

Fund Summary

OnePath Alternatives Growth Trust

OneAnswer Frontier Investment Portfolio

30 April 2021

Fund details

Investment manager	OnePath Funds Management
Fund code	MMF1471AU
Asset type	Hedge Funds / Trading Strategies
Region	Global
Fund size	\$60.29 million as at 30 Apr 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 (99.89%)
- International Fixed Interest (0.11%)

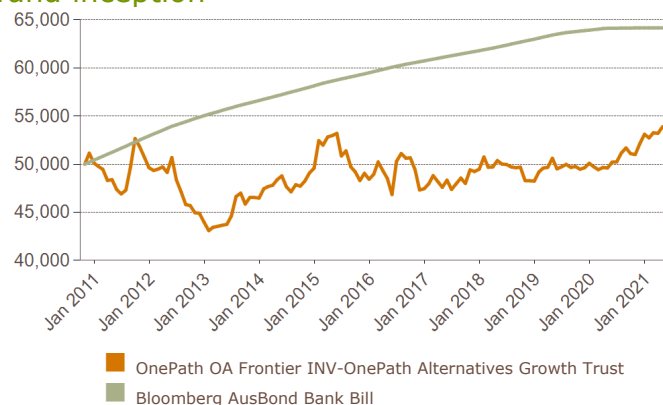
Fund performance

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 †	1.29	2.20	8.39	2.19	2.07	1.52	1.06
Benchmark ‡	0.00	0.00	0.07	1.06	1.36	1.68	2.28
Excess Return	1.29	2.20	8.32	1.13	0.71	-0.16	-1.22
Distribution	0.00	0.57	3.31	2.67	2.16	2.80	2.52
Growth	1.29	1.63	5.34	-0.39	-0.04	-1.25	-1.43
Risk (1 Std Dev)	-	-	3.77	3.82	5.97	6.38	6.80
Tracking Error	-	-	3.77	3.89	6.00	6.39	6.83
Info. Ratio	-	-	2.3	0.3	0.1	0.0	-0.2

Calendar year returns	YTD	2020	2019	2018	2017
Total Return †	1.48	6.02	3.83	-2.49	4.27
Benchmark ‡	0.01	0.37	1.50	1.92	1.75
Excess Return	1.47	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

† 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

April was a positive month for most financial markets. Risk sentiment stayed elevated on expectations of a powerful economic restart underway, an improving macro picture supported by additional fiscal spending and a broadening vaccine rollout. Key risk-on assets such as equities and commodities experienced a strong rally in April, but assets such as sovereign bonds and gold also recorded positive performance after a difficult previous quarter. Regionally, developed market equities continued to outperform their emerging market counterparts. Developed markets are leading both a rebound in global Purchasing Managers Index's (PMIs) as well as the progress on COVID-19 vaccine deployment. Corporate earnings results were also broadly encouraging, with several large US and European companies reporting positive earnings surprises. The speed of the vaccine rollout has had an impact on near term growth dynamics, with the US economy showing further signs of improvement. US equity markets led the rally in April, whereas Japanese equities reversed some of their gains from previous months.

Future investment strategy

The rollout of Covid vaccines around the globe and signs of falling virus cases – especially in countries that are further along the vaccination journey – translates into a more optimistic outlook for the global economy. Several countries have already begun to ease mobility restrictions, and this is expected to continue through 2021. The easing of restrictions is expected to allow contact intense services activity to return to more normal operations and release some pent-up demand, which would ultimately speed up the global economic recovery that is bolstered by significant fiscal and ongoing monetary support. Despite the widespread optimism, the team remains somewhat cautious with a significant amount of good news already priced into markets. Notwithstanding, the portfolio's growth/defensive split is tilted with an overweight to developed market equities and underweight to interest rates (relative to our strategic benchmark). We have derivative structures in place however which provide optionality that would reduce the growth/ defensive split should we experience a correction in risk markets. Looking further ahead, we expect inflation to rise, driven by increased cost pressures due to de-globalization, a change in monetary policy frameworks and higher government debt levels putting pressure on monetary policy to remain easier. The recent addition of inflation-linked bonds and gold to the portfolio's strategic allocations addresses this belief and is expected to better protect the real value of the portfolio should this scenario play out.

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