

Fund Summary

OnePath Global Shares

OneAnswer Investment Portfolio EF //Select

31 December 2020

Fund details

Investment manager	OnePath Funds Management sub- advised by Vontobel Asset Management (US)
Fund code	MMF0108AU
Asset type	Equity / Large Cap
Region	Global
Fund size	\$2.13 million as at 31 Dec 2020
Commencement date	05 Nov 1997
Distributions	Monthly

Investment objective

The fund aims to achieve returns (after costs but before fees and taxes) that exceed the MSCI World (excluding Australia) Net Total Return Index (unhedged and in AUD with net dividends reinvested), over periods of three years.

Investment strategy

The fund invests predominantly in a diversified portfolio of international shares selected in accordance with a disciplined investment process.

Minimum time horizon

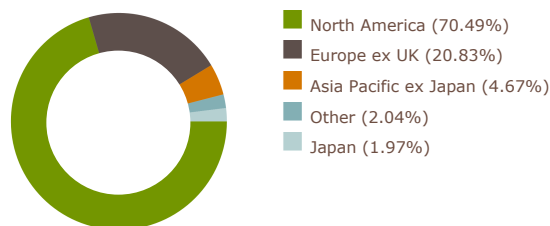
5 years

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:



Country allocation



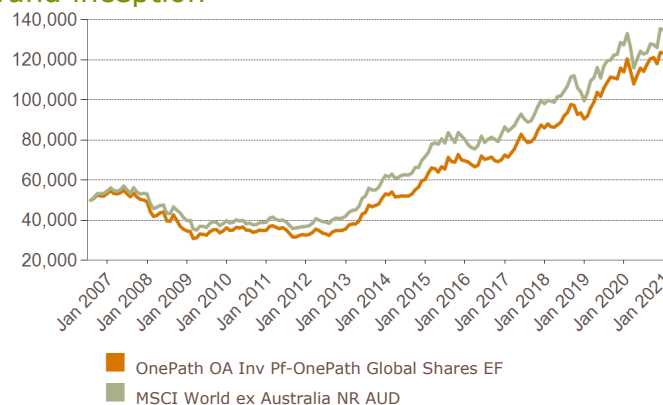
Fund performance

As at 31 Dec 2020

	1 mth %	3 mth %	1 yr %	3 yr % pa	5 yr % pa	7 yr % pa	10 yr % pa
Total Return †	-0.10	1.95	8.25	12.77	12.12	12.98	13.70
Benchmark ‡	-0.50	5.68	5.73	11.16	10.94	11.64	13.20
Excess Return	0.40	-3.74	2.52	1.61	1.18	1.34	0.50
Distribution	0.09	0.24	0.94	1.05	1.02	0.86	0.75
Growth	-0.19	1.71	7.30	11.72	11.10	11.93	12.67
Risk (1 Std Dev)	-	-	12.87	10.35	9.98	10.40	10.82
Tracking Error	-	-	5.16	4.91	4.65	4.68	4.15
Info. Ratio	-	-	0.5	0.3	0.3	0.2	0.1

Calendar year returns	2020	2019	2018	2017	2016
Total Return †	8.25	25.97	5.17	18.67	4.12
Benchmark ‡	5.73	27.97	1.52	13.38	7.92
Excess Return	2.52	-2.00	3.65	5.29	-3.79

Growth of \$50,000 invested since fund inception



Top 10 holdings

Security	% of fund
AMAZON.COM INC ORD	5.42%
MICROSOFT-T ORD	5.34%
MASTERCARD ORD	4.05%
VISA INCORPORATION ORD	3.54%
HEINEKEN ORD	3.25%
NESTLE SA ORD	3.23%
ALPHABET INC-CL C ORD	3.13%
ALIMENTATION COU TARD SUBVTNG	3.00%
FLUTTER ENTERTAINMENT ORD	2.96%
MEDTRONIC PLC	2.84%
Total Top 10	36.76%

* 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

Global equities gained strongly in the fourth quarter as positive news on vaccine development pushed many markets to new highs. Returns were broad-based as all sectors in the MSCI All Country World Index (ACWI) generated positive performance for the quarter.

Concerns about a contested US election led to increased volatility early in the fourth quarter and were realized when the incumbent administration challenged Joe Biden's victory through the courts. As those lawsuits were rejected, investor focus switched to Senate run-off votes, which will influence the scope of potential regulation and tax increases. Democrats and Republicans clashed over the proposed fiscal stimulus measures, finally agreeing to a \$900 billion package. After signaling his intention to veto the deal, President Trump signed the COVID relief bill and federal funding package, boosting US equities at the end of December. Emerging market equities also advanced during the quarter. Outflows from emerging market equity funds at the start of the pandemic reversed later in the year. Joe Biden's win in the US presidential election helped push Chinese shares higher as investors bet on a less confrontational stance between the two countries, while the economy benefited from the containment of the virus. Chinese GDP growth hit 4.9% in the third quarter, albeit slightly below expectations, and measures such as retail sales and factory output continued to improve. The MSCI China Index returned 11.20% for the quarter and 29.49% for the year. The recovery story extended to other major emerging markets as India's economy performed better than expected in the three months through September. Additionally, the market has become less concerned with credit quality issues in Indian banks.

Future investment strategy

The recent surge in infections in both the US and Europe suggest that economic risks and heightened market volatility are likely to prevail near term. At the same time, virus-induced disruptions have accelerated some important business trends, such as the shift to e-commerce, that were already underway.

Momentum characterized global equity returns in 2020, fueled by low interest rates and excess liquidity. However, elevated speculation in parts of the market presents risks to investors, including a surge in SPAC (Special Purpose Acquisition Company) issuance, a raft of new listings featuring companies that are not yet profitable, and excess capital in so-called "green" initiatives has pushed valuations ahead of fundamentals in certain environmentally-focused companies.

Some dominant consumer staples franchises have not performed well amidst COVID restrictions this year. We expect the challenging backdrop for staples to persist until the vaccines become widely available. However, we do not expect as much share price volatility compared to the early stages of the pandemic, and we believe strong consumer staples brands should be resilient longer term.

We continue to believe there are opportunities in some European companies, despite COVID restrictions, the impending impact of Brexit, and sluggish economic growth. Those companies that operate in growing industries or have a disruptive product or service have the capacity to grow faster than anemic local economies.

There is also uncertainty about the trajectory of the economic recovery from COVID-19. Therefore, we seek to own companies that are resilient to macroeconomic dislocations. It is our goal to generate attractive returns while taking less risk, safely delivering our clients to their investment destinations.

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