

# AMP Capital Investors: Fixed Income

## Creating greater client wealth through people, process and networks

With over 30 years of experience, AMP Capital is a leading Australian fixed income manager boasting one of the largest fixed income investment management teams in the Australian and New Zealand market. The team of around 25 investment professionals covers the entire fixed income spectrum across corporate and sovereign bonds, cash, currency and derivatives.

AMP Capital believes fixed income markets are not perfectly efficient and consequently that active management can add value to your fixed income portfolio and mitigate risk. We offer a range of products from active core fixed income to corporate bond and credit strategies across Australian and international bond markets via pooled investment funds to customised separate mandates. The team also manage liability-matched portfolios such as floating and inflation linked assets.

Specialist capabilities within the AMP Capital Fixed Income team comprise:

- **Macro research** that extends globally and identifies broad ranging themes.
- **Credit research and analysis** incorporating deep insights across investment grade, high yield and structured credit.
- **Portfolio management** including portfolio construction and risk management.
- **Dealing and trading** to with the aim of obtaining the best prices for the investments we buy and sell.

The team offers:

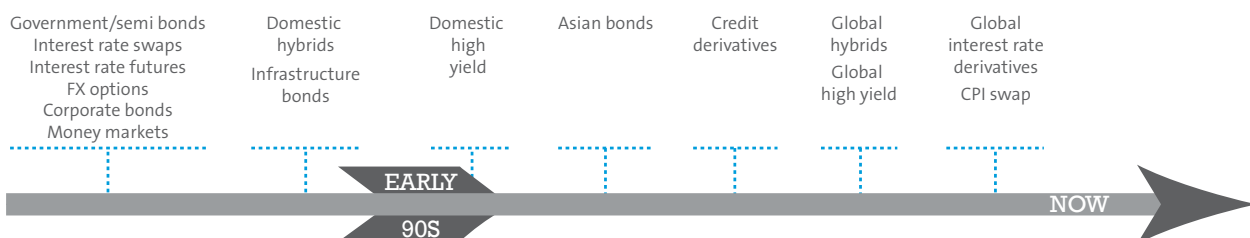
- **A range of perspectives to find market inefficiencies that can add value your portfolio.** The team's experience is diverse, spanning both sides of the marketplace (buying and selling);

key areas of the financial system including banking, research, ratings agencies and competitors; and regional expertise from Europe, North America and Asia.

- **The ability to negotiate price and volume, on your behalf, in some of the larger fixed income deals.** The Australian bond market is the most developed fixed income market in the region. With an established track record as a cornerstone investor, AMP Capital is offered participation in many new bond issues. Our Asia Pacific presence and reputation also enables us to leverage globally, giving investors access to both domestic and global bond issuers.
- **A focus on capturing relative value across the different credit sectors.** Over the years, our credit analysts have built up thorough knowledge of their industries and sectors, improving access to senior economists, corporate treasurers and key business leaders. Rather than relying on ratings agencies, the team applies an active proprietary 'shadow rating' process and identifies risks and opportunities through rigorous due diligence.
- **A top down perspective that takes into account broader global themes.** In fixed income, it is important to know what is happening across the world. The team's quantification of macro themes and key economic indicators provide a big picture overview of the global economy. This view complements company analysis and identifies intersecting themes between interest rates, government bonds, currencies and credit markets.
- **Tailored investment decisions.** Not all investors are the same. Our specialist portfolio construction group within the broader team tailors investment decisions and risk to every portfolio we manage.
- **Best practice risk systems.** Our Blackrock Aladdin risk management system provides leading-edge risk analysis including pre-trade compliance checking and exposure reports.
- **Leverage from the wider company.** AMP Capital is a multi-asset investment manager. By tapping into the resources and research of the broader business, the AMP Capital Fixed Income team accesses insights from extensive local and international economic, strategy, equities, infrastructure and shopping centre investment teams.

### Leaders in fixed income

For many years, AMP Capital has been investing in fixed income with a list of growing capabilities as shown below.



## Our approach

AMP Capital's Fixed Income team applies integrated specialist capabilities in our approach to security selection and the management of our clients' fixed income portfolios.

Macro markets research extends globally across interest rates, foreign exchange, credit, equities and commodities to identify broad-ranging themes. Different asset classes react to these themes in varying degrees and times. We aim to exploit this variability by adjusting the risk profile of portfolios so they can benefit from these themes. Quantitative analysis forms the foundation of decision-making through a series of extensively tested proprietary models.

In analysing fixed income securities, credit research is one of AMP Capital's core strengths, incorporating deep research insights across investment grade, high yield and structured credit. Top down research incorporates our macro research platform and enhances analysis on the credit cycle, while bottom up analysis concentrates on the relative earnings performance and outlook of different industries and companies in the global economy.

“ ... The ability to negotiate price and volume....in some of the larger fixed income deals



We actively manage event risk, focusing in particular on avoiding downgrades while a strong credit derivative capability facilitates both value add and risk management techniques.

Investment positions are overlaid with a strong risk management ethos that aims to minimise losses and smooth returns. Our portfolio construction and risk management capability utilises world-class risk management systems and quantitative analysis, improving both risk and return decisions across portfolios.

We understand individual portfolio needs on risk budgeting, and our specialist dealing and trading capability connects us to the market with the aim of ensuring the best prices for the investments we buy and sell.

## Key people



### Mark Beardow, BEc, F Fin, CFA – Head of Fixed Income

Mark was appointed as Head of Fixed Income in August 2006. In this role, he is responsible for the management of AMP Capital's active fixed income strategies including Credit Markets and Macro Markets, managing over 20 investment professionals across Australia and New Zealand. Mark also serves as the Chair of the Credit Investment Committee.



### Jeff Brunton, LLB, BCom (Hons), CFA – Head of Credit Markets

Jeff joined AMP Capital in January 2008 as Head of Credit Markets. Jeff is responsible for setting macro credit strategy and overseeing the credit investment process. He is also responsible for developing the derivative and global credit capabilities in the team as well as building the investment process to include more complex credit-based strategies.



### Simon Warner, BSc, MSc (Economics) – Head of Macro Markets

Simon Warner joined AMP Capital in March 2007 as Head of Macro Markets within the Fixed Income team. Simon is responsible for managing active macro management investment processes in duration, currencies, and semi and swap spreads, across assets and portfolios that make up almost half of all fixed income assets under management. Simon is also leading the development of new strategies to manage global rates and credit sectors.



### Kristen Leonard, BMathFin (Hons), CFA, FFin – Head of Portfolio Construction & Risk Management

Kristen Leonard joined AMP Capital in 1996. He is responsible for portfolio construction and risk management of fixed income portfolios, and is the portfolio manager of AMP Life's fixed income portfolios. Mr Leonard also manages the physical inflation-linked bond exposure.

## Contact us

To find out more about AMP Capital Investors Fixed Income, please contact your financial adviser or call our Client Services team on 1800 188 013.

### Financial Advisers

Please contact your AMP Capital Business Development Manager or call our Adviser Services team on 1300 139 267.

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