

Fund Summary

OptiMix Global Emerging Markets Share OneAnswer Frontier Investment Portfolio

31 December 2020

Fund details

Investment manager	OptiMix
Fund code	MMF1542AU
Asset type	Equity
Region	Global Emerging Markets
Fund size	\$2.30 million as at 31 Dec 2020
Commencement date	28 Sep 2010
Distributions	Half yearly

Investment objective

The fund aims to achieve returns (before fees, charges and taxes) that exceed the MSCI Emerging Markets (Free) Index (\$A unhedged), over periods of five years or more.

Investment strategy

The fund invests predominantly in a diversified portfolio of shares in global emerging markets through a mix of managers. The fund is actively managed in accordance with the OptiMix Multi-manager investment process.

Minimum time horizon

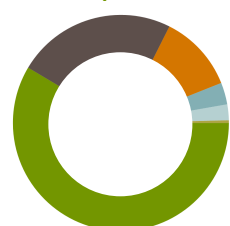
5 years

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



Asia Pacific ex Japan (58.55%)
North America (23.87%)
Global Emerging Markets (11.55%)
Europe ex UK (3.27%)
Other (2.37%)
UK (0.39%)

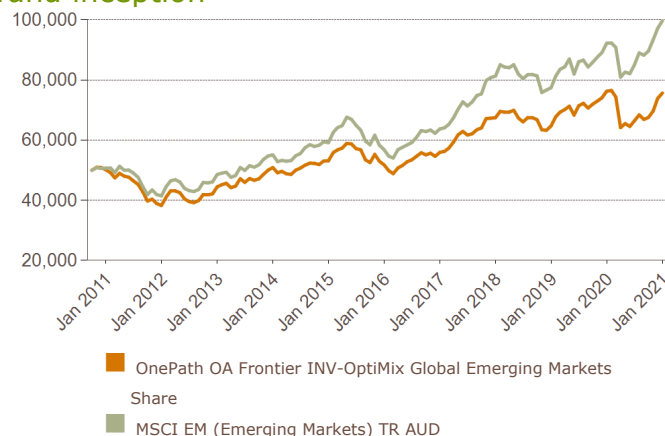
Fund performance

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 †	2.36	12.03	-0.77	3.90	7.88	5.83	4.23
Benchmark ‡	2.56	11.25	8.12	7.04	11.89	8.83	6.99
Excess Return	-0.20	0.78	-8.89	-3.15	-4.02	-3.00	-2.76
Distribution	0.38	0.42	5.16	5.64	3.97	3.32	2.56
Growth	1.98	11.60	-5.93	-1.74	3.90	2.51	1.64
Risk (1 Std Dev)	-	-	17.39	12.11	10.47	10.16	10.59
Tracking Error	-	-	4.05	3.47	3.04	3.06	2.91
Info. Ratio	-	-	-2.2	-0.9	-1.3	-1.0	-1.0

Calendar year returns	2020	2019	2018	2017	2016
Total Return †	-0.77	17.82	-4.06	20.59	8.01
Benchmark ‡	8.12	19.07	-4.73	27.53	12.14
Excess Return	-8.89	-1.25	0.66	-6.94	-4.13

Growth of \$50,000 invested since fund inception



Top 10 holdings

Security	% of fund
TWN SEMICONT MAN ORD	3.12%
TENCENT HOLDINGS ORD SHS	2.53%
SAMSUNG ELECTR ORD	2.41%
INDRAPRASTHA GAS ORD A	1.15%
CHINA GAS HOLDINGS ORD	1.08%
ENN ENERGY ORD	1.08%
JASA MARGA(INDONESIA HWY CO) -	0.94%
TELESITES SAB DE CV B-1 ORD	0.93%
GUJARAT GAS ORD SHS	0.86%
POWER GRID ORD B	0.86%
Total Top 10	14.96%

* 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

3 months to 31 December 2020

The Fund outperformed the benchmark over the quarter. The exposure to value manager Wells Cap and infrastructure manager RARE being the main drivers of performance as EM infrastructure companies recovered along with positive vaccine news.

1 year to 31 December 2020

RARE was also the major detractor over the 1 year period as COVID-19 hit transport assets such as airports and toll roads harder than most other industries. Even Indian utilities, which should be defensive, were hit hard during the March quarter and have not recovered year to date.

Future investment strategy

Vaccine rollout and economic data boost markets

- During the month news on the COVID-19 vaccine slowly being rolled out in key economies helped lift investor sentiment.
- Markets were also boosted when the US Federal Reserve announced they would continue with a high level of quantitative easing. The government's \$900 billion stimulus bill is also likely to allay concerns about permanent economic damage and provide markets with a solid foundation for 2021.
- While a new COVID-19 cluster emerged in Sydney's Northern Beaches, immediately dampening local markets, Australian shares still finished the month positively at 1.3% although year to date they lagged most global markets.
- The global economy continues to recover with the Global Purchasing Managers Index holding solid during the month despite lockdowns.
- As 2020 ended the 12 month returns for international shares were very positive at 10.6% (hedged) and 5.7% (unhedged), reflecting the sharp rise in the AUD.

Brexit deal and China/Australia tensions

- In the UK investors were relieved that a Brexit trade deal was finalised during the Christmas holidays with the government pushing it through Parliament just a day before the 31 December deadline.
- The Brexit deal positions the UK better than what would have been a move to World Trade Organisation rules and tariffs, but the terms are far from ideal, particularly for UK businesses and the service/financial sector.
- Tensions between Australia and China seemed to worsen in the month with reports that China had banned Australian coal exports. If the trade conflict drags on or escalates it could make Australia's still fragile economic recovery from the pandemic more challenging.

AUD lifts

- Stronger economic data, particularly in China, rising commodity prices and a decline in the US dollar supported the AUD which lifted further in the month.
- The RBA will likely keep rates low for some time and this could slow the pace of AUD appreciation.

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