

# ONEPATH ALTERNATIVES GROWTH

Quarter ended 30 September 2022

## A multi-manager alternatives fund

### FUND OVERVIEW

The **OnePath Alternatives Growth ('OPAG') Fund** is a daily liquid multi-manager/multi-strategy investment which invests in institutional quality, liquid alternative investment managers and strategies. The performance of the OPAG Fund is fully hedged to the Australian Dollar.

The portfolio is constructed to outperform the Bloomberg AusBond Bank Bill Index ('Cash') by 4% per annum (p.a.) (after fees) over rolling 5-year periods, with low beta to traditional assets. The portfolio targets volatility less than half of that of global equities, with an expected range of 4-6% p.a.; however, this can rise during periods of extreme market volatility.

The portfolio is expected to act as a diversifier, offering alternative sources of return generation, while also providing a cushion against significant drawdowns in equities. The portfolio can, however, be negatively impacted against a cash benchmark over shorter time periods which are characterised by indiscriminate sell-offs or divergence away from fundamentals, or where there is a lack of, or sharp reversals in, directional price trends.

### RATIONALE FOR INVESTING

The key benefits of investing in the multi-manager/multi-strategy OPAG Fund are:

- Actively managed exposure to multiple liquid alternative managers and strategies;
- Offers exposure to non-traditional sources of return, and access to proven institutional quality manager expertise;
- Targets lower volatility of returns, with less downside risk than traditional asset classes; and
- Achieves enhanced portfolio diversification when blended with core equity and fixed income investments within a diversified, multi-asset portfolio.

### STRATEGY ALLOCATIONS

The OPAG Fund currently invests in the following underlying funds/strategies:

**Fulcrum Diversified Absolute Return Fund** – A diversified multi-asset strategy with dynamic asset allocation across equities, fixed income, currencies, commodities, and alternative assets. The funds aim to deliver risk-adjusted real returns with lower volatility than equity markets.

**GMO Systematic Global Macro Trust** – A systematic global macro strategy which aims to add value through five main activities: asset allocation, and market selection across equities, bonds, currencies and commodities. A systematic investment process is used that combines value and sentiment-based strategies, while controlling for risk.

**Janus Henderson Global Multi-Strategy Fund** – A multi-strategy hedge fund approach across a range of strategies such as convertible arbitrage, event driven, price pressure, risk transfer, equity market neutral and portfolio protection.

**Metrics MCP Wholesale Investments Trust** – A private debt strategy which provides diversified exposure to Australia's bank dominated corporate loan market by investing in loans to public and private companies, infrastructure, project finance, private equity sponsored, real estate, and structured finance borrowers, either directly or via investment in other wholesale funds managed by its investment manager Metrics Capital.

**ManAHL Alpha (AUD) Fund** – Invests in underlying AHL ‘flagship’ programs which primarily employ ‘trend-following’ strategies that seek to identify and profit from both upwards and downwards movements in prices across a diverse range of investment markets including equities, bonds, interest rates, currencies, and commodities.

**Bentham Syndicated Loan Fund** – An actively managed strategy, focused on generating stable investment income. The fund aims to provide investors with exposure to high-yielding investments primarily through the US syndicated loan market, with an active allocation to investments in different industries, issuers, and geographies. Since July 2021, this strategy has been progressively reduced to zero to allow for the implementation of Janus and Metrics, with it to remain an approved strategy able to be utilised tactically where market pricing and conditions are supportive.

### Quarter End Portfolio Allocations

Asset	Weighting (%)	Classification
GMO Systematic Global Macro Trust	17%	Global Macro
Fulcrum Diversified Absolute Return Fund	22%	Multi-Asset/Multi-Strategy
Bentham Syndicated Loan Fund	1%	Alternative Credit
Janus Henderson Global Multi-Strategy Fund	19%	Multi-Strategy
Metrics Wholesale Investments Trust	21%	Private Debt
ManAHL Alpha (AUD) Fund	18%	Trend-Following
Cash*	2%	Cash

\* Maximum allowable Cash SAA is 20%.

## FUND PERFORMANCE

### OPAG Fund Performance (Net of Fees)

	3 Months	1 Year	3 Years
<b>OPAG Fund (Frontier Class)</b>	0.93	4.71	3.83
Benchmark (Bloomberg AusBond Bank Bill Index)	0.42	0.52	0.38
Objective (Benchmark + 4% over rolling 5-year periods)	1.42	4.52	4.38
Volatility		2.8%	3.1%
Beta to Equities#		0.02	0.06
Correlation to Equities#		0.10	0.34

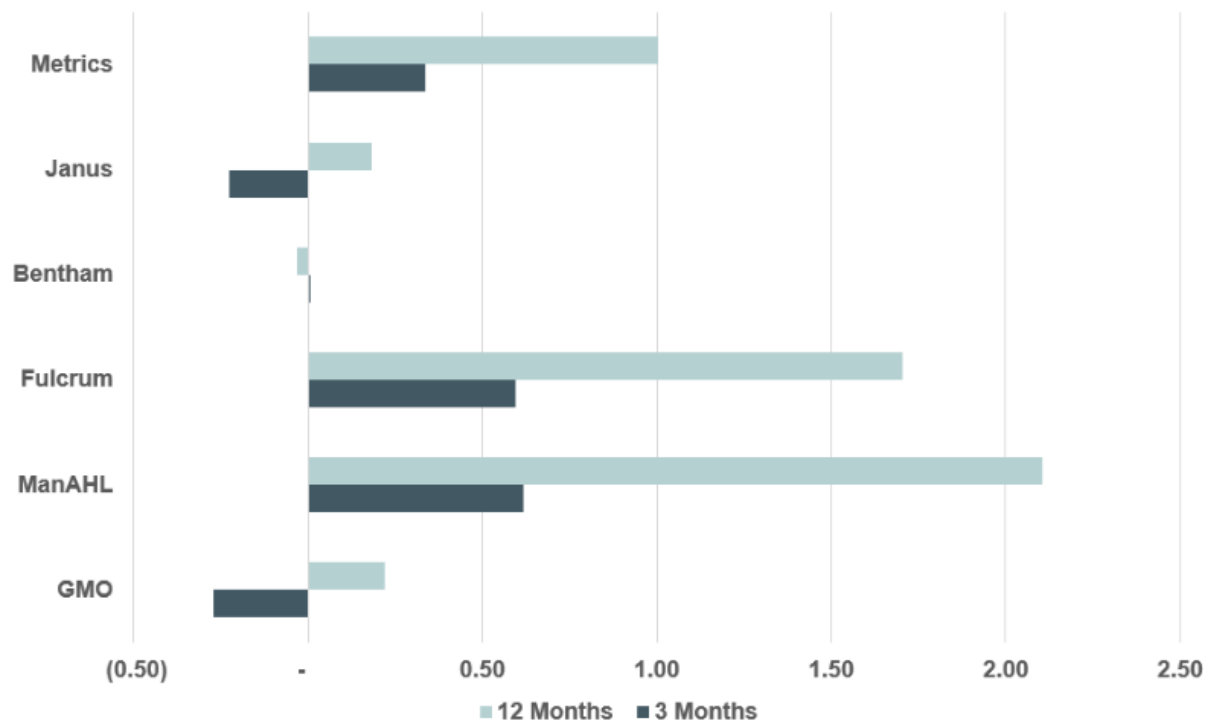
# Equities is represented by the MSCI World ex Aust Net Index – AUD Hedged

### Underlying Manager Performance (Net of Fees)

Underlying Fund	3 Months	1 Year	3 Years
GMO Systematic Global Macro Trust	-1.6%	0.2%	0.1%
Fulcrum Diversified Absolute Return Fund	2.2%	7.4%	7.4%
ManAHL Alpha (AUD) Fund	3.5%	10.4%	6.6%
Bentham Syndicated Loan Fund	0.4%	-4.0%	0.6%
Janus Henderson Global Multi-Strategy Fund <sup>^</sup>	-1.2%	1.6%	4.5%
Metrics Wholesale Investments Trust <sup>^</sup>	1.6%	5.4%	5.3%

<sup>^</sup> The OPAG Fund first invested in this manager from late July 2021

### Gross Performance Attribution by Underlying Manager



### Co-Portfolio Managers (since July 2022): Gareth Abley, Jehan Sukhla

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