

# Fund Summary

OnePath International Shares Index Trust

OneAnswer Frontier Investment Portfolio

30 June 2024

## Fund details

|                           |   |
|---------------------------|---|
| <b>Investment manager</b> | <b>OnePath Funds Management Limited</b> |
| <b>Fund code</b>          | MMF1572AU                               |
| <b>Asset type</b>         | Equity World Large Blend                |
| <b>Region</b>             | Global                                  |
| <b>Fund size</b>          | \$95.21 million as at 30 Jun 2024       |
| <b>Commencement date</b>  | 15 Nov 2010                             |
| <b>Distributions</b>      | Quarterly                               |

## Investment objective

The fund seeks to track the returns (income and capital appreciation) of the MSCI World ex-Australia (with net dividends reinvested) hedged into Australian dollars Index, before taking into account fees, expenses, and tax.

## Investment strategy

The fund meets its investment strategy by investing in the OnePath International Shares Index Fund, forward foreign exchange contracts and futures. The fund is exposed to all of the securities in the index most of the time, allowing for individual security weightings to vary marginally from the index from time to time. The fund may be exposed to securities that have been removed from or are expected to be included in the index.

## Minimum time horizon

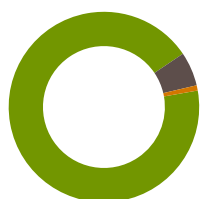
7 years

## 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



|                                      |
|--------------------------------------|
| ■ International Shares (93.33%)      |
| ■ Global Property Securities (5.78%) |
| ■ Cash (0.89%)                       |

## Fund performance

As at 30 Jun 2024

|                | 1 mth | 3 mth | 1 yr  | 3 yr  | 5 yr  | 7 yr  | 10 yr |
|----------------|-------|-------|-------|-------|-------|-------|-------|
|                | %     | %     | %     | % pa  | % pa  | % pa  | % pa  |
| Total Return † | 1.59  | 0.24  | 19.65 | 11.12 | 12.74 | 12.85 | 12.72 |
| Benchmark ‡    | 1.61  | 0.28  | 19.92 | 11.18 | 13.01 | 13.19 | 13.13 |
| Excess Return  | -0.02 | -0.04 | -0.27 | -0.06 | -0.27 | -0.34 | -0.41 |
| Distribution   | 9.26  | 9.14  | 11.49 | 11.20 | 11.33 | 10.16 | 9.95  |
| Growth         | -7.67 | -8.90 | 8.16  | -0.08 | 1.41  | 2.69  | 2.77  |

| Calendar year returns | YTD   | 2024  | 2023   | 2022  | 2021  |
|-----------------------|-------|-------|--------|-------|-------|
| Total Return †        | 14.24 | 23.01 | -12.26 | 28.98 | 5.15  |
| Benchmark ‡           | 14.37 | 23.23 | -12.52 | 29.58 | 5.73  |
| Excess Return         | -0.13 | -0.22 | 0.26   | -0.60 | -0.58 |

## Top 10 holdings

| Security                   | % of fund     |
|----------------------------|---------------|
| Microsoft Corporation      | 4.85%         |
| Apple Inc.                 | 4.75%         |
| Nvidia Corporation         | 4.75%         |
| Amazon.Com, Inc.           | 2.78%         |
| Meta Platforms Inc Class A | 1.70%         |
| Alphabet Inc. Class A      | 1.65%         |
| Alphabet Inc. Class C      | 1.44%         |
| Eli Lilly And Company      | 1.12%         |
| Broadcom Inc.              | 1.09%         |
| Jpmorgan Chase & Co.       | 0.89%         |
| <b>Total Top 10</b>        | <b>25.02%</b> |

\* For further information on Standard Risk Measures and the calculation methodology used, go to [onepath.com.au/personal/performance/product-updates.aspx](https://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 (MSCI World Ex Australia 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.

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## Market and portfolio review

The OnePath Global Shares – Large Cap (Unhedged) Index Pool portfolio returned 1.62% during the one month ending 30 June 2024. The portfolio tracked the underlying index, the MSCI World ex-Australia Index, which returned 1.61% during the same period. The portfolio provides exposure to developed market countries, excluding Australia, with a focus on large- and mid-cap equities. Information Technology (+2.03%), and Communication Services (+0.28%), contributed positively to absolute performance during the period. Financials (-0.30%) and Industrials (-0.26%) sectors contributed negatively to absolute performance. From a country perspective, United States was the largest positive contributor to absolute performance (+2.22%), followed by Netherlands (+0.04%). France (-0.24%) and Canada (-0.08%) detracted from absolute performance. Among individual securities, NVIDIA Corporation was the largest positive contributor to absolute performance (+0.53%) while NIKE, Inc. was the largest detractor on an absolute basis (-0.04%).

## Future investment strategy

Global equity markets continue to appear expensive, with earnings downgrades bottoming out, but not yet showing signs of the positive earnings revisions phase needed to justify the current level. However, slowly reducing inflation around the world provides a potential put option should economies deteriorate. Market persistency, which is the proportion of months the market moves in the same direction as the previous month, has lifted which is encouraging as it indicates improving stability. At home, while the earnings and valuation picture looks similar, stubborn inflation and solid growth in employment makes the situation more tricky for our Reserve Bank to navigate, especially in light of the July tax cuts, and an interest rate lift might now be required in order to apply the brakes on the economy. If this turns out to be the case, consumers could be particularly negatively affected. We have witnessed since April a softening of consumer conditions which, combined with higher wages and rents, will likely put further pressure on the earnings of retailers. Banks' bad debt levels thus far remain benign, allowing the banks to smooth their declining earnings by releasing provisions. A change in economic conditions could however bring an end to this which, given their elevated valuations, is a risk we are cognisant of. The consumer has remained resilient so far thanks to high savings and high employment, but another rate lift could prove to be the tipping point for some cohorts. While negative earnings revisions across the market seem to have stabilised, the only sectors in which we are seeing some upgrades are Energy, Utilities, Banks (although largely through provision releases), and Insurers. We are however on the cusp of reporting the FY24 season so much will likely change in the next month or two. Geopolitics remains a risk to keep monitoring as any further escalation in conflicts would likely result in higher oil prices and higher transportation costs, both of which would add further to inflation. China is showing the early signs of stabilising its problem child, the property market. The Resources sector however is experiencing mixed revisions: gold remains elevated, base metals have corrected and fundamentals appear supportive in the medium term, and lithium keeps disappointing. The energy transition appears to be on pause for now as the studies conducted over the past few years have come back with challenging economics which will require government subsidies and/or customers willing to pay even higher costs. Given all the elections around the world, more certainty is required before these are progressed.

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This information is current as at 30 Jun 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](http://onepath.com.au) and consider whether that particular product is right for you before making a decision to acquire or continue to hold the product.