

# Fund Summary

OnePath Alternatives Growth Trust

OneAnswer Frontier Investment Portfolio

28 February 2021

## Fund details

Investment manager	OnePath Funds Management
Fund code	MMF1471AU
Asset type	Hedge Funds / Trading Strategies
Region	Global
Fund size	\$61.42 million as at 26 Feb 2021
Commencement date	28 Sep 2010
Distributions	Quarterly

## Investment objective

The fund aims to produce a portfolio that seeks to outperform the Bloomberg AusBond Bank Bill Index.

## Investment strategy

The fund is a multi-manager solution that seeks to provide returns with low correlation to equity markets by investing in a portfolio of alternative investment strategies. The multi-manager portfolio is designed to deliver more consistent, and diversified sources of returns than would be achieved if investing with a single-manager.

## Minimum time horizon

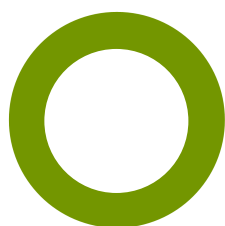
5 years

## 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



■ Other (100.00%)

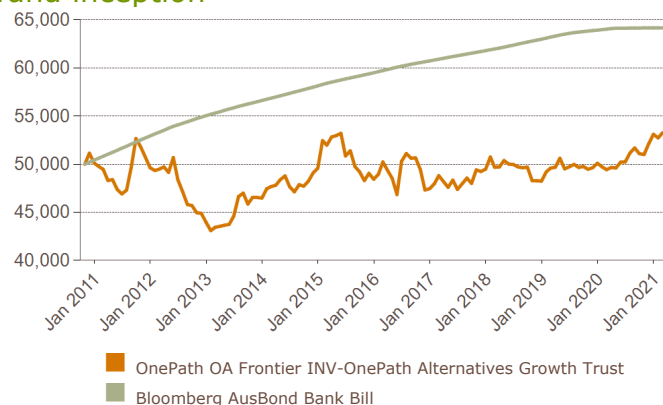
## Fund performance

As at 28 Feb 2021

	1 mth %	3 mth %	1 yr %	3 yr % pa	5 yr % pa	7 yr % pa	10 yr % pa
Total Return †	1.00	2.20	7.49	2.26	1.13	1.56	0.72
Benchmark ‡	0.00	0.00	0.21	1.16	1.44	1.74	2.36
Excess Return	1.00	2.20	7.28	1.10	-0.31	-0.18	-1.64
Distribution	0.00	0.22	2.29	2.49	2.03	2.73	2.45
Growth	1.00	1.98	5.46	-0.15	-0.86	-1.13	-1.71
Risk (1 Std Dev)	-	-	3.72	3.82	6.07	6.37	6.83
Tracking Error	-	-	3.74	3.88	6.10	6.39	6.86
Info. Ratio	-	-	2.0	0.3	0.0	0.0	-0.2

Calendar year returns	YTD	2020	2019	2018	2017
Total Return †	0.28	6.02	3.83	-2.49	4.27
Benchmark ‡	0.00	0.37	1.50	1.92	1.75
Excess Return	0.28	5.65	2.33	-4.42	2.52

## Growth of \$50,000 invested since fund inception



\* For further information on Standard Risk Measures and the calculation methodology used, go to [onepath.com.au/personal/performance/product-updates.aspx](http://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 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

The Fund delivered a +3.7% return over the quarter (net of fees), outperforming its Bank Bill Index benchmark. All underlying managers posted strong positive performance for the quarter. ManAHL (Trend-Following) and Bentham (Alternative Credit) were the standouts, with GMO (Global Macro) and Fulcrum (Multi-Strategy) also having a solid quarter. Fulcrum, GMO and ManAHL were able to post strong returns for 2020. Bentham was modestly positive, however this is a good result given the setback in March when there was a steep sell off in Loans during the height of the COVID pandemic fears.

#### Future investment strategy

With COVID pandemic fears emerging in the first quarter, markets were hit by panic selling which saw steep drawdowns for risk assets such as Global Equities, and non-investment grade credit sectors such as Loans and High Yield. Then, despite intermittent pullbacks, risk assets rallied throughout the remainder of 2020. Global Equities delivered a double-digit return in the final quarter, finishing 2020 up around 10%, while Loans and High Yield were able to get back into the black for the year following the steep mark-to-market losses in March/April. These market rallies were in the face of continued uncertainty associated with COVID fears and government lockdown measures, rising geopolitical/trade tensions directed towards China, and a tumultuous election cycle in the US, which has now resulted in a new administration. In 2020 the OPAG Fund was able to provide meaningful 'crisis alpha', highlighting the importance of having genuine diversification of return drivers away from long-only holdings which typify traditional equity/bond dominated portfolios. During a roller coaster year for risk assets, the OPAG Fund was able to post a solid 5.8% return. This at 3.9% volatility, when Global Equities experienced 25%+ volatility. During the peak of the sell-offs in March, when risk assets suffered extreme drawdowns, the Fund held its ground and posted a positive return. From a portfolio perspective it was pleasing to see the expected dynamic play out in the event of a major drawdown in 'long only' risk asset markets, as was seen with Bentham (Loans), where the remaining portfolio was able to post corresponding gains to ensure the Fund as a whole held ground. The dislocation in credit markets also provided us with an opportunity to increase the Fund's allocation to Bentham's senior secured loans strategy, which are likely to deliver strong risk-adjusted returns over the next 12-24 months.

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