

# Fund Summary

## OnePath Tax Effective Income Trust Wholesale

31 May 2022

### Fund details

Investment manager	OnePath Funds Management
Fund code	MMF0700AU
Asset type	Multi-Asset / Balanced Growth
Region	Australia
Fund size	\$6.55 million as at 31 May 2022
Commencement date	27 Feb 2004
Distributions	Quarterly

### Investment objective

The fund aims to provide income and achieve returns (before fees and taxes) that on average exceed inflation by at least 4.5% p.a., over periods of ten years or more.

### Investment strategy

The fund invests in a diversified mix of Australian assets with a bias towards income producing growth assets. The underlying investments are actively managed in accordance with a disciplined investment process.

### Minimum time horizon

10 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:



### Asset allocation



Australian Shares (38.18%)
Real Estate Investment Trusts (30.33%)
Australian Fixed Interest (21.57%)
Cash (9.92%)

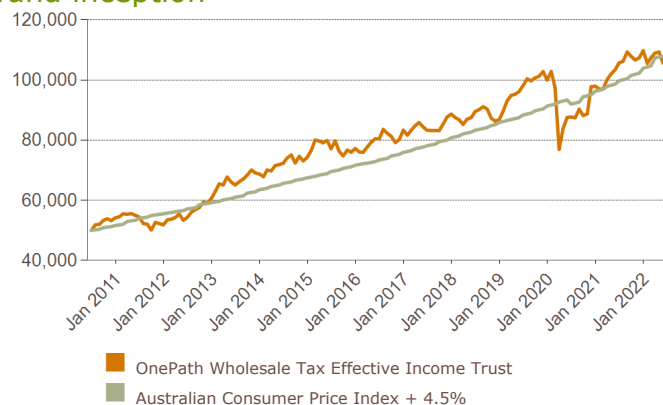
### Fund performance

As at 31 May 2022

	1 mth %	3 mth %	1 yr %	3 yr % pa	5 yr % pa	7 yr % pa	10 yr % pa
Total Return †	-3.34	-1.61	2.19	3.20	4.60	4.08	7.07
Benchmark ‡	0.00	2.87	9.23	7.17	6.75	6.60	6.64
Excess Return	-3.34	-4.49	-7.04	-3.98	-2.15	-2.52	0.43
Distribution	0.00	0.41	2.40	3.39	3.48	3.32	3.43
Growth	-3.34	-2.02	-0.22	-0.20	1.12	0.76	3.64
Risk (1 Std Dev)	-	-	7.57	16.37	13.17	11.91	10.72
Tracking Error	-	-	6.95	16.60	13.39	12.11	10.94
Info. Ratio	-	-	-1.0	-0.2	-0.2	-0.2	0.0

Calendar year returns	YTD	2021	2020	2019	2018
Total Return †	-3.73	12.04	-2.02	15.15	-2.06
Benchmark ‡	3.64	8.00	5.36	6.34	6.28
Excess Return	-7.38	4.04	-7.38	8.81	-8.34

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



### Top 10 holdings

Security	% of fund
BHP GROUP LTD - ORD NPV	8.55%
WESTPAC BANKING - ORD NPV	7.75%
ANZ-AUSTRALIA & NEW ZEALD BK -	6.82%
TELSTRA CORP LTD - ORD NPV	5.75%
RIO TINTO GROUP - ORD NPV (AUS)	4.78%
NATIONAL AUSTRALIA BK - ORD NP	4.06%
WOODSIDE ENERGY GROUP LTD - OR	4.06%
COLES GROUP LTD - ORD NPV	3.16%
DOWNER EDI LTD - ORD NPV	2.88%
AURIZON HOLDINGS LTD - ORD NPV	2.75%
<b>Total Top 10</b>	<b>50.57%</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 S&P/ASX 200 Accumulation Index returned 6.9% during the month. Australian equities outperformed global equity markets again in March, having benefitted from rising commodity prices that have buoyed local energy and material stocks. Global developed equity markets fared better than emerging markets as ongoing geopolitical tensions made for an uncertain outlook. In the major developed markets, the US S&P 500 was up 3.7% and the UK's FTSE 100 was up 1.4%. The DJ Euro Stoxx 50 lagged, returning -0.4% (in local currency terms).

Monetary policy settings remained unchanged during the month as the Reserve Bank of Australia (RBA) maintained the cash rate target at 0.10%. The RBA remains firm that it will not increase the cash rate until actual inflation is sustainably within the 2 to 3 per cent target range.

Domestic economic data releases in March were largely positive. Employment rose by 77,400 positions in February, which was well above market expectations. The unemployment rate fell to 4.0%, the lowest jobless rate since August 2008. The NAB Survey of Business Conditions rose to 9 points in February, on the back of a strong rise in employment. Business confidence was also higher, rising to 13pts in February, the highest reading in four months. Retail sales were up 1.8% in January. National CoreLogic dwelling prices saw another consecutive monthly rise in March, ending the month up 0.7%, but there is mounting evidence that housing growth rates are losing momentum.

All sectors were positive March, however there was a wide dispersion of returns. The best performing sectors were information technology (13.2%), energy (9.8%) and materials (8.9%). Financials (8.5%) and utilities (7.6%) also outperformed the broader index. Communication services (5.1%), consumer staples (4.6%), industrials (4.5%), consumer discretionary (4.2%) and health care (2.5%) all underperformed the broader index. Real estate (1.2%) was the worst performing sector.

### Future investment strategy

The ongoing global COVID-19 situation remains overshadowed by the Russia/Ukraine conflict which has led global markets into a more volatile mode. The invasion of Ukraine, ongoing supply-side issues, and strong demand as economies recover from the pandemic are all contributing to upward pressure on commodity prices. Australia is a large beneficiary of the higher commodity prices that will have a positive impact on our terms of trade. It is arguable that the expansion of globalisation and supply chains that were "just in time" are now a thing of the past. De-globalisation, "just in case" logistics, strategic supplies of essential goods and services and the onshoring of business operations are likely to accelerate. A good example of how governments are viewing the world is the recent risk sharing arrangement between Iluka Resources and the Australian Government on the Eneabba Rare Earths Refinery in WA. Australia is aiming to gain access to reliable, secure and resilient supplies of the critical minerals (e.g. rare earths) they need. These critical minerals are vital for a range of sectors including renewable energy, telecommunications, transport, aerospace, and defence.

The Australian economic outlook remains a function of how well the states continue to deal with the impact of the Omicron wave, given that all states are now essentially open in some form and committed to living with COVID going forward. Given pent up demand, government support and the increased savings rate – the economic recovery is likely to accelerate. The opening of the international borders to all vaccinated travellers is a positive that will allow international students and workers into the country and thus alleviate the labour shortages felt by many industries.

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This information is current as at 31 May 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](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.