

# Fund Summary

OnePath Alternatives Growth Trust

OneAnswer Frontier Investment Portfolio

30 November 2021

## Fund details

<b>Investment manager</b>	OnePath Funds Management
<b>Fund code</b>	MMF1471AU
<b>Asset type</b>	Hedge Funds / Trading Strategies
<b>Region</b>	Global
<b>Fund size</b>	\$59.78 million as at 30 Nov 2021
<b>Commencement date</b>	28 Sep 2010
<b>Distributions</b>	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

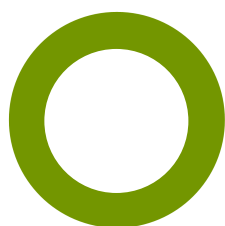
5 years

## 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%)

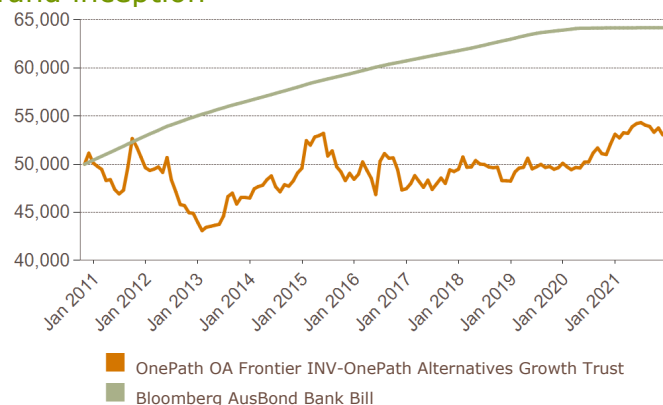
## Fund performance

As at 30 Nov 2021

	1 mth %	3 mth %	1 yr %	3 yr % pa	5 yr % pa	7 yr % pa	10 yr % pa
<b>Total Return †</b>	-1.34	-1.62	1.79	3.11	2.26	1.08	0.42
<b>Benchmark ‡</b>	0.01	0.01	0.02	0.68	1.14	1.46	1.98
<b>Excess Return</b>	-1.35	-1.62	1.77	2.43	1.12	-0.38	-1.56
<b>Distribution</b>	0.00	0.08	5.12	2.74	3.04	2.94	2.93
<b>Growth</b>	-1.35	-1.70	-3.32	0.45	-0.73	-1.82	-2.48
<b>Risk (1 Std Dev)</b>	-	-	3.47	3.56	4.18	6.28	6.27
<b>Tracking Error</b>	-	-	3.47	3.57	4.20	6.29	6.31
<b>Info. Ratio</b>	-	-	0.5	0.7	0.3	-0.1	-0.2

Calendar year returns	YTD	2020	2019	2018	2017
<b>Total Return †</b>	-0.12	6.02	3.83	-2.49	4.27
<b>Benchmark ‡</b>	0.02	0.37	1.50	1.92	1.75
<b>Excess Return</b>	-0.14	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

##### Underlying Fund Commentaries

**GMO Systematic Global Macro Trust** – The strategy was negative for the quarter, with equity and commodity positions driving performance. A net long equities exposure slightly detracted from returns; however, equity market selection was the key detractor, particularly a short position to India and a long position in MSCI Emerging Markets (EM) futures.

**Fulcrum Diversified Absolute Return Fund** – The strategy was negative for the quarter, with relative value strategies being the main detractor, whilst directional strategies were flat and diversifying strategies were marginally up.

**Bentham Syndicated Loan Fund** – The strategy was positive for the quarter, but marginally below its Leveraged Loans benchmark, with credit markets being generally stronger, particularly floating rate markets with less interest rate exposure. The strategy closed the quarter with a yield to maturity of 4.7% and an average credit spread of 379bps.

**ManAHL Alpha (AUD) Fund** – The strategy was negative for the quarter, with losses in FX, equities and fixed income outweighing gains in commodities. A rallying USD was a departure from the declines seen throughout much of the quarter, which led to losses for the strategy.

**Janus Henderson Global Multi-Strategy Fund** – The strategy has been progressively added to the OPAG Fund from late July 2021 but was positive for the full quarter, with Event Driven and Price Pressure sub-strategies adding the most to returns, helping to offset a negative contribution from Protection.

**Metrics Wholesale Investments Trust** – The strategy has been progressively added to the OPAG Fund from late July 2021 but was positive over the full quarter. It continues to provide consistent positive performance and pay monthly income in excess of its target.

#### Future investment strategy

As discussed in the June Quarter update, we began implementing changes to the portfolio from late July, highlighted by the introduction of two new strategies, being the Janus Henderson Global Multi-Strategy Fund, and the Metrics MCP Wholesale Investments Trust. To facilitate their integration into the OPAG portfolio, we began progressively reducing exposure to the Bentham Syndicated Loan strategy, which will soon reduce to zero but will remain an approved investment for the portfolio, to be utilised where market conditions are favourable to the strategy. With the revised targeted allocations for the portfolio expected to be reached during the December quarter, the Fund will now have a more diverse range of strategies and return drivers going forward. We consider these changes to be timely given continuing stretched equity valuations, mounting uncertainty surrounding supply chain disruptions, and a potential energy crunch to continue to put upward pressure on inflation expectations. The more diversified combination of strategies and return drivers, with improved absolute return exposure and less market beta, positions the portfolio to be more resilient against different economic and market outcomes.

While uncertainty is high, it also means that the opportunity set can be large, with more dispersion of economic outcomes and policy responses across regions. Accordingly, we see the expanded mix of strategies and sub-strategies with low to negative beta should see their models evolve to effectively capture dynamic and shifting trends, and/or opportunistically take advantage of mis-pricings and dislocations across the asset spectrum. Overall, we believe the OPAG Fund is well positioned to achieve its return objectives, with low volatility, over a cycle, while continuing to provide meaningful 'crisis alpha' when combined with a traditional, 'long only' multi-asset portfolio.

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