

Fund Summary

OnePath Australian Shares Index

OneAnswer Frontier Personal Super

30 June 2025

Fund details

Investment manager	OnePath Funds Management Limited
Fund code	MMF1811AU
Asset type	Equity Australia Large Blend
Region	Australia
Fund size	\$422.34 million as at 30 Jun 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.

Minimum time horizon

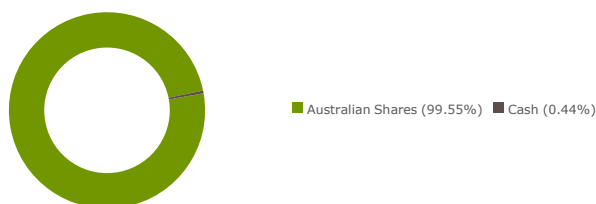
5 years

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.

Fund performance

As at 30 Jun 2025

	1 mth	3 mth	1 yr	3 yr	5 yr	7 yr	10 yr
	%	%	%	% pa	% pa	% pa	% pa
Total Return †	1.26	8.61	12.58	12.52	11.17	8.43	8.55
Benchmark ‡	1.42	9.48	13.74	13.35	11.77	8.72	8.85
Excess Return	-0.16	-0.87	-1.16	-0.83	-0.60	-0.29	-0.30

Calendar year returns	YTD	2024	2023	2022	2021
Total Return †	5.97	10.38	11.53	-0.20	16.15
Benchmark ‡	6.36	11.39	12.13	-1.77	17.54
Excess Return	-0.39	-1.01	-0.60	1.57	-1.39

Top 10 holdings

Security	% of fund
Commonwealth Bank of Australia	11.67%
BHP Group Ltd	7.04%
National Australia Bank Limited	4.55%
CSL Limited	4.38%
Westpac Banking Corporation	4.37%
Wesfarmers Limited	3.63%
ANZ Group Holdings Limited	3.27%
Macquarie Group, Ltd.	3.06%
Goodman Group	2.63%
Telstra Group Limited	2.09%
Total Top 10	46.69%

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Market and portfolio review

Despite a number of headwinds, both geopolitical and tariff-related, equity markets displayed resilience following the initial "Liberation Day" sell-off in early April. Threats of escalation in the Middle East and the impact of US-imposed tariffs on global trade only served to provide investors with perceived good buying opportunities, and markets rallied across the board to finish the June quarter with healthy gains. The TACO trade (Trump Always Chickens Out) was in full effect as markets priced in further watering down of highly punitive tariffs. Australia's S&P/ASX 300 index (including dividends) closed the quarter up 9.5%, while global stocks and US stocks both closed up more than 10% in USD terms, although the falling USD had the effect of more than halving these returns in AUD terms.

Aside from the risks mentioned above, lofty valuations and lack of earnings growth were other factors that usually keep investors cautious, but whether it be the degree of underpositioning with high cash levels ready for deployment or simply a buy-the-dip mindset, many markets finished the quarter reaching all-time highs. Growing expectations of rate cuts here and offshore were supportive, with aggressive cuts being priced in the market; at least three in Australia before year-end, and two or three cuts in the US. Although these expectations can be quickly revised in either direction depending on inflation and jobs numbers, the dovish outlook has helped fuel the equities rally. In May, Australia's RBA cut rates 25 bps for the second cut in the current interest rate cycle, with the third cut also expected in the July meeting.

Sector-wise, most groups closed higher over the quarter. Energy stocks performed inline, with a bid for Santos and strong performance from refiner and retailer Viva Energy driving the sector, although oil (Brent) fell by 8% to USD67 despite the Iran / Israel conflict. Once it was clear that Iran's retaliation wouldn't threaten/disrupt oil supply, the oil price swiftly gave up any short-term gains. The underperforming sectors were mostly defensives, with Utilities (+1%), Healthcare (+2%) and Consumer Staples (+4%) all recording returns lower than the benchmark, while Materials was the only sector to actually lose value (-0.4%). Despite brief rotations, the miners are inextricably linked to Chinese growth and the fundamentals are not there yet for any sustained improvement. Iron ore prices fell by 4.4% over the quarter to USD94, although a rebound in Copper prices during June helped lift Copperproducing miners.

Future investment strategy

"Resilience", "Hope", "Complacency" are words that come to our minds when describing current market conditions. The market keeps pushing up to record levels regardless of what is thrown at it. This month's pre-emptive attack on Iran hardly dented the market's enthusiasm despite the threat of disruption to 20% of global oil flows, averted thanks to a swift yet fragile ceasefire. Another economic bomb, the US "reciprocal tariffs" declared on "Liberation Day" back in April, then delayed by 90 days, could come back into effect on July 9 unless "better" (for the US) deals are agreed, or a further extension is granted. To date, the 90 deals in 90 days promised looks optimistic with just one agreed (UK), and an agreed (undisclosed) "framework" for a deal with China. Recent talks of a trade truce have also helped, although our Prime Minister can't even get an audience with the US President to make our sacrificial offering.

In the meantime, companies we speak with indicate that they are delaying investment and hiring decisions given prevailing uncertainties, which does not help economic activity. Economic data in the US is starting to reflect this: consumer spending has softened, housing construction activity has weakened further, and GDP growth has been revised downward by 1% pa since January. The US Fed acknowledges this but still describes the US economy as resilient, maintaining instead its focus on inflation, with concern it might lift over the next few months on the back of the tariff implementation. If the data turns out to be more benign than expected by September, rate cuts should follow, and the market is pricing three cuts to US rates by year end. Yet, despite all the uncertainty which is starting to bleed into negative earnings revisions, the market seems to be taking the view that the worst is behind it, that tariffs will de-escalate, interest rates will be cut further, and that the rise of AI and the tax cuts in the so-called Big Beautiful Bill will keep fuelling growth. If the market is right, earnings will need to be revised upwards to start justifying the elevated market multiple. "Complacency" is the word that most resonates with our investment team at this stage (not the team, but the environment!). Risks have increased meaningfully and earnings are declining, yet valuations do not reflect the increased risk versus a few months ago. We keep scratching our heads, but we are aware that valuations can remain out of sync with earnings for a long time.

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This information is current as at 30 Jun 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 continue to hold the product.