

# Fund Summary

## OnePath Emerging Companies Trust Wholesale

31 July 2023

### Fund details

Investment manager	Acadian Asset Management
Fund code	MMF0112AU
Asset type	Equity / Small Cap
Region	Australia
Fund size	\$23.22 million as at 31 Jul 2023
Commencement date	31 Dec 1996
Distributions	Half yearly

### Investment objective

The fund aims to achieve returns (before fees, charges and taxes) that exceed the S&P/ASX Small Ordinaries Accumulation Index, over periods of five years.

### Investment strategy

The fund invests predominantly in a diversified portfolio of smaller companies in accordance with a disciplined Australian shares investment process.

### Minimum time horizon

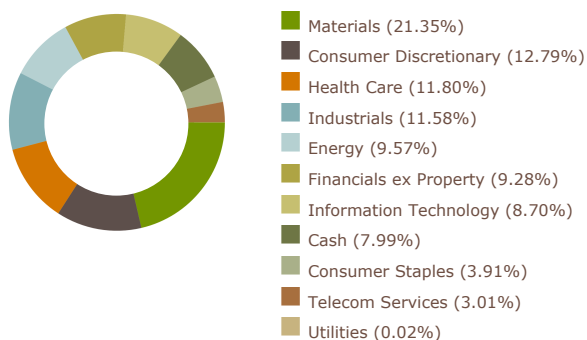
7 years

### 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



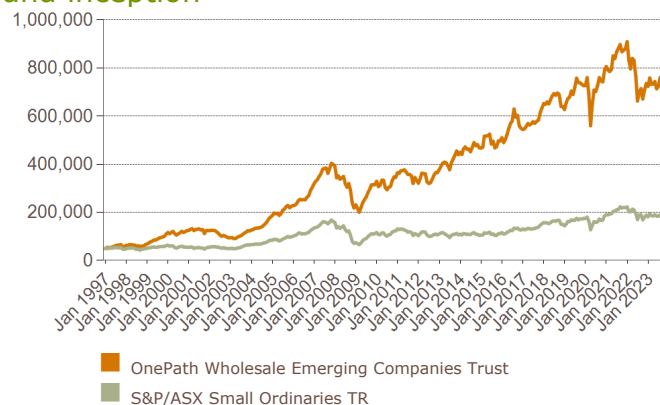
### Fund performance

As at 31 Jul 2023

	1 mth %	3 mth %	1 yr %	3 yr % pa	5 yr % pa	7 yr % pa	10 yr % pa
Total Return †	5.14	2.27	8.87	1.56	2.06	2.73	6.47
Benchmark ‡	3.54	0.20	0.77	5.89	3.18	5.11	6.18
Excess Return	1.60	2.07	8.10	-4.33	-1.11	-2.38	0.29
Distribution	0.01	2.08	4.86	11.60	14.31	10.83	8.60
Growth	5.13	0.19	4.01	-10.04	-12.25	-8.09	-2.12
Risk (1 Std Dev)	-	-	13.34	15.82	18.54	16.38	15.40
Tracking Error	-	-	6.84	7.25	7.02	6.70	6.27
Info. Ratio	-	-	1.2	-0.6	-0.2	-0.4	0.0

Calendar year returns	YTD	2022	2021	2020	2019
Total Return †	5.07	-20.38	12.79	10.87	15.85
Benchmark ‡	4.91	-18.38	16.90	9.21	21.36
Excess Return	0.16	-2.00	-4.11	1.66	-5.51

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



### Top 10 holdings

Security	% of fund
PRO MEDICUS LTD - ORD NPV	3.55%
WEBJET LTD - ORD NPV	3.52%
GRAINCORP LTD - CL A ORD NPV	3.22%
VIVA ENERGY GROUP - ORD NPV	3.20%
KAROON ENERGY LTD - ORD NPV	3.19%
CHARTER HALL RETAIL REIT - UNI	3.06%
HELIA GROUP LIMITED - ORD NPV	2.93%
NRW HOLDINGS LTD - ORD NPV	2.61%
MCMILLAN SHAKESPEARE LTD - ORD	2.44%
NEW HOPE CORP LTD - ORD NPV	1.91%
<b>Total Top 10</b>	<b>29.62%</b>

\* 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 global economy expanded in the second quarter despite weakness in manufacturing. The regional banking mini crisis in the U.S. flared up again early in the second quarter with the failure of another bank but then calmed. The U.S. and European economies have shown surprising resilience, helped by strong labor markets. China's economic recovery continued during the period, although it was uneven and did lose some momentum. The reopening has largely benefited the services component of the economy, while slowing growth momentum globally has meant weaker-than-hoped manufacturing activity. Inflation generally eased in developed economies, largely driven by moderation in the goods component of inflation. However, core inflation remained more stubborn. This caused developed central banks to continue tightening. The Bank of Canada resumed its tightening after a pause that started in January; the Reserve Bank of Australia also resumed rate hikes after a brief pause. Despite hotter inflation in Japan, the Bank of Japan maintained its accommodative monetary policy. The People's Bank of China (PBoC) moved to become even more accommodative late in the second quarter.

### Future investment strategy

Looking ahead, we expect a relatively brief and shallow economic slowdown as inflation continues to moderate and monetary policy tightening comes to an end soon. We continue to believe the U.S. is likely to avoid a substantial broad-based recession. Instead, we expect some weakness in the second half of this year as policymakers accomplish a bumpy landing, but we anticipate activity will nevertheless remain relatively resilient.

In the U.S., we believe rate hikes are ending and inflation will continue to fall significantly, albeit imperfectly. As we enter 2024, we expect a more positive growth outlook to unfold as the U.S. economy recovers.

In our view, the eurozone and U.K. are likely to follow a pattern similar to the U.S. but with a lag. A variety of forces have helped sustain European economic momentum so far in 2023, but we expect tightening financial conditions to weigh on credit growth over time, helping to reduce inflationary pressures but also causing a significant economic slowdown. In contrast with many major developed market economies, China is in a markedly different place in its cycle — a "bumpy take-off" of sorts. Nevertheless, China remains a bright spot with subdued inflation and a robust growth outlook. We expect continued accommodation from the PBoC and some fiscal stimulus. Asia emerging markets in general are likely to benefit from this environment.

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This information is current as at 31 Jul 2023 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](http://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.