

# Fund Summary

OnePath Global Listed Infrastructure Index Trust

OneAnswer Frontier Investment Portfolio

30 September 2024

## Fund details

<b>Investment manager</b>	<b>OnePath Funds Management Limited</b>
<b>Fund code</b>	MMF2654AU
<b>Asset type</b>	Global Infrastructure - Currency Hedged
<b>Region</b>	Global
<b>Fund size</b>	\$5.58 million as at 30 Sep 2024
<b>Commencement date</b>	20 Sep 2021
<b>Distributions</b>	Quarterly

## Investment objective

The fund seeks to track the returns of the FTSE Developed Core Infrastructure 50/50 Net Hedged to AUD Index (including income and capital appreciation) before taking into account fees, charges and taxes.

## Investment strategy

The fund will have exposure to global listed infrastructure securities. The weightings relative to the index may vary from the index from time to time. This fund may invest in infrastructure securities that have been or are expected to be included in the indices. Derivatives are not utilised to leverage the portfolio.

## Minimum time horizon

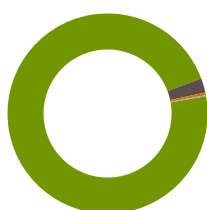
5 years

## 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



■ Global Property Securities (97.06%)
■ International Shares (2.34%)
■ Cash (0.43%)
■ Australian Shares (0.16%)

## Fund performance

As at 30 Sep 2024

	1 mth	3 mth	1 yr	3 yr	5 yr	7 yr	10 yr
	%	%	%	% pa	% pa	% pa	% pa
Total Return †	2.09	11.75	24.77	5.95	-	-	-
Benchmark ‡	2.10	11.83	24.64	5.73	-	-	-
Excess Return	-0.01	-0.08	0.13	0.22	-	-	-
Distribution	0.57	0.62	3.62	5.03	-	-	-
Growth	1.52	11.13	21.15	0.92	-	-	-

## Calendar year

returns	YTD	2024	2023	2022	2021
Total Return †	14.69	0.38	-3.86	-	-
Benchmark ‡	14.61	0.02	-4.16	-	-
Excess Return	0.08	0.36	0.30	-	-

## Top 10 holdings

Security	% of fund
NextEra Energy, Inc.	5.09%
Transurban Group Ltd.	4.84%
Aena SME SA	4.78%
Union Pacific Corporation	3.87%
Southern Company	3.56%
American Tower Corporation	3.38%
Duke Energy Corporation	3.21%
Enbridge Inc.	2.69%
National Grid plc	2.44%
Auckland International Airport Limited	2.15%
<b>Total Top 10</b>	<b>36.01%</b>

\* For further information on Standard Risk Measures and the calculation methodology used, go to [onepath.com.au/personal/performance/product-updates.aspx](https://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 (FTSE Dvlp Core Infra 50/50 NR Hdg 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.

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## Market and portfolio review

September was a month characterized by central banks pivots, now beginning to cut rates sequentially after an extended period of restrictive policy. This follows substantial disinflationary progress and a clearer indication that many of the world's major economies are slowing – though not worryingly so. Under this backdrop, cross asset performance was healthy. Stocks rose and fixed income overall was lifted by the prospect of lower rates. Outliers were the strong rally in Chinese equities on the back of a jumbo stimulus package, along with gold prices which continue to trudge upwards due to US dollar dynamics and lower real yields.

At the September FOMC, the Fed decided to cut rates by a higher than anticipated 50bps. In addition, the dot plot indicated a median 50bps more in cuts by year end 2024. While unemployment is low relative to history, downside risks have increased as indicated by a rising unemployment rate.

For the second time this year, the ECB cut its deposit rate by 25bps to 3.5%, in line with consensus estimates. The ECB gave little forward guidance as to the policy path ahead, but marginally lowered its GDP forecast to 0.8% for the year due to softer demand. Weaker inflation prints could push the ECB to cut more expediently.

The most significant policy shift came from China, where policymakers announced a forceful and broad-based stimulus package targeting the consumer, housing market and banking system. One time cash handouts were given to citizens, and the Politburo pledged to stop the housing market decline. More important was the signal that policymakers are now willing to do whatever it takes to right size the economy. The 1-year MLF was slashed by 30bps – the largest cut to the tool on record. It helped that the measures came at a time when Chinese equities are trading at attractive valuations and global investors significantly underweight, acting as an adrenaline shot.

With regards to global politics, the Harris-Trump debate drew in considerable viewership and presented many vivid flash points but no development that could fundamentally alter an already very close US election. Elections in Japan concluded with Ishiba winning the party election for the Liberal Democratic Party of Japan (LDP), albeit by a slim margin. Japanese stocks fell slightly in immediate response but neither event moved markets meaningfully.

## Future investment strategy

So while we see strong US rate cuts and Chinese stimulus as clear positives for both sentiment and underlying economic stability, and therefore justifies some rotation/covering, there remain enough questions as to not go "all in" on a strong cyclical recovery everywhere. As usual, we will let company earnings guide us, but at present we continue to see more risks than opportunities in the possible outcomes. Higher commodity prices might help, or at least diminish the downgrades, and that would be helpful for a sector we can see some value in. More broadly, we worry about the overall market multiple and the extent of positive outcomes that are being priced in. We know Banks are expensive, yet it is one of the few sectors to be seeing earnings upgrades right now, so it is hard to become too bearish. Industrials have also been expensive for some time, but that hasn't stopped them from performing. Has the outlook really improved so much that we should expect even more market upside? That is hard to say definitively, considering what we currently know, so some caution needs to remain.

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The logo for OnePath, featuring the word "OnePath" in a bold, sans-serif font. The "O" and "P" are in a dark green color, while the "ne" and "ath" are in a lighter green color. A thin, curved line is positioned below the text, starting under the "O" and ending under the "h".