

Fund Summary

OnePath Global Emerging Markets Share Trust Wholesale

31 December 2020

Fund details

Investment manager	MFS Investment Management
Fund code	MMF0275AU
Asset type	Equity / Large Cap
Region	Global Emerging Markets
Fund size	\$13.42 million as at 31 Dec 2020
Commencement date	02 Oct 2000
Distributions	Half yearly

Investment objective

The fund aims to achieve returns (after costs but before fees and taxes) that exceed the MSCI Emerging Markets Net Total Return Index (A\$ unhedged), over periods of three years.

Investment strategy

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

Minimum time horizon

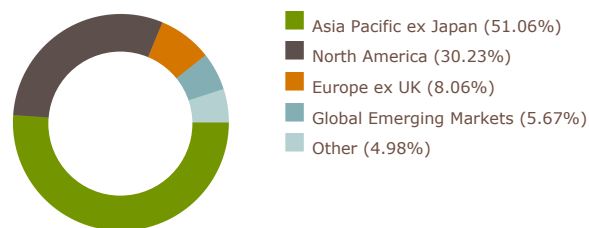
5 years

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 †	2.80	10.68	2.57	6.38	10.74	7.88	4.31
Benchmark ‡	2.51	11.18	7.77	6.65	11.49	8.44	6.61
Excess Return	0.29	-0.50	-5.21	-0.28	-0.75	-0.56	-2.30
Distribution	0.26	0.27	1.03	1.97	1.53	1.54	1.41
Growth	2.55	10.41	1.53	4.40	9.21	6.34	2.90
Risk (1 Std Dev)	-	-	16.24	12.71	11.23	10.82	11.16
Tracking Error	-	-	2.47	2.67	3.19	3.52	3.41
Info. Ratio	-	-	-2.1	-0.1	-0.2	-0.2	-0.7

Calendar year returns	2020	2019	2018	2017	2016
Total Return †	2.57	21.76	-3.61	26.79	9.12
Benchmark ‡	7.77	18.61	-5.10	27.09	11.72
Excess Return	-5.21	3.14	1.49	-0.31	-2.60

Growth of \$50,000 invested since fund inception



Top 10 holdings

Security	% of fund
TAIWAN SEMICONDUCTOR MANUFACTU	8.29%
SAMSUNG ELECTRONICS CO LTD	7.72%
ALIBABA GROUP HOLDING LTD ADR	5.88%
PROSUS NV	4.17%
TENCENT HOLDINGS LTD	3.86%
AIA GROUP LTD	2.87%
HOUSING DEVELOPMENT FINANCE CO	2.62%
YUM CHINA HOLDINGS INC	2.49%
WISDOMTREE INDIA EARNINGS FUND	2.39%
NAVER CORP	2.33%
Total Top 10	42.62%

* 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

Fourth Quarter 2020 performance Review

The Emerging Market Equity portfolio underperformed the MSCI Emerging Markets Index during the fourth quarter of 2020.

Detractors

? Stock selection in consumer discretionary and industrials

? An underweight position and security selection in materials

Contributors

? Security selection and an overweight position in communication services and financials

? Stock selection and an underweight position in energy

? Individual stocks: Holding Make My Trip and overweight

Samsung Electronics

Future investment strategy

Emerging markets finished the year strongly, along with global equity markets. The bullish narrative continues to revolve around the progress made on the development of COVID-19 vaccines and significant monetary and fiscal stimulus by governments and central banks globally.

Looking forward to 2021, we are optimistic about the potential for vaccines to restore some semblance of normalcy to our daily lives and to global equity markets. However, this is a widely held view among investors and it feels like the markets have already factored in much of the optimism, leaving little room for error. We are also cognizant that a massive amount of liquidity was injected into the financial system in 2020, which potentially could result in excesses in select areas of the market and, therefore, we are slightly cautious going into the new year.

We are also watching the Biden administration for a possible response to Russia, after it was revealed that Russia was behind the large-scale hacking of US government agencies. This may potentially impact our Russia holdings such as Sberbank and Lukoil. We discussed the issue with our fixed income team and concluded that there will likely be sanctions on senior Russian officials and entities that were involved in the attack. However, it seems unlikely that the US will impose broad financial sanctions that will cripple the Russian economy. Within the energy space, we believe companies with larger shares of international assets and foreign borrowings face higher sanctions risk. Lukoil is less at risk given its clean balance sheet, high share of foreign institutional shareholders and limited reliance on foreign technology.

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