

Fund Summary

OnePath Diversified Fixed Interest Trust Wholesale

31 July 2021

Fund details

Investment manager	OnePath Funds Management sub- advised by Pacific Investment Management Company
Fund code	ANZ0212AU
Asset type	Fixed Income / Income
Region	Global
Fund size	\$146.00 million as at 30 Jul 2021
Commencement date	18 Apr 2001
Distributions	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

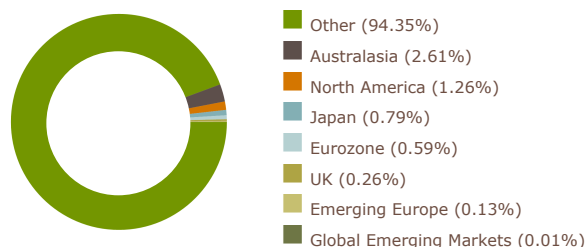
3 years

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



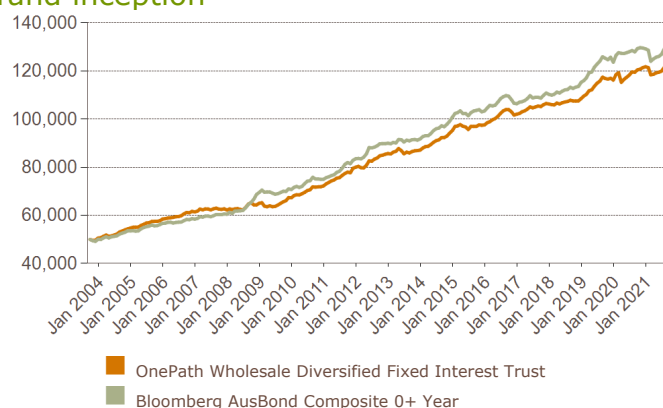
Fund performance

As at 31 Jul 2021

	1 mth %	3 mth %	1 yr %	3 yr % pa	5 yr % pa	7 yr % pa	10 yr % pa
Total Return †	1.29	1.91	1.57	4.22	3.27	4.15	4.72
Benchmark ‡	1.76	2.73	0.53	4.77	3.40	4.29	4.96
Excess Return	-0.47	-0.82	1.04	-0.55	-0.13	-0.13	-0.24
Distribution	0.00	1.02	7.27	5.49	5.77	5.22	4.70
Growth	1.29	0.90	-5.69	-1.28	-2.50	-1.06	0.02
Risk (1 Std Dev)	-	-	3.17	3.45	2.92	2.80	2.77
Tracking Error	-	-	1.75	2.46	2.01	1.85	1.74
Info. Ratio	-	-	0.6	-0.2	-0.1	-0.1	-0.1

Calendar year returns	YTD	2020	2019	2018	2017
Total Return †	-0.23	4.76	7.10	2.12	4.14
Benchmark ‡	-0.01	4.48	7.26	4.54	3.66
Excess Return	-0.22	0.28	-0.16	-2.42	0.49

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

† 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 underperformed its benchmark in the June quarter. The fund is positioned for the reflation trade and as such is underweight duration. Towards the end of the quarter we saw yields rally quite aggressively and curves flatten as the efficacy of COVID vaccines to the Delta strain was questioned by markets.

Future investment strategy

The Fund is maintaining a very cautious view towards both interest rates and corporate credit. Overall the Fund is short duration focusing on relative value between regions. The Fund is short EU duration due to unattractive low yields and negative carry in some parts of the curve. The Fund is also underweight UK duration given the low levels of yields on a relative basis. 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. The Fund is also long US TIPS given long term break even inflation valuations are below the FED's target.

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