

# OnePath Emerging Companies

## Fund overview

**OnePath Emerging Companies invests in a diversified portfolio of smaller companies with growth potential.**

### About the manager

Karara Capital is a specialist investment manager focusing on the active management of funds investing in Australian equities. Established in 2007 by its three executive Directors, who between them have built a successful record of managing Australian equities spanning in excess of 27 years. Supporting them is a team of experienced investment professionals. Karara brings together like minded investors within an aligned, performance focused environment. As an independent, wholly staff owned company Karara is free to invest in a purely objective fashion. Its belief is that a small, self determining team is best positioned to build a strong and durable investment culture.



### Investment philosophy and style

Karara Capital's approach to investing brings together experienced investment managers who have successfully applied a consistent investment approach to managing Australian equities. The approach emphasises the development of insights into a company's longer term prospects, and looks to consider all relevant factors and carefully assess whether these factors are reflected in a stock's market price.

Portfolios are constructed from those companies believed to offer the highest expected return for a given level of risk, and contain a diverse range of insights with close attention paid to the interplay between portfolio holdings.

### Investment objective

The OnePath Emerging Companies Trust (the fund) aims to achieve returns (before fees, charges and taxes) that exceed the S&P/ASX Small Ordinaries Total Return Index over periods of three years or more.

### Why invest in the fund?

Investing in the fund offers:

- access to a diversified portfolio of small companies expected to experience positive growth
- diversification across a range of companies in various sectors
- access to capital growth and franked income
- access to Karara's experience and well resourced team with a proven 'style agnostic' approach.

### Investor profile

The fund is suited to investors seeking:

- a high growth investment solution and who have a long term investment horizon
- higher long term returns and targeted exposure to the Australian, small capitalised equity market with a strong bias towards growth assets.

### Investment strategy and process

The fund invests in a diversified portfolio of smaller companies in accordance with a disciplined Australian shares investment process. Karara Capital employs a rigorous investment approach which is patient, research intensive and forward looking. The objective is to identify companies possessing positive attributes that can be purchased at attractive prices, which will, over time, deliver superior returns.

## Asset allocation

The fund will primarily invest in a diversified portfolio of listed shares in smaller companies. Unlisted shares may be held, but usually only where shares are expected to list within six months of the date of purchase. Up to 15% of the fund may be invested in shares comprising the S&P/ASX Midcap 50 Index.

The fund is authorised to invest in derivatives (exchange traded share price index futures only) provided they are not used to gear the fund.

## At a glance

<b>Fund name</b>	OnePath Emerging Companies		
<b>Investment manager</b>	Karara Capital		
<b>Investment approach</b>	'Style agnostic' with relatively moderate portfolio turnover, seeking to invest in attractive companies whose businesses and prospects are underappreciated and therefore mis-priced by market participants.		
<b>Investment style</b>	Active, predominantly bottom up, style neutral investment style.		
<b>Fund benchmark</b>	S&P/ASX Small Ordinaries Total Return Index		
<b>Asset allocation</b>	Asset class	Benchmark (%)	Range (%)
	Cash	0	0–15
	Australian shares	100	85–100
<b>Risk profile</b>	High growth		
<b>No. of stocks</b>	The portfolio will typically comprise 25 – 65 securities		
<b>Suggested minimum timeframe</b>	7 years		

## Contact your financial adviser for more information or visit [onepath.com.au](http://onepath.com.au)

The appointment of each new, underlying investment manager becomes effective on or around 1 April 2012. We will conduct a transition of the underlying securities (assets) to each new, underlying investment manager. This transition will be conducted over a period of time such that each new manager's appointment becomes effective around early April 2012. During this transition period an appointed specialist asset transition manager will be responsible for managing the relevant investment funds according to existing fund objectives, risk profiles and current asset allocation ranges.

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The fund names stated in this flyer are the names stated in the PDS. The actual fund names registered with the Australian Securities and Investment Commission may differ.