

# Centuria Lifegoals

# Centuria

## Pendal Short Term Income Securities Fund

**The Fund aims to provide a return (before fees, costs and taxes) that exceeds the Bloomberg AusBond Bank Bill Index.**

### Investment manager

Pendal Group Ltd

### Investment strategy

The Fund invests in a combination of short-term money market instruments and medium-term floating and fixed rate securities. These may include direct or indirect holdings of government, bank, corporate, asset backed and other securities. The Fund aims to maintain capital stability through limited exposure to interest rate movements and prudent credit management. The Fund invests in short-term and medium-term securities that are investment grade rated. The Fund may also use derivatives.

### Target allocation

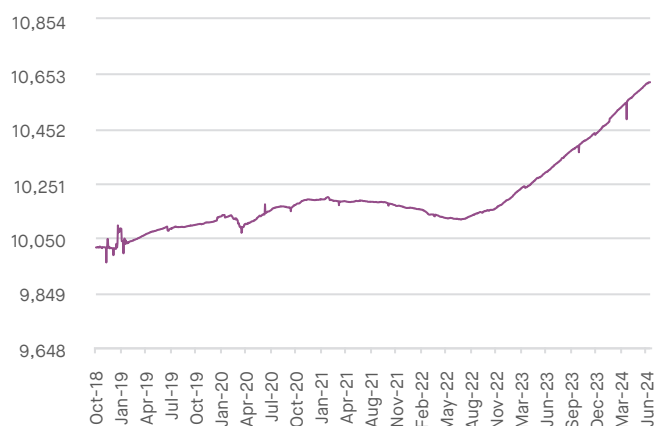
Cash and Fixed Interest

0-100%

### Performance returns

| RETURNS TO<br>30/06/2024        | 1 MTH | 3 MTH | 6 MTH | 1 YR  | 2YR <sup>1</sup> | 3YR <sup>1</sup> |
|---------------------------------|-------|-------|-------|-------|------------------|------------------|
| Net returns<br>(%) <sup>2</sup> | 0.20% | 0.71% | 1.60% | 3.00% | 2.45%            | 1.41%            |

### Performance graph



A \$10,000 investment in Centuria Pendal Short Term Income Securities Fund made at inception is worth \$10,623 as of 30 June 2024 after all fees and taxes paid within the Investment Option.

### Key features

|                                    |                 |
|------------------------------------|-----------------|
| APIR code                          | OVS5415AU       |
| Minimum initial investment         | \$500           |
| Minimum additional investment plan | \$100           |
| Minimum switching amount           | \$500           |
| Minimum balance                    | \$500           |
| Contribution fee                   | Nil             |
| Annual management fee <sup>3</sup> | 0.48%           |
| Suggested timeframe                | Minimum 1 years |

1. Periods greater than 1 year are expressed in annualised terms.
2. Past performance is not a reliable indicator of future performance.
3. Refer to PDS for fee breakdown.

For more information contact Centuria on **1300 50 50 50** or visit [lifegoals.centuria.com.au](https://lifegoals.centuria.com.au) to download the PDS.  
**Simple Flexible Versatile.**

## Fund Commentary

### Fund performance and activity

The Fund outperformed the benchmark over the quarter.

RMBS were the main drivers of the outperformance in June. Activity included adding exposure to utilities funded out of financials.

### Market outlook

The recent surge in Australian inflation data has markets focused on the Q2 CPI, due out July 31st. Data between now and then could yet sway what is a difficult call for the RBA. Unfortunately, there will be no more inflation data so unemployment mid-month could be a swing factor.

Bond markets do look beyond the potential impact of the next RBA move, and the fact that the US Fed meeting in September is considered an odds-on call for a cut is supporting longer yields. The view could well be that an RBA hike could make a recession more likely, offsetting positive news from tax cuts and subsidies.

Therefore, much of the action in July could be in the yield curve, where US moves lead to a steeper curve there, but RBA moves lead to a flatter curve here. Ultimately, we still view bonds here as good value as we still expect inflation to finish the year nearer 3%.

### Credit outlook

We remain positive on credit spreads as our view is that US core inflation will continue to fall and an economy supported by a resilient consumer will underpin corporate credit fundamentals. This disinflation will see central banks ultimately ease policy rates and support a soft/no economic landing outcome which in turn should be positive for risk assets.

The data on credit lending globally shows that the tightening of lending standards is easing which is positive for corporates, economic growth and markets.

However, we are closely monitoring global labour markets and services inflation, as these will influence central bank decisions. Additionally, geopolitical tensions and higher oil prices are risks for markets.

**Disclaimer:** This commentary has been directly sourced from the Pandal Short Term Income Securities Fund's quarterly factsheet available on their website.

## Contact information

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