

Fund Summary

OnePath Managed Growth Trust

Wholesale

31 October 2022

Fund details

| | |
|--------------------|-----------------------------------|
| Investment manager | OnePath Funds Management |
| Fund code | MMF0115AU |
| Asset type | Multi-Asset / Balanced Growth |
| Region | Australia |
| Fund size | \$20.11 million as at 31 Oct 2022 |
| Commencement date | 10 Mar 1998 |
| Distributions | Quarterly |

Investment objective

The fund aims to achieve returns (before fees, charges and taxes) that on average exceed inflation by at least 5.0% p.a., over periods of ten years or more.

Investment strategy

The fund invests in a diversified mix of Australian and International assets with a strategic bias towards growth assets. The fund blends active and passive management styles from a selection of leading investment managers.

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



| |
|--|
| International Equities (28.65%) |
| Other (21.64%) |
| Australian Shares (21.11%) |
| Real Estate Investment Trusts (11.71%) |
| Australian Fixed Interest (8.69%) |
| International Fixed Interest (8.20%) |

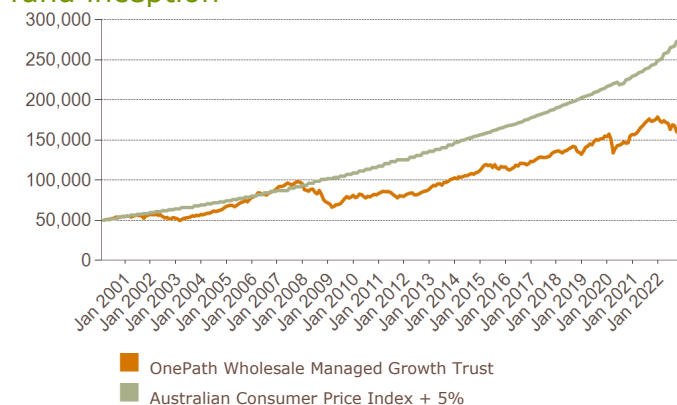
Fund performance

As at 31 Oct 2022

| | 1 mth % | 3 mth % | 1 yr % | 3 yr % pa | 5 yr % pa | 7 yr % pa | 10 yr % pa |
|------------------|---------|---------|--------|-----------|-----------|-----------|------------|
| Total Return † | 3.17 | -2.02 | -4.90 | 2.98 | 4.41 | 5.07 | 6.71 |
| Benchmark ‡ | 0.38 | 2.94 | 12.30 | 8.64 | 7.89 | 7.51 | 7.39 |
| Excess Return | 2.79 | -4.97 | -17.19 | -5.66 | -3.48 | -2.44 | -0.68 |
| Distribution | 0.00 | 0.17 | 2.97 | 8.13 | 7.24 | 7.93 | 8.08 |
| Growth | 3.17 | -2.20 | -7.87 | -5.15 | -2.83 | -2.86 | -1.36 |
| Risk (1 Std Dev) | - | - | 9.00 | 10.33 | 8.75 | 7.78 | 7.25 |
| Tracking Error | - | - | 10.38 | 11.16 | 9.40 | 8.32 | 7.87 |
| Info. Ratio | - | - | -1.7 | -0.5 | -0.4 | -0.3 | -0.1 |

| Calendar year returns | YTD | 2021 | 2020 | 2019 | 2018 |
|-----------------------|--------|-------|-------|-------|-------|
| Total Return † | -7.40 | 13.90 | 1.72 | 16.64 | -2.61 |
| Benchmark ‡ | 10.02 | 8.50 | 5.86 | 6.84 | 6.78 |
| Excess Return | -17.42 | 5.41 | -4.14 | 9.80 | -9.39 |

Growth of \$50,000 invested since fund inception



* 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

Although the September quarter produced positive returns in Australian dollars for many markets, including Australia and the US, the underlying sentiment remained bearish as Central Banks globally continued to raise interest rates to address inflation printing at persistently high levels. Equity market returns in local currencies were much less flattering as the US dollar continued to strengthen against most other major currencies. Australian shares gained 0.5% including dividends over the quarter, although a 6.3% fall in the month of September dampened the mood as commodity prices fell and global recession fears increased. In local currency, US and European stocks both lost 5% while China and Hong Kong both fell more than 20% as Covid lockdowns weighed on economic growth, and further exacerbated with a weakening Chinese Yuan against the USD.

Future investment strategy

Market sentiment is still being dominated by the influence of short-term inflation data on Central Banks' future policy settings. The US third quarter reporting season will get underway in the next few weeks which should provide some insights into current the state of the US economy. Some of the recent company trading updates there, primarily in the Consumer Discretionary space, have suggested excess inventory and the need to de-stock following weaker than expected sales. This could be the first signs of the US economy slowing but, given the lag in the impact of higher interest rates on the economy, it will almost certainly be a few more months before we can draw any definitive conclusions about this, especially as the US employment situation remains robust.

While the market volatility caused by the focus on short-term macro data is likely to continue, where bad economic news is interpreted as good news for financial markets as it could temper further rate hikes, bad macro-economic news will still be bad news for corporate earnings. An improvement in the outlook for those earnings will ultimately be required for a more sustainable improvement in equity market returns, in our view.

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