIBUTION FREQUENCY	Monthly	
SUGGESTED MINIMUM INVESTMENT TIMEFRAME	3 years	

*Total management costs are rounded up to the nearest whole number

SPEAK TO AN EXPERT



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INSIGHTS
IDEAS
RESULTS

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