

# Fund Summary

OnePath Australian Property Securities Index Trust

OneAnswer Frontier Investment Portfolio

31 December 2024

## Fund details

<b>Investment manager</b>	<b>OnePath Funds Management Limited</b>
<b>Fund code</b>	MMF1574AU
<b>Asset type</b>	Australia Real Estate
<b>Region</b>	Australia
<b>Fund size</b>	\$7.4 million as at 31 Dec 2024
<b>Commencement date</b>	15 Nov 2010
<b>Distributions</b>	Quarterly

## Investment objective

The fund seeks to track the return (income and capital appreciation) of the S&P/ASX 300 A-REIT Index before taking into account fees, expenses and tax.

## Investment strategy

The S&P/ASX 300 A-REIT Index comprises property securities (shares) listed on the Australian Securities Exchange (ASX). These securities are real estate investment trusts and companies that own real estate assets and derive a significant proportion of their revenue from rental income. The fund will hold all of the securities in the index most of the time.

## Minimum time horizon

5 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



■ Aust. Property Securities (100%)

## Fund performance

As at 31 Dec 2024

	1 mth	3 mth	1 yr	3 yr	5 yr	7 yr	10 yr
	%	%	%	% pa	% pa	% pa	% pa
Total Return †	-5.81	-6.06	17.31	2.85	5.61	6.93	8.23
Benchmark ‡	-5.83	-6.09	17.63	3.21	6.05	7.47	8.60
Excess Return	0.02	0.03	-0.32	-0.36	-0.44	-0.54	-0.37
Distribution	0.19	0.19	5.30	6.54	6.98	6.36	11.35
Growth	-6.00	-6.25	12.01	-3.69	-1.37	0.57	-3.12

## Calendar year

returns	YTD	2024	2023	2022	2021
Total Return †	-	17.31	16.47	-20.36	26.20
Benchmark ‡	17.63	16.90	3.21	1.55	6.05
Excess Return	-	0.41	13.26	-21.91	20.15

## Top 10 holdings

Security	% of fund
Goodman Group	41.47%
Scentre Group	10.86%
Stockland	6.97%
GPT Group	5.10%
Vicinity Centres	4.95%
Mirvac Group	4.50%
Dexus	4.36%
Charter Hall Group	4.13%
National Storage REIT	1.97%
Charter Hall Long WALE REIT	1.50%
<b>Total Top 10</b>	<b>85.81%</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 (S&P/ASX 300 A-REIT TR) 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 Summary

OnePath Australian Property Securities Index Trust

OneAnswer Frontier Investment Portfolio

31 December 2024

## Market and portfolio review

The OnePath Australian Listed Property Index Pool portfolio returned -5.86% during the one month ending 31 December 2024. The portfolio slightly underperformed the underlying index, the S&P/ASX 300 A-REIT Index, which returned -5.83% during the same period. The portfolio is solely exposed to the Real Estate sector with a focus on Australian Real Estate investment trusts (A-REITs) and mortgage REITs. Only Hotel & Resort REIT (+0.01%) sector contributed positively to absolute performance. Industrial REIT (-2.29%), and Diversified REIT (-1.80%) sectors contributed negatively to absolute performance. Among individual securities, Qualitas Real Estate Income Fund was the largest positive contributor to absolute performance (+0.01%) while Goodman Group (-2.27%) was the largest detractor to absolute performance.

## Future investment strategy

We should probably expect more subdued returns and higher volatility in 2025 than we experienced in 2024, given current valuations and the clouded macro outlook with economic indicators that can rapidly shift for better or worse. What is clear is that we are starting the year off a high bar, with the market having already rallied hard on expectations of multiple interest rate cuts as inflation declined, a better economic outcome than feared and expectations of pro-business and pro-growth policies under a Trump sweep. This euphoria, mainly anchored around the US, spread to our market, propelling the ASX300 to an elevated PE – around 19x – which, in order to be justified, either requires underlying earnings to catch up or for conditions to improve to the extent that future earnings growth looks better than it currently does. While expected earnings growth of only 1 or 2% for the whole market appears conservative and quite achievable, it is from a base that was continuously revised downwards throughout 2024 as macro uncertainties, higher interest rates and cost of living pressures impacted on companies' prospects. While the level of hope is high, divergent macro scenario outcomes still abound. In the US, will Trump's "Make America Great Again" program, which likely includes tax cuts, increased fiscal spending, lower administrative burden and the acceleration of projects, lead to a lift of earnings? Or will immigration cuts and higher import tariffs keep the inflation genie out of the bottle requiring a more hawkish Fed, abating the propensity to spend? The equity market seems to think Trump will lead to economic growth for the US yet the bond market appears more circumspect, concerned it will lead to higher inflation, higher rates or more US government debt. The lift in bond yields since his nomination has highlighted the increased inflationary and deficit risks. Which is right? It will likely depend on one's time horizon but also on the sequence, pace and extent to which each lever gets pulled, and the flow-on to underlying earnings growth which, apart from the high-flying large technology stocks, has so far been quite muted. The market is starting the year with high expectations but there are significant unknowns that will progressively play out through the year. For any market or sector shift to take place in a sustained manner, it needs to be underpinned by earnings and this is where the strength of Alphinity investment process comes through: not trying to forecast macro and/or multiple shifts but focusing on what we can measure and assess bottom-up through our on-the-ground research: company earnings.

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 31 Dec 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

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 color. A thin, curved line is positioned below the text, starting under the "O" and ending under the "h".