31 December 2024 – Factsheet

Centuria LifeGoals

PIMCO Australian Bond Fund

Centuria

To achieve maximum total return by investing in fixed interest securities predominantly denominated in Australian or New Zealand currencies, and to seek to preserve capital through prudent investment management.

Investment manager

PIMCO Australia Pty Limited

Investment strategy

In pursuing the Fund's investment objective, PIMCO applies a wide range of diverse strategies including duration analysis, credit analysis, relative value analysis, sector allocation and rotation and individual security selection. PIMCO's investment strategy emphasises active decision making with a long-term focus and seeks to avoid extreme swings in duration or maturity with a view to creating a steady stream of returns.

Target allocation

Cash and Fixed Interest	0-100%

Performance returns

RETURNS TO 31/12/2024	1 MTH	3 MTH	6 MTH	1 YR	2YR[1]	3YR[2,1]
Net returns (%)[3]	1.06%	0.53%	2.57%	2.34%	2.95%	-0.76%

Performance graph

A $10,000 investment in Centuria PIMCO Australian Brond Fund made at inception is worth $9,533 as of 31 December 2024 after all fees and taxes paid within the Investment Option.

Key features

APIR code	OVS2591AU
Minimum initial investment	$500
Minimum additional investment plan	$100
Minimum switching amount	$500
Minimum balance	$500
Contribution fee	Nil
Annual management fee[4]	0.68%
Suggested timeframe	5-7 years

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

For more information contact Centuria on **1300 50 50 50** or visit **lifegoals.centuria.com.au** to download the PDS.
Simple Flexible Versatile.

Fund Commentary

Portfolio Positioning: The Fund is modestly underweight overall duration, with overweights primarily sourced from Australia and New Zealand. We continue to focus on relative value opportunities and emphasise countries where yields are at attractive levels. We reduced our underweight in the U.S., which we source primarily in the long end, remaining neutral in the front end and focusing exposure on the intermediate section of the curve. We maintained an overweight to duration in the U.K., and remain underweight in Japan and the euro bloc. With respect to curve positioning, our preference is to the belly of the curve given the level of steepness, alongside underweights in the 30-year area. Within spread sectors, we continue to focus on diversification of exposure across securitised, agency(semi/SSA), and corporate credit. We are more constructive on corporate credit given a relatively resilient macro backdrop, but emphasise active management given the dispersion across sectors and industries, rather than relying on generic credit beta. The Fund continues to have a favourable view of Financials, and in particular senior debt, which are well positioned following more than a decade of restructuring, de-risking, and deleveraging. We also continue to favour senior positions in Australian residential mortgage credit given inherent fundamental strength and the self-liquidating nature of the asset.

Currency strategies continue to act as a diversifying strategy in the portfolio and positioning remains tactical.

Month in review: Markets produced challenged results in December, as the Fed took a more hawkish stance and investor sentiment waned. In France, Michel Barnier resigned after the National Assembly approved a no confidence vote against him, leading the OATBund 10yr spread to reach its highest level since 2012. In the equities space, U.S. equities experienced losses as the S&P 500 returned -2.60% and the Russell 2000 saw the biggest losses, registering a return of -8.26%. On the other hand, the Nikkei index gained 4.53% over the month.

In Australia, the RBA held the cash rate steady at 4.35%, signaling a dovish shift in its messaging amid mixed economic signals. The employment report showed a stronger-than expected addition of 35.6k jobs, resulting in a drop in the unemployment rate to 3.9%. However, Q3 GDP growth was weaker than anticipated at 0.3% quarter-on-quarter and 0.8% year-on-year, raising concerns about economic momentum. The RBA suggested potential easing in early 2025, while in New Zealand, consumer confidence rose by 0.4% month-on-month, despite a negative budget update indicating a more expansionary fiscal policy.

Disclaimer: This commentary has been directly sourced from PIMCO's factsheet available on their website.

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