

# Fund Summary

## OnePath Diversified Fixed Interest Trust Wholesale

31 October 2020

### Fund details

<b>Investment manager</b>	OnePath Funds Management sub- advised by Pacific Investment Management Company
<b>Fund code</b>	ANZ0212AU
<b>Asset type</b>	Fixed Income / Income
<b>Region</b>	Global
<b>Fund size</b>	\$160.12 million as at 30 Oct 2020
<b>Commencement date</b>	02 Apr 2001
<b>Distributions</b>	Quarterly

### Investment objective

The fund aims to provide income and achieve returns (before fees, charges and taxes) that exceed the Bloomberg AusBond Composite 0+ Yr Index, over periods of three years or more.

### Investment strategy

The fund is actively managed and invests predominantly in a diversified mix of Australian and international defensive assets.

### Minimum time horizon

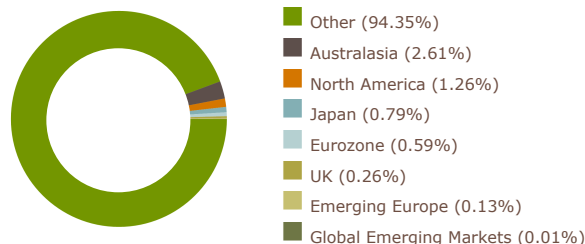
3 years

### Standard Risk Measure\*

The Standard Risk Measure (SRM) is based on industry guidance to allow investors to compare funds that are expected to deliver a similar number of negative annual returns over any 20 year period. The SRM for this fund is shown below:



### Country allocation



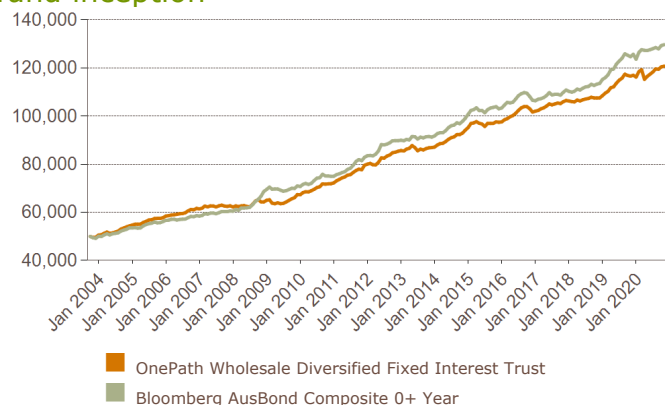
### Fund performance

As at 31 Oct 2020

	1 mth %	3 mth %	1 yr %	3 yr % pa	5 yr % pa	7 yr % pa	10 yr % pa
<b>Total Return †</b>	0.26	0.98	3.56	4.44	4.35	4.83	5.33
<b>Benchmark ‡</b>	0.28	0.93	4.00	5.67	4.53	5.10	5.61
<b>Excess Return</b>	-0.02	0.05	-0.45	-1.23	-0.18	-0.28	-0.28
<b>Distribution</b>	0.01	2.13	7.67	4.79	5.78	4.91	5.09
<b>Growth</b>	0.25	-1.16	-4.11	-0.35	-1.43	-0.08	0.24
<b>Risk (1 Std Dev)</b>	-	-	4.56	3.04	2.68	2.58	2.63
<b>Tracking Error</b>	-	-	3.85	2.29	1.99	1.76	1.68
<b>Info. Ratio</b>	-	-	-0.1	-0.5	-0.1	-0.2	-0.2

Calendar year returns	YTD	2019	2018	2017	2016
<b>Total Return †</b>	3.91	7.10	2.12	4.14	4.56
<b>Benchmark ‡</b>	4.88	7.26	4.54	3.66	2.92
<b>Excess Return</b>	-0.97	-0.16	-2.42	0.49	1.65

### Growth of \$50,000 invested since fund inception



\* For further information on Standard Risk Measures and the calculation methodology used, go to [onepath.com.au/personal/performance/product-updates.aspx](http://onepath.com.au/personal/performance/product-updates.aspx)

† Returns quoted use the unit price which is calculated using the net asset values for the relevant month end. The prices shown may differ from the actual unit price if an investor is applying for or redeeming an investment. Actual unit prices will be confirmed following any transaction on an investor's investment. Please note that all returns are after the deduction of management fees and expenses and assumes all distributions are re-invested. Where applicable, management fees have been deducted at the highest entry fee option rate. No allowance has been made for entry or exit fees.

‡ Benchmark returns should be used for indicative purposes only. These returns may not be a true indication of this Fund's performance against its investment objective.

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### Market and portfolio review

The Fund outperformed its benchmark in the September quarter. An overweight position to securitised assets (in particular US and European MBS) contributed as spreads tightened. An overweight position to Italian rates also contributed to performance as country spreads continued to tighten. Over the year, the Fund outperformed its benchmark as credit spreads rallied hard post the COVID-19 led sell-off that occurred in March.

### Future investment strategy

The Fund is maintaining a very cautious view towards both interest rates and corporate credit. Overall the Fund is neutral duration given the highly uncertain path for the global economy, instead focusing on relative value between countries. The Fund is long Italy versus Germany and overweight US duration. The Fund is also long US inflation given depressed US breakeven inflation valuations. On the credit front, the Fund is underweight investment-grade corporate credit (preference for financials and non-cyclicals) and long securitised assets. Securitised assets are the Fund's preferred spread exposure, which includes positions in Agency and non-Agency mortgages.

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