

Macquarie Corporate Bond Fund - Class R Units

Monthly report – 31 August 2025

Investment objective

Aims to outperform the Bloomberg AusBond Bank Bill Index, after costs but before tax, over a rolling three-year basis. It aims to provide regular monthly income with some potential for growth while aiming to preserve capital value.

Key information

Fund details

APIR code (Class R Units)	AMP9024AU
Inception date	23 June 2009
Fund size*	\$296.5m
Distribution frequency	Generally monthly
Management fee*	0.53% pa
Unit prices and spreads	macquarie.com/mam/unit-prices

*Read the Product Disclosure Statement for more details on fees and costs.

*As the Fund has one or more classes of units on issue, this figure represents the assets under management (AUM) of the Fund as a whole (rather than the AUM attributable to the class of units specified in this report).

Class performance to 31 August 2025

	Total Class return (gross)	Total Class return (net)	Benchmark return	Total excess return (net)
1 month (%)	0.58	0.54	0.32	0.22
3 months (%)	1.69	1.56	0.94	0.62
1 year (%)	6.17	5.64	4.25	1.39
3 years (% pa)	5.88	5.34	4.00	1.34
5 years (% pa)	3.86	3.32	2.47	0.85
10 years (% pa)	3.59	3.01	2.10	0.91
Since inception (% pa)	3.61	3.02	2.32	0.70

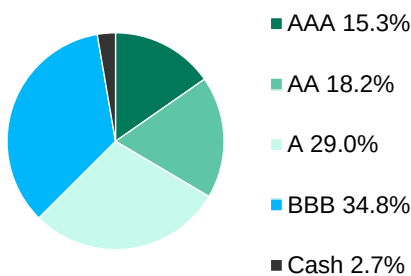
Past performance is not a reliable indicator of future performance.

Total returns are calculated based on changes in net asset values and assumes the reinvestment of distributions.

Total net Fund returns are quoted after the deduction of fees and expenses. Due to individual circumstances, your net returns may differ from the net returns quoted above.

Macquarie Investment Management Global Limited (MIMGL) was appointed as the investment manager of the Fund from 26 March 2022 and Macquarie Investment Management Australia Limited (MIMAL) was appointed as the responsible entity of the Fund from 26 April 2022. Prior to these dates, the Fund was managed or operated by another entity or entities. Please see the offer document of the Fund or contact Client Service on 1800 814 523 for further information.

Credit profile breakdown



Average credit rating: A
BB and below include direct holdings and residual exposure to issuers held through our investment grade and emerging markets allocation.

Fund statistics

Credit spread duration	2.4 years
Interest rate duration	0.5 years
Yield to maturity*	4.4% pa
Allocation to global securities (ex-Australia)	0.0%

*Pre-fee returns Fund would earn over next year based on current market conditions if there were no changes to interest rates or holdings of Fund. It is not an actual or estimated return.

Top 5 asset allocation by industry

Industry	%
Banking	44.7
Residential Mortgage	14.3
REITs	5.1
Transportation	4.8
Financial Other	4.8

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Fund highlights

The Fund outperformed the benchmark in August. Australian IG credit spreads exhibited broad-based tightening during the month. Financials continued to be a significant component of performance. Notably, Tier 2 spreads bull-steepened with shorter-dated securities compressing as much as 10bps during the month. Additionally, both domestic and offshore senior paper experienced ongoing spread compression. Corporates remained a positive source of returns given overweight exposures to REITs. Like July, structured holdings exhibited ongoing spread compression and remained a stable source of short-dated carry for the Fund. During the month, the Fund participated in deals such as ANZ Bank, CBA, Credit Agricole, Electricite de France, HSBC Holdings, OCBC, Svenska Handelsbanken and Vonovia.

Market overview

Australian cash market

The RBA cut the target cash rate by 25bps to 3.60% at its August meeting, marking a cumulative 75bps reduction since the beginning of the year. The decision was unanimous, and the RBA's forecasts are now based on a cash rate assumption of 3.4% by the end of 2025. The labour market assessment was updated to note that conditions "remain a little tight, although have eased further in recent months." In the press conference, Governor Bullock confirmed that a larger rate cut was not discussed, reiterated the RBA's focus on inflation and employment over a neutral rate, and suggested that forecasts are conditioned on "a couple more cuts."

Economic data for August suggested that activity remains strong, with monthly inflation surprising to the upside and monthly employment remaining at tight levels. However, it is noted that the monthly print only provides a partial reflection of the CPI basket with more weight given to the full quarterly print. The July CPI jumped to 2.8% (from 1.9%), exceeding expectations of 2.3%, with electricity prices and holiday travel costs driving much of the increase. The annual trimmed mean CPI also rose to 2.7% (from 2.1%). Employment data for July was stronger, with a headline gain of 24.5k, driven by a 60.5k rise in full-time positions offsetting a 35.9k decline in part-time roles. The unemployment rate printed down to 4.2% (in line with consensus). Wage growth remained steady, with Q2 Wage Price Index rising 0.8% QoQ and 3.4% YoY, aligning with consensus and RBA estimates. Business confidence improved slightly, with NAB's index rising 2pts to +7, though conditions softened to +5 due to weaker trading, profitability, and employment. Meanwhile, consumer sentiment surged, with Westpac's consumer confidence index climbing to a 3.5-year high of 98.5 in July (from 93.1 in June), buoyed by the RBA's third rate cut.

Australian credit market

Australian credit outperformed offshore markets with IG OAS moving 5bps lower in August to 103bps. Spread tightening was broad-based with some of the REITs and transportation names being the notable outperformers in the corporate sector. In the financial space, senior bank paper grinded 2-4bps tighter. Meanwhile, Tier 2 curve bull-steepened with front-end spreads moving as much as 10bps lower and 5-year call paper tightening 3-4bps over the month. There was around 20bn of primary supply in the Australian IG market. While it was not the largest month of issuance volume, some records were set during the month. These included the largest orderbook ever in an Australian credit deal which was CBA's senior deal with more than 13bn of final demand. 20-year tenor was also tested by a couple of issuers (ANZ's 20-year bullet Tier 2 and Electricite de France SA's 20-year senior) with both deals very well-received by the market and subsequently tightening 20bps in the secondary market.

Outlook

The recent data flow has supported our ongoing view that "growth is beginning to soften while the disinflationary trend is largely intact." We remain of the view that increasingly supportive policy will be required given the strong prospect of business and consumer caution due to the US administration's trade policies, although we recognise a number of central banks have already eased materially. While the US Fed has paused its rate cut cycle so far this year, the Bank of Canada, ECB, SNB, Swedish Riksbank, BoE, and RBNZ have all lowered rates in 2025, and the RBA cut rates at its February, May, and August meetings with a further cut expected in November. Some central banks have however started to slow the pace of their rate cut cycles as policy rates get closer to their interpretation of neutral, resulting in rate cut expectations for most being wound back. In contrast the BOJ, having hiked again in January, continues to signal that it expects to further normalise policy in coming quarters, although the global backdrop and domestic political uncertainty has seen it become increasingly cautious in signalling the likely timing of these hikes. We will continue to closely watch central bank rhetoric to help judge whether these expectations of policy changes are justified. Given the crucial role of fiscal policy, we also continue to monitor government budget decisions.

We retain a bias to long duration as the earlier aggressive tightening cycles by central banks globally continues to be unwound. We continue our aim to add to duration as yields rise but remain receptive to reducing exposure when the market looks rich. The ongoing recovery of risk appetites in credit since the April lows has seen spreads narrow even further. Although the risks to growth remain material, the prospect of further policy support, both monetary and fiscal, is likely to provide support to the medium-term growth outlook and hence valuations. While spreads remain relatively tight, all-in yields remain somewhat high relative to recent history and expectations of positive total returns should drive demand.

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For more information speak to your financial adviser, call us on 1800 814 523, email mam.clientservice@macquarie.com or visit macquarie.com/mam

Important information

Macquarie Investment Management Australia Limited ABN 55 092 552 611 AFSL Licence 238321 is the issuer of units in, and responsible entity of the Fund. Macquarie Investment Management Global Limited ABN 90 086 159 060 AFSL 237843 is the investment manager of the Fund.

The above information is not personal advice and does not take into account the investment objectives, financial situation or needs of any person. The Target Market Determination (TMD), available at macquarie.com/mam/TMD, includes a description of the class of consumers for whom the Fund is likely to be consistent with their objectives, financial situation and needs. Investors should consider the offer document relating to the Fund in deciding whether to acquire or continue to hold units in the Fund. The offer document is available by contacting us on 1800 814 523. Past performance is not a reliable indicator of future performance. Future results are impossible to predict. This report includes opinions, estimates and other forward-looking statements which are, by their very nature, subject to various risks and uncertainties. Actual events or results may differ materially, positively or negatively, from those reflected or contemplated in such forward-looking statements. Forward-looking statements constitute the investment manager's judgement as at the date of preparation of this report and are subject to change without notice.

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