

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.

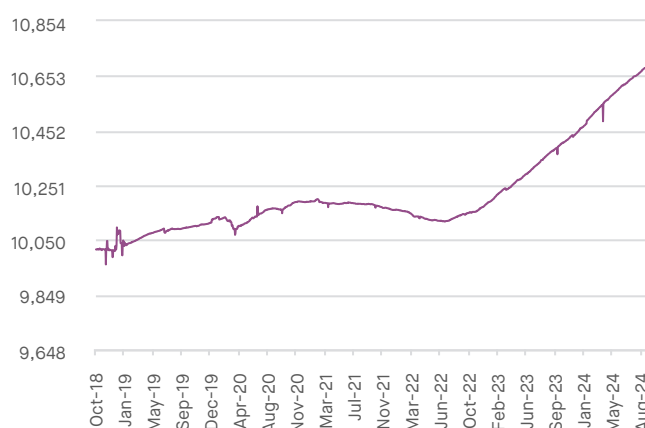
Target allocation

Cash and Fixed Interest 0-100%

Performance returns

RETURNS TO 30/09/2024	1 MTH	3 MTH	6 MTH	1 YR	2YR ¹	3YR ¹
Net returns (%) ²	0.22%	0.70%	1.41%	2.96%	2.69%	1.67%

Performance graph



A \$10,000 investment in Centuria Pendal Short Term Income Securities Fund made at inception is worth \$10,697 as of 30 September 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 ³	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 to download the PDS.
Simple Flexible Versatile.

Fund Commentary

Fund performance and activity

The Fund outperformed the benchmark over the quarter and returned 0.70% and over 1 year 2.96% (post-taxes and fees).

Financials, industrials and RMBS added to performance.

Market outlook

The Reserve Bank of Australia (RBA) is unlikely to ease monetary policy prior to the end of the year. Inflation remains too high and is forecast to take too long currently to return to close enough to their target band to warrant policy easing. Core inflation within the target is not a precondition for easing to occur. The RBA does however need to see inflation moving sustainably towards their target band before they will consider cutting the cash rate. The strength of the labour market also remains a key consideration.

The participation rate is at a record high level and employment growth has been solid more recently. Easing policy against a backdrop of an already tight labour market needs to be considered against the risks of stoking wage inflation.

Changes by other central banks is spilling over to pricing rate cut expectations in Australia. The market ended September pricing around an 80% probability of a rate cut prior to year end. The RBA did not push policy settings into as restrictive territory as other central banks such as the Federal Reserve and the Reserve Bank of New Zealand. Expecting the RBA to follow suite prior to the end of the year is a mistake. They remain more concerned about current inflation rather than weak economic growth.

Credit outlook

We remain constructive on credit spreads given the strength of the US economy and the resilient consumer underpinning corporate credit fundamentals, as well as US inflation continuing to fall. This disinflation will see central banks ease policy rates and support a soft/no economic landing outcome which in turn should be a tail wind for risk assets.

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

However, we are closely monitoring labour markets as a continued increase in US unemployment is a risk to our constructive view on markets as this increases the risk of a recession. Additionally, geopolitical tensions and higher oil prices are other 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.

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