

Fund Summary

OnePath Growth Index Trust

OneAnswer Frontier Investment Portfolio

30 September 2024

Fund details

Investment manager	OnePath Funds Management Limited
Fund code	MMF1569AU
Asset type	Multisector Growth
Region	Global
Fund size	\$67.85 million as at 30 Sep 2024
Commencement date	15 Nov 2010
Distributions	Quarterly

Investment objective

The fund seeks to track the weighted average return of the various indices of the asset classes in which the fund invests, in proportion to the strategic asset allocation (SAA) for the fund, before taking into account fees, expenses, and tax.

Investment strategy

The fund holds units in a range of underlying funds and/or direct assets to achieve the mix of assets. The portfolio targets a 30% allocation to income asset classes (cash and fixed interest securities) and a 70% allocation to growth asset classes (property securities and shares).

Minimum time horizon

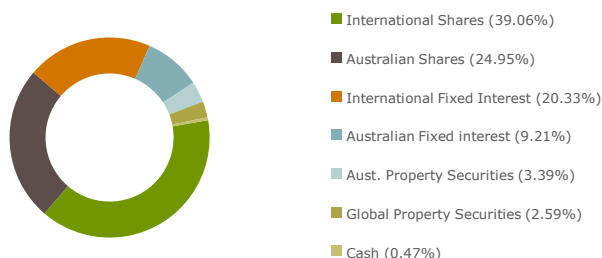
7 years

Standard Risk Measure*

The Standard Risk Measure (SRM) is based on industry guidance to allow investors to compare funds that are expected to deliver a similar number of negative annual returns over any 20 year period. The SRM for this fund is shown below:



Asset allocation



* For further information on Standard Risk Measures and the calculation methodology used, go to onepath.com.au/personal/performance/product-updates.aspx

† Returns quoted use the unit price which is calculated using the net asset values for the relevant month end. The prices shown may differ from the actual unit price if an investor is applying for or redeeming an investment. Actual unit prices will be confirmed following any transaction on an investor's investment. Please note that all returns are after the deduction of management fees and expenses and assumes all distributions are re-invested. Where applicable, management fees have been deducted at the highest entry fee option rate. No allowance has been made for entry or exit fees.

‡ Benchmark (Morningstar AUS Growth Tgt Alloc NR AUD) returns should be used for indicative purposes only. These returns may not be a true indication of this Fund's performance against its investment objective.

Fund performance

As at 30 Sep 2024

	1 mth	3 mth	1 yr	3 yr	5 yr	7 yr	10 yr
	%	%	%	% pa	% pa	% pa	% pa
Total Return †	1.31	4.66	18.05	5.22	6.58	7.44	7.49
Benchmark ‡	1.49	5.33	18.51	5.63	6.74	7.82	7.79
Excess Return	-0.18	-0.67	-0.46	-0.41	-0.16	-0.38	-0.30
Distribution	0.37	0.38	5.12	7.19	8.89	7.76	8.42
Growth	0.94	4.28	12.93	-1.97	-2.31	-0.32	-0.93

Calendar year

returns	YTD	2024	2023	2022	2021
Total Return †	10.97	13.33	-9.97	13.54	4.82
Benchmark ‡	11.10	12.76	-8.84	14.35	4.45
Excess Return	-0.13	0.57	-1.13	-0.81	0.37

Fund Summary

OnePath Growth Index Trust

OneAnswer Frontier Investment Portfolio

30 September 2024

Market and portfolio review

The monetary and fiscal stimulus measures announced in China - including a cut to their key interest rate, easing regulations to make it easier to buy properties, and direct cash injections for families with two or more children - drove a rotation out of Financials into Mining stocks and also into some consumer stocks that derive earnings from China. Financials had been the biggest year-to-date winners, with Materials one of the biggest laggards, so the announced stimulus and degree of under-positioning also drove some aggressive short covering. This accelerated gains even further, although this type of buying is usually less sustainable in the longer term. Most of the Australian market reported full year earnings during August, and most of the stock moves responded to their results more than the macro news that usually dominates. The number of earnings misses outnumbered beats in what was a slightly disappointing earnings season in aggregate. While revenues were largely in line, the misses came at the margin line with higher labour costs putting some pressure on profitability. Aside from the large moves made by the Fed and China, our own RBA is under increasing pressure around the timing of possible rate cuts in Australia giving inflation trends have continued to moderate throughout most developed markets. Over the quarter, the RBA stood firm with rates on hold, although the language did become slightly less hawkish from its previous meeting, suggesting that rate hikes are now off the table. Inflation came down from 3.8% in the year to June to 2.7% at the end of August, not dissimilar to the trend in the US although still at a notably higher level.

Future investment strategy

So while we see strong US rate cuts and Chinese stimulus as clear positives for both sentiment and underlying economic stability, and therefore justifies some rotation/covering, there remain enough questions as to not go "all in" on a strong cyclical recovery everywhere. As usual, we will let company earnings guide us, but at present we continue to see more risks than opportunities in the possible outcomes. Higher commodity prices might help, or at least diminish the downgrades, and that would be helpful for a sector we can see some value in. More broadly, we worry about the overall market multiple and the extent of positive outcomes that are being priced in. We know Banks are expensive, yet it is one of the few sectors to be seeing earnings upgrades right now, so it is hard to become too bearish. Industrials have also been expensive for some time, but that hasn't stopped them from performing. Has the outlook really improved so much that we should expect even more market upside? That is hard to say definitively, considering what we currently know, so some caution needs to remain.

OnePath Funds Management Limited (ABN 21 003 002 800 AFSL 23 8342) and OnePath Custodians Pty Limited (ABN 12 008 508 496 AFSL 238346 RSE L0000673) are the issuers of this material. Except as described in the relevant Product Disclosure Statement (PDS), the issuers do not stand behind or guarantee the capital or performance of your investment. Your investment is subject to investment risk, including possible repayment delays and loss of income and principal invested. This information is current as at 30 Sep 2024 with the commentary current for the most recent quarter end (eg. March, June, Sept or Dec) however in some cases may be applicable for the preceding month or quarter end. Updated information will be available free of charge by contact Client Services on 133 665. The information is of a general nature and does not take into account your personal needs, financial circumstances or objectives. Before acting on this information, you should consider the appropriateness of the information, having regard to your needs, financial circumstances and objectives. Past performance is not indicative of future performance. The future value of investments may rise and fall with changes in the market. You should read the relevant PDS available at onepath.com.au and consider whether that particular product is right for you before making a decision to acquire or

The logo for OnePath, featuring the word "OnePath" in a bold, sans-serif font. The "O" and "P" are in a dark green color, while the "ne" and "ath" are in a lighter green. A thin, curved line is positioned below the letters "a" and "t".