

Fund Summary

OnePath International Shares Index

OneAnswer Frontier Personal Super

31 December 2025

Fund details

Investment manager	OnePath Funds Management Limited
Fund code	MMF1817AU
Asset type	Equity World Large Blend
Region	Global
Fund size	\$430.2 million as at 31 Dec 2025
Commencement date	15 Nov 2010
Distributions	Retained

Investment objective

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

Investment strategy

The MSCI World ex-Australia Index comprises securities (shares) listed on the exchanges of the world's major developed economies. 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. The fund may invest in 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



* 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 (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.

Fund performance

As at 31 Dec 2025

	1 mth	3 mth	1 yr	3 yr	5 yr	7 yr	10 yr
	%	%	%	% pa	% pa	% pa	% pa
Total Return †	-0.82	2.32	11.42	19.88	14.06	14.15	11.80
Benchmark ‡	-0.90	2.55	12.53	22.08	15.57	15.79	13.23
Excess Return	0.08	-0.23	-1.11	-2.20	-1.51	-1.64	-1.43

Calendar year returns	YTD	2025	2024	2023	2022
Total Return †	-	11.42	28.00	20.81	-11.32
Benchmark ‡	12.53	31.18	22.08	-12.52	15.57
Excess Return	-	-19.76	5.92	33.33	-26.89

Top 10 holdings

Security	% of fund
NVIDIA Corporation	5.50%
Apple Inc.	4.89%
Microsoft Corporation	4.14%
Amazon.com, Inc.	2.69%
Alphabet Inc. Class A	2.21%
Broadcom Inc.	1.88%
Alphabet Inc. Class C	1.86%
Meta Platforms Inc Class A	1.74%
Tesla, Inc.	1.54%
JPMorgan Chase & Co.	1.07%
Total Top 10	27.52%

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Market and portfolio review

Developed market equities had a strong month to close out the year, led by European and emerging markets (ex-China). The Federal Reserve and Bank of England delivered rate cuts, while the Bank of Japan hiked rates. European stocks rallied on the back of an improved growth forecast by the ECB. US equities were encouraged by better-than-expected inflation data, but questions around the artificial intelligence trade weighed down overall performance.

Alongside the Fed rate cut at the December FOMC meeting was the updated economic projections for 2026. The Fed raised their US growth projections from a near trend pace of 1.8% to an above trend pace of 2.3%. Chair Powell noted that the stronger growth forecasts reflect in part the anticipated productivity gains, including those linked to AI. The first fresh inflation report since the government shutdown came in lower than anticipated, with core CPI rising 2.6% y/y in November, much cooler than expectations for 3.0% and the slowest pace since March 2021. While some skepticism stemmed from the government shutdown related carry forward assumptions, the broad-based disinflation reading was broadly seen as encouraging.

The ECB also raised forecast for growth for 2026 slightly to 1.20%. November German federal expenditures fell back in pace, but with greater fiscal spending from the likes of Germany and Sweden in 2026, activity across the broader European area is more likely to surprise to the upside. China wrapped the year up with its annual Central Economic Work Conference (CEWC) setting the policy framework and finalizing key macro targets – though official numbers will only be released at the March NPC. Investment and retail sales activity slowed in November, but the PBOC struck a more accommodative easing tone, suggesting more reactive easing to come in 2026. The lack of urgency for policy stimulus through the end of the year was unsurprising, underscored by President Xi's comments that "China has forged ahead under pressure" and has met all economic goals for the year regardless.

Future investment strategy

We step into 2026 optimistic, though acutely aware that conditions can deteriorate swiftly. There's an uncomfortable déjà vu of early 2025's optimism, which soured rapidly after "Liberation Day's" tariff conflagration, but for now we err on the positive side.

The first half of 2026 looks genuinely promising. In the US, further Federal Reserve cuts are expected, private sector job growth is recovering, AI capital expenditure continues its vertiginous climb, and a tariff truce with China provides welcome respite. Add to this the looming October mid-terms—effectively installing a "Trump Put". In China, the next Five-Year Plan unveils in March with commitments to maintain growth around 5%, whilst exports look set to remain robust. At home, the Australian economy continues to demonstrate resilience: immigration is running above pre-COVID levels, capital expenditure is lifting, and the RBA—having pivoted from dovish to hawkish on the back of stubborn inflation—is now in observing mode. The setting is encouraging, though elevated market valuations and a broadly constructive consensus keep us alert. Familiar risks warrant monitoring: persistently elevated inflation, a weakening US consumer, eye-watering AI expenditure and geopolitical uncertainties.

Yet notwithstanding these risks, fundamentals are improving. Global earnings revisions are trending upward—and not just for the Magnificent Seven but more broadly across Financials, Health Care, and Utilities. The same dynamic is unfolding in Australia. After years of relentless downgrades, Materials and, to a lesser extent, Financials are leading an inflection that has brought the market PE back below 20x. We expect Australian earnings to continue surprising to the upside. The earnings leadership rotation toward Metals & Mining over the past quarter looks likely to extend into the New Year as a potent combination sets the scene for further upgrades. Banks and diversified financials should also continue to surprise positively.

The question we've been debating: which sectors or stocks fund this Metals & Mining rotation if not the banks and financials? The answer, we believe, lies in expensive long-duration growth stocks—particularly Technology and Health Care. Whilst higher rates could create a consumer headwind, spending has held up since the RBA's tone shift. Still, selectivity within Consumer Discretionary is essential.

We favour domestic retailers offering consumers good value and/or exposure to the undersupplied housing market, whilst continuing to avoid US discretionary names given pressure on lower- and middle-income consumers.

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