Fund Summary

OnePath Wholesale Balanced Trust

Wholesale Trust

31 December 2025

Fund details

Investment manager	**OnePath Funds Management Limited**
Fund code	AJF0802AU
Asset type	Multisector Balanced
Region	Global
Fund size	$4.06 million as at 31 Dec 2025
Commencement date	31 Oct 1996
Distributions	Quarterly

Investment objective

The fund aims to achieve returns (before fees, charges and taxes) that on average exceed inflation by at least 4.0% p.a., over periods of ten years or more.

Investment strategy

The fund invests in a diversified mix of Australian and International assets spread across growth and defensive asset classes. The fund blends active and passive management styles from a selection of leading investment managers.

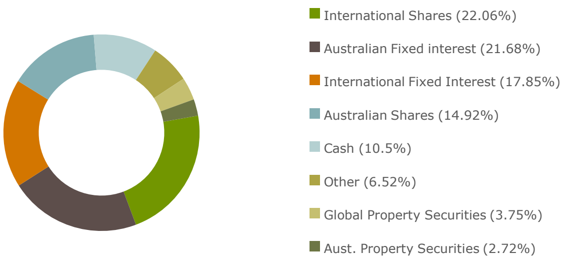
Minimum time horizon

10 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 31 Dec 2025

	1 mth %	3 mth %	1 yr %	3 yr % pa	5 yr % pa	7 yr % pa	10 yr % pa
Total Return †	0.06	0.76	6.57	7.86	5.25	5.88	5.26
Benchmark ‡	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A
Excess Return	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A
Distribution	0.99	0.99	3.11	2.69	3.92	4.78	5.41
Growth	-0.93	-0.23	3.46	5.17	1.33	1.10	-0.15

Calender year returns	YTD	2025	2024	2023	2022
Total Return †	-	6.57	8.10	8.92	-6.62
Benchmark ‡	-	#N/A	#N/A	#N/A	#N/A
Excess Return	-	#N/A	#N/A	#N/A	#N/A

* 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 (CPI + 4.0%) 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

A final push higher from Australian shares in December was not enough to recover from a November slump, resulting in a quarterly loss of -0.9% for the ASX300 index (including dividends). Weakness was largely driven by interest rate concerns, and Australia underperformed most other markets, with global stocks finishing the quarter up 2.4% in AUD terms. Europe (+5.5%) and Emerging Markets (+3.9%) were stronger, while the US (+1.8%) marginally underperformed. Despite softness later in the year and the Trump tariff wobble in April, Australian shares still delivered an 11% gain in 2025, similar to gains of 11% and 12% in the prior two years.
The relatively rapid RBA pivot from rate cutting to holding, and the increasing likelihood of rate hikes, weakened interest-rate-sensitive sectors such as consumer and technology stocks, while Property Trusts proved more resilient. The shifting domestic rate outlook also drove divergence in long-end yields relative to the US, with the RBA potentially hiking while US cuts are expected in early 2026. The Australian 10-year bond yield rose 44 basis points to 4.74%, while the US equivalent was flat at 4.17%.
During the December quarter, Materials was the largest contributor to ASX gains and the key point of difference versus global markets, supported by strong commodity prices. As questions emerged around the sustainability of the AI boom and cracks appeared in US mega-cap tech, precious metals (gold and silver) and transition metals (copper, aluminium, rare earths and lithium) drove strong gains, areas where Australia has meaningful exposure.
The resources sector is less sensitive to rate hikes and trades on cheaper valuations than the broader market. Rotation into resources has supported value stocks, with the Australian MSCI Value Index outperforming the Growth Index by nearly 20% since July. Last quarter, Materials (+13%) stood out, while Technology (-24%), Consumer Discretionary (-12%) and Healthcare (-10%) were the largest detractors. For 2025, Technology and Healthcare fell 20% and 25% respectively, while Materials gained 33%. Despite stronger commodity prices overall (copper +22%, aluminium +11%, iron ore +4%), oil lagged, declining 7% last quarter to finish the year around USD60 per barrel.

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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