

Fund Summary

OnePath Blue Chip Imputation Trust Wholesale

31 December 2022

Fund details

| | |
|---------------------------|---|
| Investment manager | OnePath Funds Management sub- advised by Tyndall Asset Management |
| Fund code | MMF0340AU |
| Asset type | Equity / All Cap |
| Region | Australia |
| Fund size | \$4.03 million as at 30 Dec 2022 |
| Commencement date | 01 Nov 2001 |
| Distributions | Quarterly |

Investment objective

The fund aims to outperform the gross return of the S&P/ASX 100 Total Return Index, including franking credits (but before investment fees and taxes) over periods of at least five years. The fund also targets a gross dividend yield, including franking credits that exceeds the gross dividend yield of the benchmark.

Investment strategy

The fund invests predominantly in a diversified portfolio of Australian companies which provide a relatively high level of franked income, and have been selected in accordance with a disciplined Australian shares investment process.

Minimum time horizon

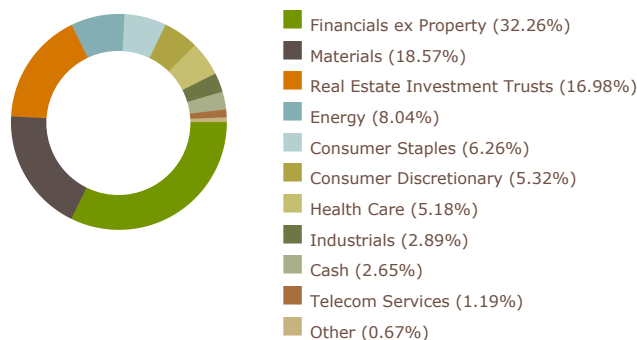
5 years

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



* 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.

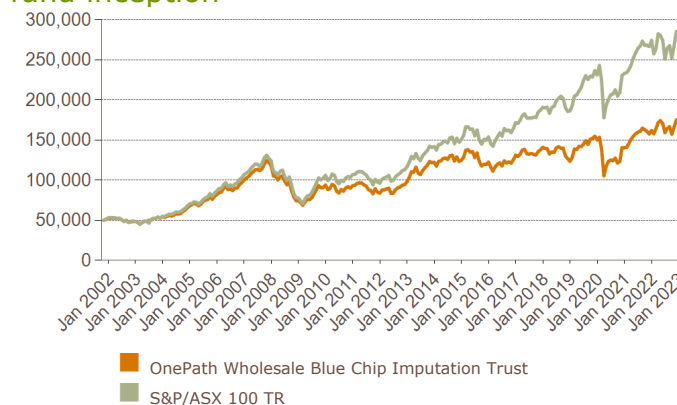
Fund performance

As at 31 Dec 2022

| | 1 mth % | 3 mth % | 1 yr % | 3 yr % pa | 5 yr % pa | 7 yr % pa | 10 yr % pa |
|------------------|---------|---------|--------|-----------|-----------|-----------|------------|
| Total Return † | -2.89 | 7.97 | 4.96 | 4.21 | 3.80 | 4.78 | 5.64 |
| Benchmark ‡ | -3.24 | 9.32 | 0.63 | 6.07 | 7.65 | 8.71 | 8.98 |
| Excess Return | 0.35 | -1.35 | 4.33 | -1.87 | -3.85 | -3.92 | -3.34 |
| Distribution | 0.86 | 0.96 | 5.50 | 4.58 | 4.86 | 4.56 | 4.62 |
| Growth | -3.75 | 7.01 | -0.54 | -0.37 | -1.06 | 0.22 | 1.02 |
| Risk (1 Std Dev) | - | - | 14.82 | 21.03 | 17.66 | 15.85 | 15.07 |
| Tracking Error | - | - | 6.08 | 5.73 | 5.40 | 4.77 | 4.25 |
| Info. Ratio | - | - | 0.7 | -0.3 | -0.7 | -0.8 | -0.8 |

| Calendar year returns | 2022 | 2021 | 2020 | 2019 | 2018 |
|-----------------------|------|-------|-------|-------|--------|
| Total Return † | 4.96 | 15.29 | -6.49 | 21.48 | -12.32 |
| Benchmark ‡ | 0.63 | 17.65 | 0.80 | 24.06 | -2.35 |
| Excess Return | 4.33 | -2.37 | -7.29 | -2.58 | -9.97 |

Growth of \$50,000 invested since fund inception



Top 10 holdings

| Security | % of fund |
|-----------------------------|---------------|
| BHP GROUP LTD | 8.06% |
| NATIONAL AUSTRALIA BANK LTD | 7.88% |
| TELSTRA GROUP LTD | 5.57% |
| RIO TINTO LTD | 5.19% |
| ANZ GROUP HOLDINGS | 4.97% |
| WESTPAC BANKING CORP | 4.92% |
| COMMONWEALTH BANK AUSTRALIA | 4.51% |
| WOODSIDE ENERGY GROU | 4.21% |
| QBE INSURANCE GROUP LTD | 3.25% |
| COLES GROUP LTD | 2.96% |
| Total Top 10 | 51.52% |

Fund Summary

OnePath Blue Chip Imputation Trust Wholesale

31 December 2022

Market and portfolio review

Despite a pull-back in markets during December, the final quarter of 2022 was a positive one for equities as early signs of peaking inflation led to expectations that the pace of rate hikes may have also peaked. The surge in bond yields throughout 2022 also stabilised, providing support to equity markets. Australia's S&P/ASX 300 index (including dividends) gained 9.1% over the quarter, outperforming global developed markets (MSCI World +3.2%) including the US (S&P 500 +1%). Europe (Stoxx 600 +13%) had a strong finish, rebounding as the risk of a potential energy crisis heading into Winter was mitigated by a warm winter and reasonable gas storage levels.

Although 2022 proved a very tough year in emerging markets, as China's prolonged Covid lockdowns combined with weakness in the property sector weighed on Chinese and Hong Kong listed stocks, there was a glimmer of hope towards the end of the year as government officials announced some easing measures. The China re-opening looks set to be one of the more dominant themes in 2023, with the market already in 'look-through' mode as iron ore rose sharply in Q4 2022. This is of course in contrast to the rest of the world where the effect of multiple rate hikes and inverted yields curves could signal forthcoming recessions.

Future investment strategy

A new year often comes with promises of new opportunities, and 2023 is likely to be no different. At this early stage though, the key topics of debate have not changed from where we ended 2022.

There are encouraging signs that global inflation is moderating, and some of the components could be even close to normalising. Other inputs to inflation however – including the important wage component – remain robust, which means it is too early for central banks to declare victory. Nonetheless, further rate increases are likely to be less of a focus this year than the impact on economic growth and corporate earnings of the hikes that have already been made. Globally, earnings revisions have been firmly negative for some months and, even though expectations are now lower, they continue to look too optimistic in our view. There will be important implications for Australian corporate earnings should China be successful in bringing forward its economic recovery. The Resources sector, together with a still-resilient Bank sector, would provide a solid buffer to a probable global earnings downturn. So while global equity markets, Australia's included, continue to face some meaningful challenges, especially from an earnings perspective, Australia's own prospects look a bit better, at least from a relative perspective.

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 31 Dec 2022 with the commentary current for the most recent quarter end (eg. March, June, Sept or Dec) however in some cases may be applicable for the preceding month or quarter end. 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.