

Fund Summary

OnePath International Shares Index (Hedged)

OneAnswer Frontier Personal Super

30 September 2025

Fund details

Investment manager	OnePath Funds Management Limited
Fund code	MMF1818AU
Asset type	Equity World - Currency Hedged
Region	Global
Fund size	\$50.89 million as at 30 Sep 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) hedged into Australian dollars Index, before taking into account fees, expenses, and tax.

Investment strategy

The fund meets its investment strategy by investing in the OnePath International Shares Index Fund, forward foreign exchange contracts and futures. The fund is exposed to all of the securities in the index most of the time, allowing for individual security weightings to vary marginally from the index from time to time. The fund may be exposed to securities that have been removed from or are expected to be included in the index.

Minimum time horizon

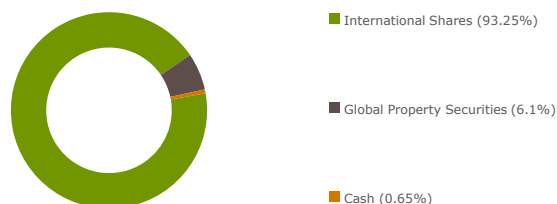
7 years

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



Fund performance

As at 30 Sep 2025

	1 mth	3 mth	1 yr	3 yr	5 yr	7 yr	10 yr
	%	%	%	% pa	% pa	% pa	% pa
Total Return †	2.97	6.85	15.17	19.30	12.19	9.52	10.45
Benchmark ‡	1.99	6.14	23.03	22.63	16.27	13.45	13.14
Excess Return	0.98	0.71	-7.86	-3.33	-4.08	-3.93	-2.69

Calendar year returns	YTD	2024	2023	2022	2021
Total Return †	13.14	18.73	18.88	-16.46	20.84
Benchmark ‡	9.73	31.18	23.23	-12.52	29.58
Excess Return	3.41	-12.45	-4.35	-3.94	-8.74

Top 10 holdings

Security	% of fund
Nvidia Corporation	5.74%
Apple Inc.	4.80%
Microsoft Corporation	4.61%
Amazon.Com, Inc.	2.65%
Meta Platforms Inc Class A	2.01%
Broadcom Inc.	1.86%
Alphabet Inc. Class A	1.79%
Tesla, Inc.	1.63%
Alphabet Inc. Class C	1.51%
Jpmorgan Chase & Co.	1.11%
Total Top 10	27.71%

* 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 (Hedged)

OneAnswer Frontier Personal Super

30 September 2025

Market and portfolio review

Financial market performance was mixed but broadly positive across asset classes and world regions. Chinese equities were a notable leader, particular those listed in Hong Kong, while major equity indexes in the US, Japan, South Korea, and Taiwan reached record levels. US Treasury yields edged lower across the curve, and the dollar was flat. Generally, markets benefited from building expectations for rate cuts and were aided by strong tech sector performance in both the US and China.

Data revisions in the US painted a 2-sided picture of the economy. The third estimate of Q2 GDP showed growth was revised up to an annualized 3.8% from 3.3%, the fastest pace in nearly 2 years, largely due to better-than-expected consumer spending. In contrast, US labor market data continued to show signs of weakness. Early in the month, weekly initial jobless claims hit their highest level in nearly four years while a weak August employment report showed payrolls rose by just 22k, against consensus estimates for a 75k increase. Adding to the weaker tone, payroll growth in the 12-months though March 2025 was revised down by 911,000 jobs in the preliminary annual benchmarking study.

Against this backdrop the Fed delivered a widely anticipated quarter-percentage point cut, bringing the federal funds rate to 4.00%-4.25%. Chairman Powell noted that "downside risks to employment have risen" and characterized the move as a "risk management cut", likely intended to stave off further labor market softening. The Fed projected two more 25bps cuts by year-end followed by another two through 2027, yet the dot plot indicated little consensus around those forecasts. CPI inflation data showed a modest uptick mostly from the shelter component, but the tariff pass-through into goods prices seems to be moderate thus far.

Adding to the global political backdrop, Japan's Prime Minister Shigeru Ishiba announced his resignation, triggering an internal LDP leadership contest to determine his successor. Markets quickly priced in the prospect of more sizable fiscal stimulus, in line with opposition demands, a shift that proved broadly supportive for Japanese equities, which pushed on to fresh record highs.

Finally, in China, authorities announced that the Communist Party will convene from October 20–23 to set the framework for the next Five-Year Plan (2026–2030), a blueprint expected to emphasize domestic consumption, industrial upgrading, and resilience against external shocks. Flows into Chinese equities have remained strong, driven by lower rates which encouraged a rotation into equities from other asset classes, alongside supportive policy measures.

Future investment strategy

It was tempting to write a concise Outlook this month, which readers would likely appreciate. Something like, "The market is likely to keep going up. We are focused on the potential change and sustainability in the mix of that growth." The most likely direction of a stock or market is its current trend. People downplay that because it feels too simple, yet price momentum remains one of the strongest predictors of future direction—until it's not. People underestimate how long those periods between "it's nots" are. Momentum reflects both real and expected information, so it deserves attention. The adage that "the market is always right" still plays out. By precedent, Trump's actions should have tipped the US and global economies given valuations. Yet six months after "Liberation Day," markets hit new highs. Earnings haven't rolled over; the US and most markets now have upgrades after earlier pessimism (Australia less so, but improving). The US and global economies are adapting, slowing in parts but not as much as expected. Even China holds without major stimulus. So is this calm before the storm, or proof of adaptability while liquidity saves the day? The longer it continues, the more likely the latter. Why is the market charging ahead, and will it last?

In the US, averages are OK.

Lower-end consumers struggle, but resilience holds through spending shifts and higher wages.

AI-driven capex has transformed US growth.

Rate cuts support sentiment, offsetting weakness or reflecting Trump's influence.

Trump is delivering on tariffs, reshoring, and fiscal stimulus ("Big Beautiful Bill") likely boosting 2026.

Global trade is adapting faster than expected.

The bigger question now is not overall direction but what drives future growth composition. In Australia, a shift in mix is emerging. Market returns long followed limited earnings revisions—financials, defensives, gold—but that's changing. For the first time in years, we've turned slightly positive on earnings revisions. Global cyclical are improving as the world economy holds. Commodities are resilient. Rates are falling.

The Australian economy is relatively strong.

This sets up a potential shift in earnings leadership from defensive and domestic to global and cyclical. Earlier rotations were brief, but the one starting in July seems more persistent, with firm commodities and a steady global economy. It's tentative, not definitive, until 2026 earnings post-tariffs confirm it—but it's healthy for a market that looks stretched on valuation. We prefer to observe and respond rather than guess, but current trends warrant attention.

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 30 Sep 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.