

Fund Summary

OnePath Australian Share Trust

Wholesale

30 April 2021

Fund details

Investment manager	OnePath Funds Management sub-advised by Alphinity
Fund code	AJF0804AU
Asset type	Equity / All Cap
Region	Australia
Fund size	\$18.46 million as at 30 Apr 2021
Commencement date	22 Jun 1993
Distributions	Quarterly

Investment objective

The fund aims to achieve returns (after costs but before fees and taxes) that exceed the S&P/ASX 300 Accumulation Index, over periods of at least three to five years.

Investment strategy

The fund seeks to build a portfolio of Australian stocks listed on the ASX that is well diversified across different industries and sectors and aims to meet the fund's investment objectives in a risk-controlled manner.

Minimum time horizon

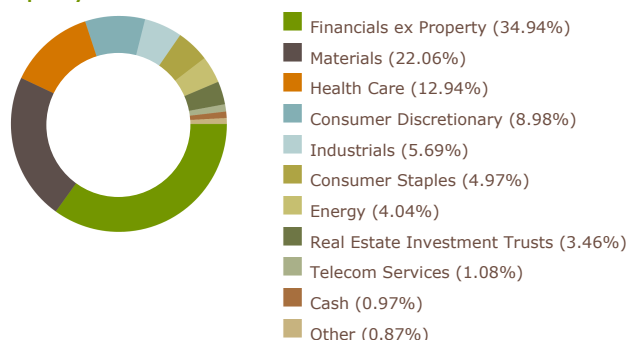
5 years

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:



Equity sector allocation



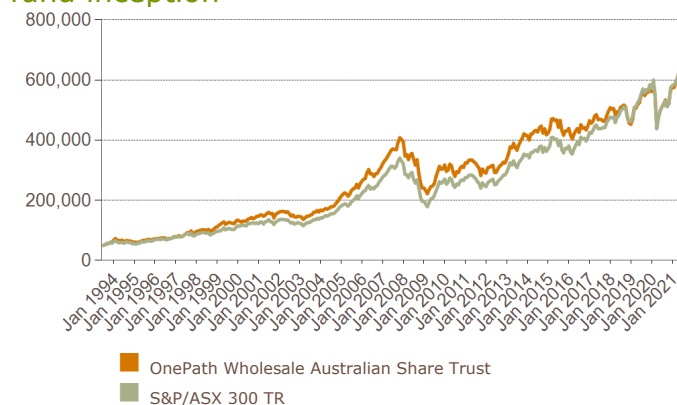
Fund performance

As at 30 Apr 2021

	1 mth %	3 mth %	1 yr %	3 yr % pa	5 yr % pa	7 yr % pa	10 yr % pa
Total Return †	4.08	9.72	32.44	8.46	7.92	5.64	6.57
Benchmark ‡	3.70	7.64	31.58	9.70	10.40	8.07	8.28
Excess Return	0.39	2.07	0.86	-1.24	-2.48	-2.44	-1.71
Distribution	0.00	0.86	7.38	6.22	5.11	4.60	4.42
Growth	4.08	8.86	25.06	2.25	2.81	1.04	2.15
Risk (1 Std Dev)	-	-	9.93	17.22	14.43	14.04	13.61
Tracking Error	-	-	2.93	2.81	2.70	2.62	2.60
Info. Ratio	-	-	0.3	-0.4	-0.9	-0.9	-0.7

Calendar year returns	YTD	2020	2019	2018	2017
Total Return †	9.45	2.55	24.16	-10.89	9.36
Benchmark ‡	8.00	1.73	23.77	-3.06	11.94
Excess Return	1.45	0.81	0.38	-7.83	-2.57

Growth of \$50,000 invested since fund inception



Top 10 holdings

Security	% of fund
BHP GROUP LTD ORD	9.96%
COMMONWEALTH BANK OF AUSTRALIA	9.02%
CSL ORD	6.85%
NATL AUST BANK ORD	5.88%
AUSTRALIA NEW ZEALAND BANKING	4.79%
WOOLWORTHS GROUP ORD	4.16%
MACQUARIE GROUP LTD ORD	4.14%
WESFARMERS ORDINARY	4.06%
GOODMAN GROUP CF	3.35%
WESTPAC BANKING ORD	2.98%
Total Top 10	55.19%

* 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 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 Australian Share Trust

Wholesale

30 April 2021

Market and portfolio review

Equity markets rallied further in April, with Australia's S&P/ASX 300 index rising 3.7% to mark its 7th consecutive month of gains. In the US, the S&P500 rose 5.2% (3.6% in \$A) with outperformance of tech stocks over industrials as bond yields stabilised. A range of economic indicators including strengthening global PMIs and rising consumer and business confidence domestically helped drive gains. Catastrophic spread of COVID-19 through India and Brazil, and increased inflation expectations held back performance in emerging markets relative to developed markets.

On a sector level within Australia, tech (+9.8%), materials (+7.5) and industrials (+4.2%) all outperformed while energy (-4.7%), consumer staples (-2.4%) and utilities (-1.2%) all underperformed in April.

The recent trend of rising bond yields took a breather in April, with the yield on the US 10 year bond falling 7bps to 1.63% and Aussie 10 year falling 3 bps to 1.75%. The US yield curve flattened 11bps and US 10-year breakevens rose 3bps. In currency markets, aggressive rate hiking in Brazil led to a 3.5% gain in the BRL, while the USD (DXY) was notably weaker, losing 2.1%. The Australian dollar gained 1.6% against the \$US, partly driven by commodity prices and \$US weakness.

Commodities extended their exceptional run, with iron ore again rising 14% while oil prices also rose (Brent +5.8%). Copper however was the standout performer, surging 11.8% in April on continued robust demand. Even the relatively defensive precious metals space managed to gain some ground with gold prices ending a first quarter slump to rebound 3.6% in April.

Future investment strategy

Strong corporate earnings and stable to lower bond yields, following their sharp rise in the March quarter, have combined to continue to propel equity markets even higher. With robust consumer demand and a remarkably empty global supply chain in everything from cars to steel and most things inbetween, corporate earnings, especially in cyclical sectors, look set to continue to beat market expectations in the next few months. At some point demand will slow and the supply chain will catch up. When that happens the impact could be quite abrupt but that looks like a concern for later in the year.

The February reporting season covering trading in the period up to the end of December gave us an early indication that the shape and pace of the earnings recovery for some of the "Covid losers", such as travel related companies, looked too optimistic. At the same time the longevity of the tailwinds for some of the "Covid winners", such as consumer goods companies, had been underappreciated by market participants. More recent company updates regarding earnings thus far in calendar 2021 have reinforced this view.

Although too early to tell for sure, it wouldn't surprise us if current trends remain in place even in the medium term. While we are all looking forward to the end of restrictions on travel, social interaction, and a return to life in general as we knew it, corporates, employees and consumers have all learned new ways of doing things and new things to enjoy. Life will surely be better than at present after Covid but it may not necessarily be the same as before.

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 Apr 2021 but may be subject to change. 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.