

Fund Summary

OnePath Australian Shares Index

OneAnswer Frontier Pension

31 March 2025

Fund details

| | |
|---------------------------|---|
| Investment manager | OnePath Funds Management Limited |
| Fund code | MMF1688AU |
| Asset type | Equity Australia Large Blend |
| Region | Australia |
| Fund size | \$395.13 million as at 31 Mar 2025 |
| Commencement date | 15 Nov 2010 |
| Distributions | Retained |

Investment objective

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

Investment strategy

The S&P/ASX 300 Index includes the large cap, mid cap and small cap components of the S&P/ASX index family. The index covers approximately 81% of Australian equity market capitalisation. The fund will hold most of the securities in the index, allowing for individual security weightings to vary marginally from the index from time to time.

Fund performance As at 31 Mar 2025

| | 1 mth | 3 mth | 1 yr | 3 yr | 5 yr | 7 yr | 10 yr |
|----------------|-------|-------|------|------|-------|------|-------|
| | % | % | % | % pa | % pa | % pa | % pa |
| Total Return † | -3.33 | -2.59 | 2.90 | 6.24 | 13.91 | 9.32 | 7.89 |
| Benchmark ‡ | -3.34 | -2.85 | 2.64 | 5.30 | 13.23 | 8.56 | 7.15 |
| Excess Return | 0.01 | 0.26 | 0.26 | 0.94 | 0.68 | 0.76 | 0.74 |

| Calendar year returns | YTD | 2024 | 2023 | 2022 | 2021 |
|-----------------------|-------|-------|-------|-------|-------|
| Total Return † | -2.59 | 11.60 | 12.90 | 0.20 | 18.01 |
| Benchmark ‡ | -2.85 | 11.39 | 12.13 | 10.15 | 15.46 |
| Excess Return | 0.26 | 0.21 | 0.77 | -9.95 | 2.55 |

Top 10 holdings

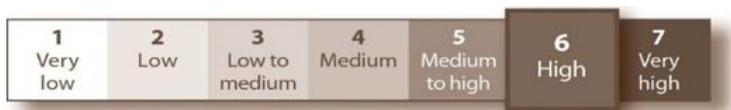
| Security | % of fund |
|---------------------------------|---------------|
| Commonwealth Bank of Australia | 10.25% |
| BHP Group Ltd | 8.02% |
| CSL Limited | 5.45% |
| National Australia Bank Limited | 4.56% |
| Westpac Banking Corporation | 4.44% |
| ANZ Group Holdings Limited | 3.40% |
| Wesfarmers Limited | 3.24% |
| Macquarie Group, Ltd. | 3.14% |
| Goodman Group | 2.72% |
| Woodside Energy Group Ltd | 1.87% |
| Total Top 10 | 47.09% |

Minimum time horizon

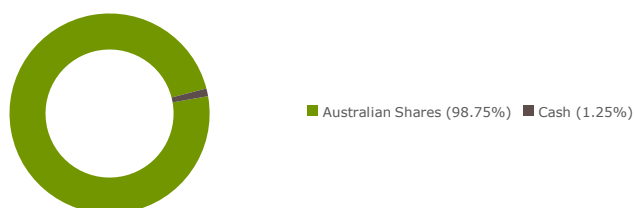
5 years

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



* 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 (S&P/ASX 300 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.

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Market and portfolio review

The first quarter of 2025 began on a positive footing as market momentum continued into Trump's inauguration, but it quickly dissipated as the reality of policy uncertainty kicked in, especially around tariffs and potential global trade wars. Feedback from company management teams across the globe suggests that companies are holding back on investment and spending decisions until there is a clearer outlook, which appears unlikely in the near term. Australian shares (including dividends) fell 2.9% over the March quarter, outperforming the US market (S&P 500 - 5.5%) while technology stocks suffered the largest losses (US NASDAQ - 11%). The rotation out of the US into regions such as Europe and Emerging Markets continued, with Europe gaining 9% and the MSCI Emerging Markets Index rose 1.5%. Hong Kong was among the best performing developed market, gaining 14%. The US Dollar continued to slide, falling 3%, while US bond yields fell 36 basis points to 4.2% reflecting economic growth concerns. In addition to country rotation out of the US, value stocks also outperformed growth stocks, while the best asset class was the safe-haven gold space. Economic data wasn't out of line with what played out in financial markets, where sentiment indicators such as consumer and business confidence trended lower. The widely-followed University of Michigan US consumer confidence was below expectations for three straight months, its latest reading representing a 2½ year low. Despite poor sentiment, the 'hard' data such as manufacturing indices and industrial production remains strong. We are yet to see the uncertainty around tariffs and trade wars migrate from sentiment to the real economy although one would think this is only a matter of time, should the uncertainty persist. On the other hand, China data offered some green shoots and, while we are yet to see evidence of a rebound in the property market, demand for credit has improved as new loan activity increased and both manufacturing and non-manufacturing indices were stronger. In Australia, only three sectors finished in positive territory: Industrials, Utilities and Communication Services. The fall in Wisetech shares led Tech stocks lower (-18% as a group), while Healthcare (-10%), Energy (-8%) and Property Trusts (-7%) all underperformed. The price of oil was fairly steady over the quarter but other commodities moved around a lot: Gold rose by 18% but Coal fell by between 15 and 20%, depending on the type. Base metal prices were generally higher, Copper, Tin and Nickel especially, but the price of Zinc fell a little.

Future investment strategy

If we were debating the extent of US slowdown or inflation lift before 'Liberation Day', there seems very little debate about that now. While we clearly have no better idea than anyone else as to where final tariffs end up or what else gets done, retaliation-wise or deal-wise, the administration's intent is very clear, and anyone expecting some material backdown in the short term is likely to be disappointed. Whilst the end-game may also be to reduce not only the US fiscal deficit but also its elevated debt level, the path chosen comes with a potentially fundamental and lasting change to global trade. Pushing the Fed to lower interest rates, and extending consumer and or business tax cuts to cushion the downturn may be the silver bullet Trump and the market is looking for (in the US anyway), but quite a few things have to go his way for that to ultimately play out and work as intended. In the meantime, this period of 'adjustment', to put it mildly, is likely to be disruptive to markets and the economy for some time. Valuations have come down here but are still elevated compared to history. While down from a high of around 20x a few months ago, the overall market multiple of ~17x, against the historical average of ~15x, is still elevated. Given the extent of uncertainty created globally, and that we are only at the start of this cycle where we haven't seen the earnings impacts yet, it would not be a stretch to assume PEs may have to get below long term averages to be considered cheap (in the absence of large interest rate or liquidity responses from central banks). Companies are still on average having earnings downgrades. This is not a great backdrop for stellar market returns or stability near term you would think. So the risk is that the market is trying to price in what we know today, but there could be more to come tomorrow and it could be good or bad. However, we are stressing patience here as volatility is likely to remain for some time. Great opportunities will arise, but for now quality and earnings certainty will be even more important going forward we believe.

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This information is current as at 31 Mar 2025 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

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