

Fund Summary

OnePath Diversified Bond Index

OneAnswer Frontier Pension

30 September 2025

Fund details

Investment manager	OnePath Funds Management Limited
Fund code	MMF1693AU
Asset type	Bonds - Global / Australia
Region	Global
Fund size	\$99.39 million as at 30 Sep 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 30 Sep 2025

	1 mth	3 mth	1 yr	3 yr	5 yr	7 yr	10 yr
	%	%	%	% pa	% pa	% pa	% pa
Total Return †	0.44	0.64	2.56	3.71	-0.75	1.14	1.50
Benchmark ‡	0.39	0.71	3.27	4.11	-0.38	1.63	2.04
Excess Return	0.05	-0.07	-0.71	-0.40	-0.37	-0.49	-0.54

Calender year returns

returns	YTD	2024	2023	2022	2021
Total Return †	3.41	2.21	5.10	-11.59	-2.48
Benchmark ‡	4.04	2.59	5.19	-10.99	-2.18
Excess Return	-0.63	-0.38	-0.09	-0.60	-0.30

Top 10 holdings

Security	% of fund
United States Of America	15.02%
Australia (Commonwealth Of)	14.41%
China Peoples Republic Of (Government)	7.85%
Japan (Government Of)	6.69%
Victoria (State Of)	2.92%
New South Wales State Of	2.85%
France (Republic Of)	2.85%
Germany (Federal Republic Of)	2.46%
United Kingdom Of Great Britain And Northern Ireland (G	2.39%
Italy (Republic Of)	2.26%
Total Top 10	59.70%

Minimum time horizon

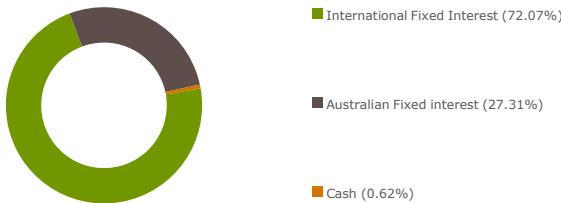
3 years

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

September 2025's global fixed income environment is characterized by a delicate balance between moderating inflation, cautious central bank policies, and uneven economic growth. Investors are adopting a prudent approach, emphasizing credit quality and duration flexibility to manage risks in a still uncertain macroeconomic landscape.

Many major central banks, including the Federal Reserve, European Central Bank, and Bank of Japan, have maintained a cautious stance amid mixed economic signals. The much-anticipated rate cut from the Fed arrived, and with it, an indication that two more rate reductions may follow before year-end. Notably, these easing signals came alongside upward revisions to growth and inflation forecasts and a lower unemployment projection, suggesting the Fed is not reacting to imminent weakness but aiming to preempt further labor market softening. The ECB continues its gradual tightening cycle but signals a potential pause depending on inflation trajectory and economic growth in the Eurozone. The Bank of Japan has started to adjust its ultra-loose monetary policy, with subtle moves toward normalization, impacting Japanese government bond yields. Global inflation has shown signs of easing, supported by lower energy prices and improved supply chains, but core inflation remains sticky in several economies. Economic growth is uneven, with advanced economies experiencing moderate expansion while some emerging markets face headwinds from tighter financial conditions and geopolitical tensions. The broader macro backdrop remains constructive, with outright recession risks appearing limited despite signs of cooling. Labor market conditions are softening as hiring demand eases and payroll figures are revised lower, while participation remains constrained by structural factors such as retirements and reduced immigration. This measured moderation is giving the Fed cover to tilt its focus toward the employment side of its dual mandate, while tariff-related price pressures appear more transitory than structural.

Future investment strategy

Yield curve steepening is likely to continue, as incremental cuts from the Fed brings the short end down but concerns over the US budget deficit and Fed governance may keep the long end more range bound. In credit, spreads remain historically tight in both investment grade and high yield. We prefer corporate investment grade debt, which offers a similar risk-return profile to government bonds, while corporate high yield spreads have tightened further.

While supported by solid fundamentals and earnings resilience, the current environment argues for a selective approach. Still, credit demand remains robust and provides strong support for the market backdrop, perhaps reflecting that all in yields are still attractive on both a real and nominal basis.

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This information is current as at 30 Sep 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 continue to hold the product.

