Macquarie Wholesale Australian Fixed Interest Fund - Class O Units

Monthly report – 30 September 2025

Investment objective

Aims to outperform the Bloomberg AusBond Composite 0+ Yr Index, after costs but before tax, on a rolling 12-month basis by using an active investment strategy. Aims to provide regular income with a moderate level of growth.

Key information

Fund details	
APIR code (Class O Units)	AMP0981AU
Inception date	1 December 2004
Fund size⁺	$192.0m
Management fee*	0.36% pa
Minimum investment (Direct)	$10,000,000
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).

Fund statistics

Credit spread duration	1.18 years
Interest rate duration	5.17 years
Yield to maturity*	4.37% pa

*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.

Class performance to 30 September 2025

	Total Class return (gross)	Total Class return (net)*	Benchmark return	Total excess return (net)
1 month (%)	0.24	0.21	0.10	0.11
3 months (%)	0.73	0.64	0.40	0.24
1 year (%)	4.67	4.29	4.09	0.20
2 years (% pa)	6.26	5.86	5.59	0.27
3 years (% pa)	5.09	4.64	4.25	0.39
5 years (% pa)	0.41	-0.01	-0.23	0.22

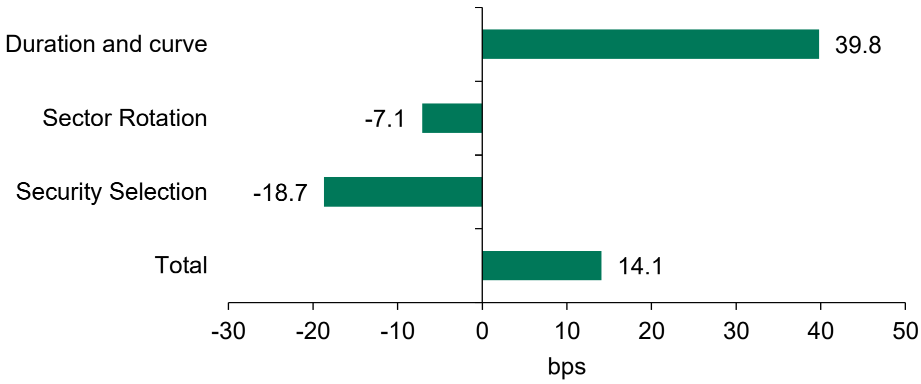
Past performance is not a reliable indicator of future performance.

Total returns are calculated based on changes in net asset values and assumes the reinvestment of distributions. The Fund is benchmarked against the Bloomberg AusBond Composite 0+ Yr Index.

*Total net returns are quoted after the deduction of all 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.

Key contributors to performance



Asset allocation by sector^

Sector	%
Government	21.9
Semi-Government	32.0
Credit	36.7
Cash and Equivalents	9.4

^Asset allocation is based on physical exposure

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Fund highlights

The Portfolio outperformed the benchmark over the month, driven by duration and curve.

Duration and curve

Duration positioning was largely unchanged in September as 10-year yields traded in a tight range with the primary theme being curve flattening – positively contributing to performance. Early in September we established a paid December RBA position that has also positively contributed to performance following a strong monthly CPI print and hawkish RBA communication. We maintain an overall long duration bias, with the thesis that short-term growth and employment risks are tilted to the downside.

Sector rotation

In September, the Fund added to its long semi-government position. Despite issuance of nearly $17bn, semi-government spreads to bond tightened in September – broadly trading at the tightest levels since early-2024. A key driver of this was the strong demand for Treasury Corporation of Victoria's inaugural EUR-denominated deal. This was a 15-year bond drawing a €17bn book for a €2bn deal – representing 10% of Treasury Corporation of Victoria's FY26 funding requirement.

Swap spreads moved wider throughout September - primarily following US markets albeit with further momentum provided by a hawkish RBA. The Fund's swap spread exposure was broadly unchanged intra-month.

Overweight credit positioning was a positive driver of returns in September. Australian credit exhibited broad-based spread compression, with the OAS of the Australian IG Index tightening 2bps to 101bps.

Security selection

The Fund remains overweight futures vs physical securities, held in both the short end and intermediate sector of the curve. Within ACGBs and semi-government, our exposure remains concentrated in the longer end given the steepness of the curve and assessments of relative value. Regarding issuers, we extended our New South Wales Treasury Corporation overweight in September whilst slightly trimming Queensland Treasury Corporation and South Australian Government Financing Authority exposure.

Overweight exposures to financials remained a positive component of performance as both senior and Tier 2 spreads resumed their tightening bias. Corporates were a modestly positive component of returns given general tightening in the sector. September was the largest month for structured issuance since the GFC, with just shy of 13bn printed. Despite the solid pace of issuance, spreads remained tighter and structured exposures remained a stable source of short-dated carry for the Fund. During the month, the Fund participated in deals such as CBA and Kiwibank, and PUMA 2025-1.

Market overview

The data released this past month painted a mixed picture of the US economy, with activity data slightly firmer but jobs growth continuing to slow; the eurozone data continues to point to subdued but modestly firmer economic activity; while the Chinese data has continued to disappoint. We remain of the view that while tariffs will result in higher inflation outcomes in the US in coming months, the underlying trend towards better contained inflationary outcomes will remain intact. This should add disinflationary pressures to non-US economies. Divergence between central banks is starting to increase, in part reflecting differing perspectives on the restrictiveness of their policy after rate cut cycles of recent years. After having left rates unchanged for much of the year, softer US labour market data saw the Fed resume its rate cut cycle at its September FOMC meeting, with a further two 25bp cuts by year-end almost fully priced. This data has also seen UST yields move lower over the month, although the USD recovered from losses in the early part of the month to end little changed.

Australian bond market

Australia's economy continues to cyclically improve but remain structurally subdued, as the RBA and Australian Government have continued their monetary and fiscal easing. Australia GDP for Q2 came in higher than estimated at 0.6% QoQ and 1.8% YoY, but employment stalled in August though the unemployment rate was steady at 4.2%. Australia's GDP growth was underpinned by the bounce back in cyclical elements, such as consumer spending increasing +0.9% QoQ and +2% YoY after only one cut between Q1 and Q2, though the more structural elements like business investment fell 0.4% with little growth over the year at 0.2% YoY. The weakness in Australia's labour market is adding to the poor backdrop for Australia's ongoing recovery, as the labour market has not experienced a significant 'dislocation', but has had a 'sustained weakening' and step-down to levels below the post-GFC average. Job gains have slowed to an average pace of monthly growth of 15k this year, down from 33k last year, and below the post-GFC average of 18k. There is a shift from full-time employment (which fell -40k) to part-time employment (improving +35k) and the participation rate is falling. The broader labour underutilisation rate, the sum of unemployment and underemployment, sits at 9.9%. This means there are currently 1,518,000 people in willing labour supply who are not being used, even without counting those who have moved into hidden unemployment. This is expected to continue with Australia's labour supply-demand imbalance persisting as we continue to experience a population boom due to immigration. It had been our expectation that the RBA will cut rates 4-5 times over the course of 2025. The past two monthly inflation reports though pointed towards upside risks to the Q3 CPI data, which will be key in determining whether the RBA lowers the cash rate further at its November meeting. While this suggests some chance the RBA may leave rates unchanged for the rest of the year, we still expect a gradual rise in the unemployment rate in coming months to result in at least one further cut (either at the November meeting or the February 2026 meeting).

The AU 10-year bond future yield traded between 4.23% and 4.45%, ultimately closing the month 4bps higher at 4.30%. The ACGB 3-year/10-year yield spread flattened by 12bps, closing +74bps.

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Australian credit market

Australian credit spreads continued to compress in September, although they lagged the rally seen offshore. The index spread fell by 2bps to 101bps. Total issuance volumes remained contained during the month, with over $9bn priced. Senior financial spreads consistently narrowed throughout September, with the 5-year major bank spread reaching a post-pandemic low of 68bps.Tier 2 financials outperformed in the first half of the month due to a pause in supply. Issuance resumed in the second half with spreads trading within a narrow range for the remainder of the month, seeing the 5-year to call reaching a four-year tight of 132bps. UBS issued the first offshore bank $A AT1 since 2019. A coupon of 6.375% and APRA's recent phasing out of Australian AT1 securities created strong technical support for the bond, attracting a peak order book of over $8bn and strong follow-on demand in secondary markets. Corporates displayed relatively uniform spread tightening across the main sectors in September.

Outlook

While some of the recent activity data has been a little firmer, we remain of the view that growth will soften while the disinflationary trend is largely intact. So even though many central banks have already eased materially we remain of the view that policy will need to become more supportive in most locations. The Fed has resumed its rate cycle after having paused at its meetings earlier in the year, the Bank of Canada, ECB, SNB, Swedish Riksbank, BoE, and RBNZ have all further lowered rates in 2025, and the RBA cut rates at its February, May, and August meetings. A number of central banks have started to slow the pace of their rate cut cycles recently (or indeed signalled these cycles may now be complete) as policy rates get closer to where they see neutral as being, and as result rate cut expectations for many have been wound back. In contrast the BOJ, having hiked again in January, continues to signal that it expects to further normalise policy in coming quarters, with recent BOJ rhetoric leading to renewed expectations this could come sooner rather than later. We will continue to closely watch central bank rhetoric to help judge whether these expectations of policy changes are justified. And as usual, given the crucial role of fiscal policy, we 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 to look to add to duration as yields rise but also remain receptive to reducing exposure when the market looks rich. On credit, the recovery in risk appetites since the April lows has seen spreads remain at historically tight levels. 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. Moreover, while spreads remain relatively tight all-in yields, while not as high as earlier in the year, still remain somewhat high relative to recent history and expectations of positive total returns continue to 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