

Pendal Monthly Income Plus Fund

Performance

The Monthly Income Plus Fund returned 0.49% in January, outperforming its cash benchmark. Australian investment grade credit and equities were the largest contributors to performance this month.

Performance summary

Period	Jan 2026
Fund return	0.49%
Benchmark return	0.31%
Excess return	0.19%

Past performance is not a reliable indicator of future performance. [Visit our website for the fund's full performance.](#)

Current positioning

Duration management:

- Entered January with a defensive duration stance
- A brief downside surprise in Australian CPI early in the month created an opportunity to **tactically add duration**.
- Subsequent data shifted the policy narrative, with markets increasingly pricing the risk of a February RBA hike.
- Duration was reduced through the month, with **outright exposure largely exited** as hawkish pricing intensified.

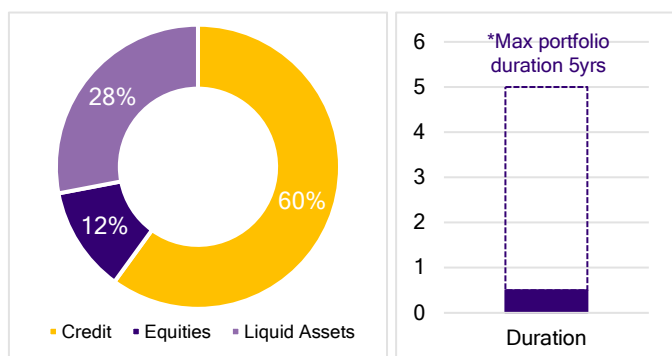
Credit markets:

- Maintained a **constructive allocation** to Australian investment-grade credit.
- Continued to **participate selectively in primary issuance** across financials, transportation and utilities.
- Elevated Australian bond yields, driven by hawkish RBA pricing, continued to support **carry-seeking demand for AUD credit** despite tight spreads.

Equities allocation:

- Allocations were increased early in the month** as volatility indicators improved, before being reduced as policy uncertainty and growth concerns re-emerged.
- Equity exposure was then scaled back later in the month amid renewed volatility, **finishing January towards the lower end of the allocation range**.

Asset allocation



Outlook

Global macro environment:

- January was characterised by a **repricing of interest rate expectations** rather than a decisive shift in risk appetite.
- Bond yields moved higher across developed markets as economic data remained resilient, **challenging expectations of near-term easing**.
- Volatility was most evident in rates, FX and commodities, **reflecting policy uncertainty** rather than deteriorating growth.

Australia-specific considerations:

- Australian markets continued to price a **more hawkish policy path relative to global peers**.
- Higher Australian yields have driven **strong demand for AUD-denominated credit**.

Investment strategy moving forward:

- The fund maintains an active approach to its duration positioning, **likely to keep duration low whilst sticky inflation and strong growth dynamics** keep bond yields elevated
- We remain constructive on Australian credit, but our participation will maintain a strong focus on **pricing discipline and quality**.
- The fundamental backdrop remains broadly supportive of risky assets and as such we expect to maintain a moderate and active allocation to equities.
- The fund remains committed to **active asset allocation and risk-aware portfolio construction** to navigate evolving market conditions effectively.

Performance

As of 31 Jan 2026	1 month	3 months	6 months	1 year	2 years (pa)	3 years (pa)	5 years (pa)	7 years (pa)	Since Inception (pa)*
Portfolio return (%)	0.49	-0.15	0.35	4.33	6.16	5.67	3.42	3.68	4.57
RBA cash rate	0.31	0.91	1.84	3.89	4.17	4.13	2.79	2.19	2.55
Excess	0.19	-1.06	-1.48	0.44	2	1.54	0.62	1.49	2.02

Net returns based on headline fee of 0.55% pa. Source: Pandal. Past performance is not a reliable indicator of future performance. * July 2009

PENDAL

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