

Fund Summary

OnePath Diversified Bond Index

OneAnswer Frontier Pension

31 March 2025

Fund details

Investment manager	OnePath Funds Management Limited
Fund code	MMF1693AU
Asset type	Bonds - Global / Australia
Region	Global
Fund size	\$101.52 million as at 31 Mar 2025
Commencement date	15 Nov 2010
Distributions	Retained

Investment objective

The fund seeks to track the return of a tailored diversified index representing a 30% allocation to the Bloomberg AusBond Composite 0+ Yr Index and a 70% allocation to the Bloomberg Barclays Global Aggregate Index (hedged to Australian dollars), before taking into account fees, expenses and tax.

Investment strategy

The fund invests in Australian and international bonds by holding units in a range of underlying fund's and/or direct assets. The fund seeks to reduce credit risk in the portfolio by selecting only bonds with a sufficiently high credit rating and by diversifying the fund's holding across issuers. Futures may be used to gain market exposure without investing directly in fixed interest securities.

Fund performance As at 31 Mar 2025

	1 mth	3 mth	1 yr	3 yr	5 yr	7 yr	10 yr
	%	%	%	% pa	% pa	% pa	% pa
Total Return †	-0.34	0.95	3.14	0.39	-0.66	0.80	1.22
Benchmark ‡	-0.13	1.22	3.47	0.93	-0.49	1.34	1.78
Excess Return	-0.21	-0.27	-0.33	-0.54	-0.17	-0.54	-0.56

Calendar year returns	YTD	2024	2023	2022	2021
Total Return †	0.95	2.21	5.10	-11.59	-2.48
Benchmark ‡	1.22	2.59	5.19	-6.36	-12.93
Excess Return	-0.27	-0.38	-0.09	-5.23	10.45

Top 10 holdings

Security	% of fund
United States Of America	15.23%
Australia (Commonwealth Of)	14.31%
China Peoples Republic Of (Government)	8.04%
Japan (Government Of)	7.28%
Victoria (State Of)	2.91%
France (Republic Of)	2.81%
New South Wales State Of	2.77%
Germany (Federal Republic Of)	2.34%
United Kingdom Of Great Britain And Northern Ireland (¹)	2.27%
Queensland (State Of)	2.19%
Total Top 10	60.15%

Minimum time horizon

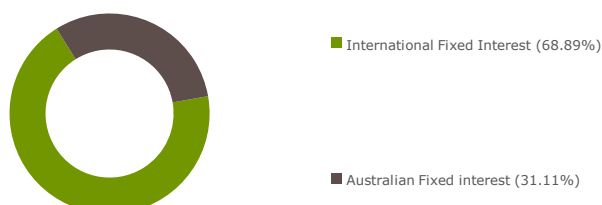
3 years

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:



Asset allocation



* 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 (MorningstarAus BBG AuBd Cmp/BCGA TR HAUD) 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

Bond markets performed poorly in March, largely driven by concerns about the potential impact of US policy in coming months. Euro-denominated government bonds were the worst performer as President Trump indicated the US may provide less support for the defense of Europe going forward. The implication of this is that European governments will need to increase defense spending, largely funded by higher debt issuance, which had the impact of driving yields higher. Indeed, during the month, the German government relaxed their strict fiscal rules to allow higher spending on defense, which kept upward pressure on German government bond yields. Credit spreads also widened over the month as concerns about tariffs and global trade caused markets to trade with a risk-off tone. Having already announced some targeted tariffs, President Trump indicated that he intends to announce a much broader set of tariffs in early April. Given the uncertainty about the extent of these tariffs and their impact on trade and global growth, equity markets fell during March. The US led the decline, while European markets held up slightly better due to expected increases in government spending in the region. Similarly, for credit markets, it was spreads on USD-denominated investment grade and high yield that widened by more than those for EUR-denominated markets. However, given the rise in eurozone government bond yields, European credit still underperformed the US in total return terms. The US Treasury market ended the slightly up, as short-end yields rallied on concerns that tariffs would lower growth. Meanwhile, AAA CLOs in both USD and EUR continued to show resilience in the face of increasing uncertainty, providing positive returns in March.

Future investment strategy

Uncertainty prevails. Following the significant news flow in February, which included heightened economic and geopolitical concerns, March felt like a month with fewer policy announcements but increasing speculation and uncertainty about future policies from the Trump administration. The uncertainty about trade policy and its impact on global growth caused markets to trade with a risk-off tone throughout the month. Tariffs, are likely to determine the direction of markets in the near term. If the policy announcements are perceived as having a bigger impact on growth than currently anticipated, then US Treasury yields, which are currently trading close to the lowest levels of the year, are likely to rally while credit spreads could widen further. However, if tariffs are less stringent than expected, then risk assets could get a boost while risk-free rates rise. Meanwhile, uncertainty remains over the ongoing conflicts in the Middle East and between Russia and Ukraine. Regardless of how those situations progress, it has become clearer that Europe needs to invest more heavily in defense, which could be relatively more beneficial for the outlook for the European economy versus the US. However, the number of known unknowns and unknown unknowns (to paraphrase the late Donald Rumsfeld) may cause investors to remain defensively positioned in the coming months until there is more clarity over the outlook.

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This information is current as at 31 Mar 2025 with the commentary current for the most recent quarter end (eg, March, June, Sept or Dec) however in some cases may be applicable for the preceding month or quarter end. Updated information will be available free of charge by contact Client Services on 133 665. The information is of a general nature and does not take into account your personal needs, financial circumstances or objectives. Before acting on this information, you should consider the appropriateness of the information, having regard to your needs, financial circumstances and objectives. Past performance is not indicative of future performance. The future value of investments may rise and fall with changes in the market. You should read the relevant PDS available at onepath.com.au and consider whether that particular product is right for you before making a decision to acquire or

