

Fund Summary

OnePath International Shares Index

OneAnswer Frontier Personal Super

31 December 2024

Fund details

Investment manager	OnePath Funds Management Limited
Fund code	MMF1817AU
Asset type	Equity World Large Blend
Region	Global
Fund size	\$422.24 million as at 31 Dec 2024
Commencement date	15 Nov 2010
Distributions	Retained

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 †	2.34	10.92	28.00	11.10	12.66	12.60	11.78
Benchmark ‡	2.58	12.12	31.18	12.25	14.14	14.10	13.16
Excess Return	-0.24	-1.20	-3.18	-1.15	-1.48	-1.50	-1.38

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.

Calendar year returns	YTD	2024	2023	2022	2021
Total Return †	-	28.00	20.81	-11.32	26.33
Benchmark ‡	31.18	23.23	12.25	13.35	14.14
Excess Return	-	4.77	8.56	-24.67	12.19

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

Top 10 holdings

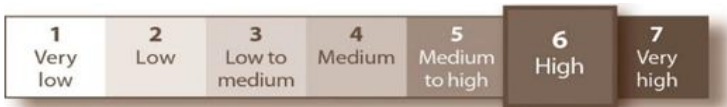
Security	% of fund
Apple Inc.	5.54%
NVIDIA Corporation	4.79%
Microsoft Corporation	4.33%
Amazon.com, Inc.	3.01%
Meta Platforms Inc Class A	1.86%
Tesla, Inc.	1.69%
Alphabet Inc. Class A	1.61%
Broadcom Inc.	1.49%
Alphabet Inc. Class C	1.39%
JPMorgan Chase & Co.	0.99%
Total Top 10	26.70%

Minimum time horizon

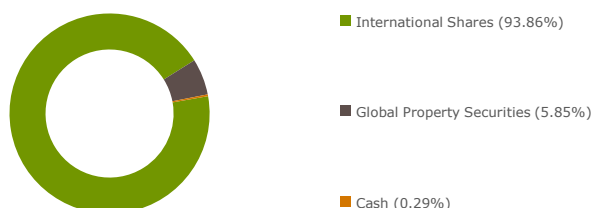
7 years

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 Summary

OnePath International Shares Index

OneAnswer Frontier Personal Super

31 December 2024

Market and portfolio review

The OnePath Global Shares –Large Cap (Unhedged) Index Pool portfolio returned +2.60% during the one month ending 31 December 2024. The portfolio closely tracked the underlying index, the MSCI World ex-Australia Index, which returned +2.58% 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 (+1.54%), and Consumer Discretionary (+0.81%), contributed positively to absolute performance during the period. Health Care (-0.12%) and Industrials (-0.11%) sectors contributed negatively to absolute performance. From a country perspective, the United States was the largest positive contributor to absolute performance (+1.93%) followed by Japan (+0.25%). Denmark (-0.07%) and Canada (-0.02%) detracted from absolute performance. Among individual securities, Apple Inc. was the largest positive contributor to absolute performance (+0.56%) while UnitedHealth Group Incorporated was the largest detractor on an absolute basis (-0.10%).

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 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 green, sans-serif font. The "O" and "P" are larger and more prominent. Below the text is a green swoosh that underlines the word.