



Product Review

OnePath High Growth Index

ISSUE DATE 05-10-2021

About this Review

ASSET CLASS REVIEWED	MULTI-ASSET
SECTOR REVIEWED	81-100% GROWTH ASSETS
SUB SECTOR REVIEWED	LOW-COST DIVERSIFIED
TOTAL FUNDS RATED	17

About this Fund

ASIC RG240 CLASSIFIED	NO
FUND REVIEWED	ONEPATH HIGH GROWTH INDEX
APIR CODE	MMF1570AU
PDS OBJECTIVE	THE FUND SEEKS TO TRACK THE WEIGHTED AVERAGE RETURN OF THE VARIOUS INDICES OF THE ASSET CLASSES IN WHICH THE FUND INVESTS, IN PROPORTION TO THE STRATEGIC ASSET ALLOCATION ('SAA') FOR THE FUND, BEFORE TAKING INTO ACCOUNT FEES, EXPENSES AND TAX.
STATED RISK OBJECTIVE	TRACKING ERROR (+/- 0.5% P.A. OF THE TARGET BENCHMARK, WHICH IS BASED ON EACH OF THE UNDERLYING INDEX FUNDS) OVER SEVEN-YEAR PERIODS.
DISTRIBUTION FREQUENCY	QUARTERLY
FUND SIZE	\$414M (31 AUGUST 2021)
FUND INCEPTION	28-09-2010
MANAGEMENT COSTS	0.32% P.A. (INCLUDES INDIRECT COSTS OF 0.02%)
RESPONSIBLE ENTITY	ONEPATH FUNDS MANAGEMENT LIMITED

About the Fund Manager

FUND MANAGER	ONEPATH FUNDS MANAGEMENT LIMITED
OWNERSHIP	ONEPATH IS A SUBSIDIARY OF IOOF HOLDINGS LIMITED
ASSETS MANAGED IN THIS SECTOR	\$4.4BN (31 AUGUST 2021)
YEARS MANAGING THIS ASSET CLASS	28

Investment Team

PORTFOLIO MANAGER	STANLEY YEO
INVESTMENT TEAM SIZE	22
INVESTMENT TEAM TURNOVER	MOD
STRUCTURE / LOCATION	PM / ANALYST, SYDNEY AND MELBOURNE
ASSET CONSULTANT	MERCER

Investment process

STYLE	SAA
SECTOR EXPOSURE	PASSIVE
GROWTH / DEFENSIVE SPLIT %	90/10
USE OF ALTERNATIVES	NO

Fund rating history

OCTOBER 2021	RECOMMENDED
MAY 2021	INVESTMENT GRADE
MAY 2021	FUND WATCH

What this Rating means

The 'Recommended' rating indicates that Lonsec has strong conviction the financial product can generate risk adjusted returns in line with relevant objectives. The financial product is considered an appropriate entry point to this asset class or strategy.

Strengths

- Invesco is a large, well-resourced and reputable investment manager.
- Invesco has a dedicated index management team which is supported by specialist functions, e.g. trading and corporate actions analysis.
- IOOF has an established SAA process managed by an experienced team.

Weaknesses

- The co-tenure of the combined IOOF/OnePath investment teams, after the integration in 2020, is still growing, albeit early signs have been positive owing to the complementary skillset of some of the OnePath team.
- While acknowledging this as a straightforward index strategy, it is notable that the Fund has less 'tools' (for instance dynamic asset allocation or alternative asset classes) which can curtail downside protection potential.

Fund Risk Characteristics

	LOW	MODERATE	HIGH
BUSINESS SUSTAINABILITY RISK		●	
CAPITAL VOLATILITY			●
FOREIGN CURRENCY EXPOSURE		●	
LEVERAGE RISK	●		
SECURITY LIQUIDITY RISK		●	
SECURITY CONCENTRATION RISK	●		
REDEMPTION RISK		●	

Risk categories are based on Lonsec's qualitative opinion of the risks inherent in the financial product's asset class and the risks relative to other financial products in the relevant Lonsec sector universe.

BIometrics

Aggregated risks

	1	2	3	4	5	6	7
STD RISK MEASURE						●	

A Standard Risk Measure score of 6 equates to a Risk Label of 'High' and an estimated number of negative annual returns over any 20 year period of 4 to less than 6. This is a measure of expected frequency (not magnitude) of capital losses, calculated in accordance with ASFA/FSC guidelines.

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Features and benefits

	LOW	MODERATE	HIGH
COMPLEXITY		●	
ESG		●	

Fee profile

	LOW	MODERATE	HIGH
FEES VS. UNIVERSE	●		
FEES VS. ASSET CLASS	●		
FEES VS. SUB-SECTOR		●	

Fee BIometrics are a function of expected total fee as a percentage of expected total return.

What is this Fund?

- The Fund is designed as a low-cost product offering, providing access to a diversified Strategic Asset Allocation ('SAA') that encompasses 'traditional' asset classes such as equities and fixed interest, both domestic and international. The Fund does not invest in Alternative assets. The underlying asset classes are passively managed and aim to track their respective benchmarks. There is no use of Tactical Asset Allocation ('TAA') in the management of the Fund.
- OnePath Funds Management Limited (the 'Manager' or 'OnePath'), previously part of ANZ Wealth ('ANZW'), now part of the IOOF Group, has offered diversified investments to investors for more than two decades, making it one of the longest standing managers in this peer group.
- The IOOF Group's multi-asset investment team ('the Manager') is responsible for setting the Fund's SAA AND employs Invesco to passively manage each of the underlying asset classes, with the exception of the cash portion which is managed by IOOF.
- As per the Fund's PDS dated 20 September 2021, the ongoing annual fees and costs to investors in the Fund includes management fees and costs of 0.32% p.a., which comprises a 0.30% p.a. ongoing fee, and indirect costs of 0.02% p.a. The indirect costs also includes the net transaction costs for the 12 month period ended 30 June 2020. Transaction costs include explicit (e.g. brokerage, stamp duty, clearing) and implicit (buy/sell spreads in fixed income) costs of buying and selling underlying assets (like shares or fixed income) and the cost of hedging/protection strategies incurred in managing the Fund. These costs are not paid to the Manager. Some transaction costs may be incurred due to investor activity (e.g. buying securities when new application money flows into the Fund and selling securities to meet Fund redemptions) and these may be recouped via the Fund's buy/sell spreads (an investor activity fee). As at the time of the Fund's PDS, the Fund's buy/sell spreads were 0.03% / 0.03% but as these can change frequently depending on market conditions, please refer to the Manager for the latest information. An investor fee of \$115 p.a. applies to account balances under \$50K. An ongoing fee rebate of 0.10% p.a. applies to balances over \$300K, which reduces the ongoing fees payable.

Using this Fund

This is General Advice only and should be read in conjunction with the Disclaimer, Disclosure and Warning on the final page.

- Low-Cost Diversified funds are well suited to investors who desire a portfolio that provides exposure to a range of asset classes via a single investment option, at a lower cost than traditional Diversified funds. The 'low-cost' nature of these strategies is largely achieved by utilising index/passive exposures at the underlying asset class level.
- The Fund provides investors with exposure to a 90/10 mix of passively-managed growth and defensive asset classes.

Suggested Lonsec risk profile suitability

SECURE	DEFENSIVE	CONSERVATIVE	BALANCED	GROWTH	HIGH GROWTH
					●

For guidance on appropriate asset allocations and risk profiles, refer to the latest Lonsec Strategic Asset Allocation Review and Risk Profile Definitions on our website.

Changes Since Previous Lonsec Review

- Effective 20 September 2021, the Fund's management costs have been significantly reduced from 0.87% p.a. to 0.32% p.a.
- The IOOF team is currently progressing its SAA review and considering the inclusion of other asset classes with the aim of improving the diversification characteristics of the portfolio.

Lonsec Opinion of this Fund

People and resources

- In February 2020, ANZ bank's OnePath Pensions and Investments business and Aligned Dealer Groups divestment to IOOF Holdings Limited ('IOOF') was completed. This includes the transfer of the investment management and governance functions. Following this, the OnePath and IOOF investment teams were integrated, effective October 2020. Lonsec considers the combination of the two investment teams positively given the IOOF multi-asset investment team was able to selectively bring on complementary skill sets and enhanced investment capabilities. Whilst IOOF's historical track record in successfully consolidating investment teams provides an element of comfort, Lonsec will continue to monitor team cohesion in future reviews.
- The SAA framework is managed by IOOF's multi-asset investment team led by Dan Farmer as CIO and who is immediately supported by Stanley Yeo, Deputy CIO. Farmer leads a large team of 21 including two experienced professionals dedicated to asset allocation (Kerry Duce and Sidney Chong). David Djukanovic, Head of Implementation, is responsible for day-to-day cash flow management. Lonsec notes that while the team is large and experienced, the group is still coalescing into a unit after the merger of the separate IOOF and OnePath/Optimix teams in 2020.
- OnePath has appointed Invesco Australia ('Invesco') as the underlying manager to passively manage each of the underlying asset classes. Invesco is a substantial global asset manager with US\$1.5 trillion

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in AUM as at June 2021 from across a range of asset classes and strategies. Indexing comprised US\$450bn of total AUM. Invesco's NASDAQ 100 tracker QQQ with circa US\$174.5n in AUM has been a success and while this has brought concentration risk to the business, Invesco has been broadening its offering and market presence considered by Lonsec as part of a growth and mitigation strategy. Lonsec notes that Invesco is an ETF specialist and will look on with interest to see how its Australian business strategy unfolds over time.

- The Invesco index business is led by Brian Hartigan, Global Head of Index Implementation and Passive Investments. Hartigan has been with Invesco, and a predecessor firm, since 2000 and is considered by Lonsec to be appropriately experienced. He leads over 20 dedicated indexing professionals. These include Peter Hubbard (and his team of 10 portfolio managers) focused on equities indices and Raphael Stern responsible for Fixed Income index tracking. This specialist resourcing is viewed positively.
- The portfolio management team is further supported by functional experts in areas such as trading and corporate actions. Additional support is also provided as needed by the Hong Kong Fixed Income desk.

Asset allocation

- The Manager is responsible for developing and monitoring the SAA for the Fund. The Fund has adopted a static SAA approach and manages the target asset allocation within tight ranges predominantly using cashflows to rebalance asset class weights. The Manager continues to adopt the SAA of the previous underlying manager, Vanguard, to minimise disruption though Lonsec notes an SAA review is currently being conducted by the Manager. This is expected to complete over the next few months. Dynamic asset allocation ('DAA') is not employed in the management of the Fund. Lonsec considers the Fund to be reasonably diversified, investing across the major traditional asset classes. Pleasingly, the scope of the SAA review currently underway includes research into the inclusion of other asset classes and implementation methods which may build on the diversification characteristics of the Fund.
- Lonsec notes the the Fund adopts a relatively straightforward, static SAA approach. While not an input into the Fund's construction at this stage, Lonsec notes it has gained confidence in the Manager's internalised approach to asset allocation as the framework incorporates greater flexibility in managing risk and return outcomes, and potentially in navigating regime shifts in the market. Lonsec believes there is capacity for this approach to be somewhat adopted in the management of the Fund.

Research approach

- Lonsec considers the Manager's manager research process to be thorough, albeit not as applicable to this Fund given its majority allocation to a single manager, Invesco. The formal manager due diligence process is detailed, covering a range of criteria including business and ownership structure, investment team, performance track record and overall fit for the Fund. Lonsec is satisfied that a thorough due diligence process was carried out in the search for a new index manager.

ESG Integration

- Invesco has articulated a commitment to the integration of ESG within their investment process with evidence of a policy framework and public positioning. The ESG policy is freely available on the firm's website. Overall Lonsec views the strength of this commitment to be in-line with peers.
- The level of disclosure with respect to Invesco's proxy voting policy and voting outcomes is in-line with peers supported by an industry leading policy framework. Voting for this Fund is aligned with the majority vote for the Manager's active funds and thus "shadows" the Firm's widely held views on key ESG issues. Reporting on voting decisions is publicly available and aligned with peers.
- The level of disclosure with respect to Invesco's engagement policies and engagement outcomes is assessed as being in-line with peers with a decent engagement policy framework and publicly available engagement reporting.
- As the Fund adopts an index tracking approach, using mainstream indexes, there is no opportunity for the Manager to integrate ESG into investment decisions. There is no ESG incorporation in the product selection process or the product design process for this Fund. Light integration of ESG within product monitoring activities is evident. Overall, ESG integration within the investment process is significantly below peers, which include active managers who have a greater ability to incorporate ESG into their stock selection activities.
- While the lead portfolio manager demonstrated an ability to engage on broad ESG topics and Invesco had a systematic approach to tracking engagement outcomes, there is no evidence of ESG analysis or integration across the portfolio.
- Overall, on a peer relative basis, Lonsec considers the overall level of ESG integration within the Fund to be LowMod.

Portfolio construction

- Invesco has been appointed as the underlying manager to manage most of the sector allocations within the Fund. Lonsec notes Invesco has a long history in managing index based solutions dating back some 20+ years, albeit the majority of its FUM is in non-market cap weighted index solutions. Nonetheless Lonsec has been satisfied with Invesco, its personnel and systems employed and overall believes their market cap weighted index capability to be a quality capability across the major asset classes.
- Pleasingly, the Manager has stated a desire to increase the breadth of asset classes available for

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use in the construction of the Fund. This would potentially incorporate the use of 'smart beta' exposures in addition to market cap weighted exposures. Lonsec notes this would give the Manager more opportunity to exercise 'skill' in selecting particular factor exposures (e.g. growth, value, low volatility) or navigating market conditions (e.g. sensitivity to rising interest rates). Incorporation of these additional 'tools' may bring the Fund more in-line with higher rated peers who can access these in their portfolio construction toolkit. Lonsec highlights the Manager is progressing research into the inclusion of non-traditional index exposures within its asset mix, global high yield being one example of an asset class that may be better suited to a non-traditional index exposure.

Risk management

- Lonsec considers the Manager's risk management process to be stringent. Risk monitoring is conducted daily by the investment team. Further, the team now has three dedicated resources for performance and investment analytics providing additional support.
- Lonsec notes that the Manager's FactSet/Northfield system provides additional rigour in risk management. Generally, Lonsec considers this system to be highly customisable with extensive analytic and reporting capabilities. FactSet is also used to analyse portfolio characteristics and risk attributes.
- A separate Governance team provides oversight which is good practice and a dedicated execution function acts on approved portfolio manager instructions.

Overall

- Lonsec has upgraded the Fund to a 'Recommended' rating at its recent review. Invesco, the underlying manager, is viewed as being a well-resourced and highly capable index manager. The strategic asset allocation ('SAA') is suitably managed by IOOF's investment team and the respective indices being tracked are regarded as standard asset class benchmarks. In addition, the Fund offers a competitively priced passive strategy following a material reduction in management fee.
- The Fund has limited 'tools' such as dynamic asset allocation or access to alternative asset classes that may assist with downside protection. In addition, the co-tenure of the combined IOOF/OnePath investment teams, following the integration in 2020, is still growing, albeit early signs have been positive owing to the complementary skillset of some of the OnePath team.

People and Resources

Corporate overview

OnePath Funds Management Ltd, a subsidiary of OnePath Group ('OnePath'), is the Responsible Entity and Fund Manager of the Trust. OnePath has been a wholly owned subsidiary of IOOF Holdings Limited ('IOOF') since February 2020. IOOF is listed on the Australian Securities Exchange (ASX:IFL). As of June 2021, IOOF had approximately \$453.4bn in Funds Under Management and Administration.

As of February 2020, the OnePath Pension and Investments business and four aligned dealer groups (previously owned by ANZ Banking Group) fall under the ownership of IOOF Holdings. The OnePath Pension and Investments' funds under management as of June 2021 was circa \$33.7bn, and the OnePath investment team is now fully integrated into the IOOF investment team, forming a single unit from an investment capability perspective.

Invesco is a global investment management firm managing investments across a comprehensive range of asset classes, investment styles and geographies. Globally, Invesco employs over 8,000 employees throughout offices in the US, Canada, Europe, and the Asia-Pacific. Invesco has a strong track record of managing smart-beta, index-based strategies. As at June 2021, Invesco has US\$450 billion of FUM invested across its suite of over 350 ETF and index strategies.

Size and experience

NAME	POSITION	EXPERIENCE INDUSTRY / FIRM
DAN FARMER	CHIEF INVESTMENT OFFICER	25 / 11
STANLEY YEO	HEAD OF EQUITIES AND DEPUTY CIO	21 / 11
LIAM WILSON	PORTFOLIO MANAGER	18 / 1
MARK NORDIO	SENIOR MANAGER FIXED INTEREST ASSETS & STRATEGY	25 / 1
DAVID DJUKANOVIC	HEAD OF PORTFOLIO IMPLEMENTATION	16 / 1
SIDNEY CHONG	ASSET ALLOCATION MANAGER	20 / 1

The investment team at OnePath is now fully integrated into IOOF. Dan Farmer, CIO of IOOF, oversees the operations of the team and has led the integration of the team's capabilities into the wider IOOF group. Farmer previously managed the Australian equities portfolios at IOOF, and prior to joining the organisation, was Senior Executive Investments at Telstra Super.

Head of Equities & Deputy CIO Stanley Yeo is the Portfolio Manager for the Fund. Yeo assumed the position of Deputy CIO in May 2017. Prior to joining IOOF, Yeo was a senior consultant at Russell Investments for over eight years.

Head of Portfolio Implementation David Djukanovic joined IOOF in 2020 from ANZ/OnePath and is responsible for portfolio execution, currency management, and dealing as it relates to the Fund. Previously, Djukanovic was Manager, Currency and Portfolio Implementation and he has also worked at ING Investment Management in similar roles.

The investment team conducts qualitative and quantitative research and provides overall data support and recommendations to the Investment Management Committee ('IMC').

The IMC meets bi-monthly or more frequently if required, and comprises of Anthony Hodges (Chairman and Independent Member), Denise Allen and Mary-Anne Nunan (Independent Members), Daniel Farmer (CIO), Stanley Yeo (Deputy CIO) and Manish Utreja

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(Head of Alternatives). Osvaldo Acosta has been appointed as Secretary.

Back-office functions are performed by IOOF's Investment Operations Team. Compliance monitoring, custody, unit pricing, registry and financial reporting functions are outsourced to various parties including IOOF and BNP Paribas; while transition management and implementation are performed by a panel of transition managers including Citi, Macquarie and UBS.

Invesco's index management team is responsible for managing all passive portfolios. The team is led by Brian Hartigan, Global Head of Index Implementation and Passive Investments. The oversight and day to day responsibility of the Funds are divided between senior portfolio managers and traders within the team across its respective investment mandates.

Asset consultant

Mercer Investment Consulting contributes to the asset allocation process via the contribution of capital market assumptions. The investment team also has access to Mercer's personnel and various portfolio construction and manager research tools, including its Global Investment Manager Database. Mercer's global manager research group comprises four specialist 'boutiques' covering Equities, Bonds, Real Estate and Alternatives. Each boutique has a business and investment leader. In addition, regional leadership is in place to ensure quality and consistency in research output across the various boutiques.

Asset Allocation

Strategic asset allocation

A full and extensive SAA review is conducted every three years, although the SAA is revisited at least annually. The SAA is developed by the Asset Allocation team in consultation with the senior members of the investment team, endorsed by the IMC and is ultimately the responsibility of the CIO. However, the Asset Allocation team drives the process from a practical perspective. Mercer is an input in the SAA process, assisting in the generation of capital markets assumptions and providing insight into potential new asset classes and asset class opportunities. The framework for the SAA configuration is based on defining each Fund's investment objective in terms of the end investors' desired risk/return outcome using market aware assumptions. Qualitative judgements are also applied in determining final SAA outcomes. Reference to industry comparative benchmarks and peers also plays a role in determining the SAA framework. In the interim, the Manager has continued to adopt the Vanguard's SAA weightings, while an SAA review is being conducted.

Asset allocation

ASSET CLASS	SAA BENCHMARK	MIN	MAX	CURRENT ALLOCATION
AUSTRALIAN EQUITIES	36.0%	34.0%	38.0%	35.9%
GLOBAL EQUITIES	26.5%	24.5%	28.5%	26.7%
GLOBAL EQUITIES - HEDGED	16.0%	14.0%	18.0%	16.1%
GLOBAL SMALL COMPANIES	6.5%	4.5%	8.5%	6.7%
GLOBAL EMERGING MARKETS	5.0%	3.0%	7.0%	4.8%
AUSTRALIAN FIXED INTEREST	3.0%	1.0%	5.0%	2.9%
GLOBAL FIXED INTEREST - HEDGED	7.0%	5.0%	9.0%	6.8%
CASH	0%	0%	0%	0.1%
DEFENSIVE	10.0%	-	-	9.8%
GROWTH	90.0%	-	-	90.2%
AS AT 31 AUGUST 2021	-	-	-	-

Tactical/Dynamic asset allocation

The Fund does not engage in short to medium term TAA or DAA.

Research Approach

The research approach is appropriately structured around a determination of a SAA for the Fund and underlying manager allocations in line with the desired asset class mix. Generally, the manager research process is driven by the objective to identify and combine high calibre index managers who are able to generate performance in line with the respective benchmarks with minimal tracking error, and who may be able to provide access to non-market cap weighted index exposures when appropriate.

Portfolio Construction

Overview

The Fund invests in externally managed strategies with the underlying managers consisting solely of indexed funds. The investment team does not engage in derivatives, but the underlying managers may employ derivatives either for hedging or directional exposure purposes.

Underlying manager allocation

The Manager has employed Invesco to manage each of the underlying asset classes within the Fund.

Risk Management

Risk limits

At the broad level, risk within the Fund is controlled through diversification at the asset class and security level, and via the maintenance of a tight tracking error. Ongoing daily monitoring at the portfolio level is managed by the investment team with a tolerance of +/-2% set to ensure the SAA is maintained.

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Risk monitoring

Apart from the ongoing monitoring by the investment team, risk monitoring at the portfolio level is managed primarily through regular interaction with the underlying manager. At these meetings each underlying manager's portfolio is reviewed and contribution to the total portfolio in terms of asset allocation, performance, positions and exposures. Each sector is also monitored by way of a Portfolio Risk Characteristics report.

Implementation

Investments are implemented through the purchase/sale of units in the underlying discrete products. This includes any currency hedging decisions which ostensibly form part of the SAA decision whether to invest in either hedged or unhedged unit classes.

Currency management

Some of the underlying funds that the Fund invests in, employ currency hedging through the use of forward foreign exchange contracts to manage currency risk. The returns of those underlying funds that employ currency hedging are thus relatively unaffected by currency fluctuations.

Risks

An investment in the Fund carries a number of standard investment risks associated with investment markets. These include performance, liquidity, counterparty, market and tax risks. These and other risks are outlined in the PDS and should be read in full and understood by potential investors. Lonsec considers the following to be the major risks:

Market risk

Investment returns are influenced by the performance of the market as a whole. This means that investments can be affected by things like changes in interest rates, investor sentiment and global events, depending on which markets or asset classes are invested in and the time-frame considered.

Currency risk

There is the chance that the value of an unhedged foreign investment, measured in Australian dollars, will decrease because of unfavourable changes in currency exchange rates. In the case of hedged investments, currency hedging involves costs and implementation risks due to the volatility of currency and securities markets, and there are impacts for the income distributions from those underlying funds. When the Australian dollar is appreciating relative to other currencies, the gains from currency hedging may result in significant additional income being distributed. Conversely, when the Australian dollar is depreciating relative to other currencies, the losses from currency hedging can totally offset other income received, resulting in no income distribution from those underlying funds (that employ currency hedging) for the period. This may impact the Fund's distribution to investors.

Derivative risk

The primary risks associated with the use of derivative contracts are: the values of the derivative may fail to move in line with the underlying asset (a performance difference); the potential lack of liquidity of the

derivative; the Fund or underlying funds may not be able to meet payment obligations for the derivative contracts as they arise; and the counterparty to the derivative contract may not meet its obligations under the contract.

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Quantitative Performance Analysis - annualised after-fee % returns (at 31-8-2021)

Performance metrics

	1 YR		3 YR		5 YR		10 YR	
	FUND	PEER MEDIAN	FUND	PEER MEDIAN	FUND	PEER MEDIAN	FUND	PEER MEDIAN
PERFORMANCE (% PA)	26.26	26.91	10.73	10.47	10.95	11.34	11.54	11.87
STANDARD DEVIATION (% PA)	8.43	8.43	13.29	13.34	10.86	11.03	9.65	9.67
EXCESS RETURN (% PA)	0.26	0.91	-0.43	-0.68	-0.72	-0.33	-0.54	-0.21
OUTPERFORMANCE RATIO (% PA)	41.67	50.00	52.78	50.00	45.00	51.67	48.33	52.08
WORST DRAWDOWN (%)	-1.70	-1.85	-18.81	-19.06	-18.81	-20.20	-18.81	-18.94
TIME TO RECOVERY (MTHS)	2	2	8	8	8	12	8	8
SHARPE RATIO	3.11	3.08	0.74	0.73	0.90	0.90	0.98	1.00
INFORMATION RATIO	0.24	0.79	-0.27	-0.33	-0.54	-0.21	-0.48	-0.19
TRACKING ERROR (% PA)	1.08	1.64	1.58	1.85	1.33	1.57	1.12	1.18

PRODUCT: ONEPATH HIGH GROWTH INDEX

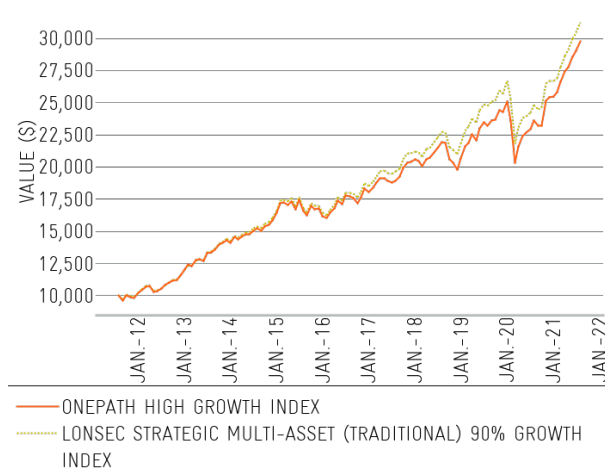
LONSEC PEER GROUP: MULTI-ASSET - 81-100% GROWTH ASSETS - LOW-COST DIVERSIFIED

PRODUCT BENCHMARK: LONSEC STRATEGIC MULTI-ASSET (TRADITIONAL) 90% GROWTH INDEX

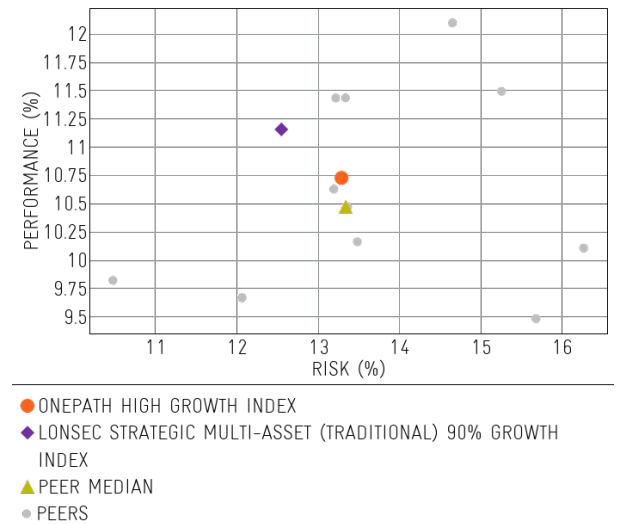
CASH BENCHMARK: BLOOMBERG AUSBOND BANK BILL INDEX AUD

TIME TO RECOVERY: NR - NOT RECOVERED, DASH - NO DRAWDOWN DURING PERIOD

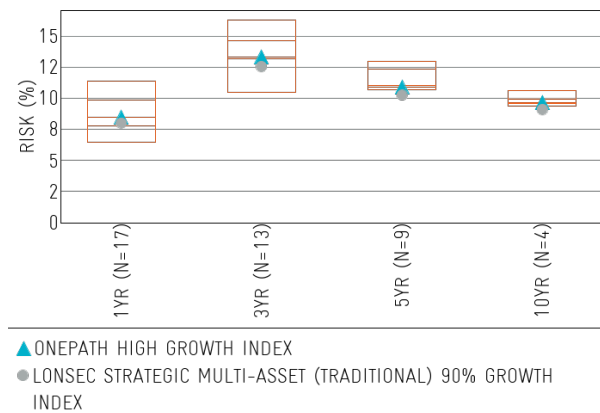
Growth of \$10,000 over 10 years



Risk-return chart over three years

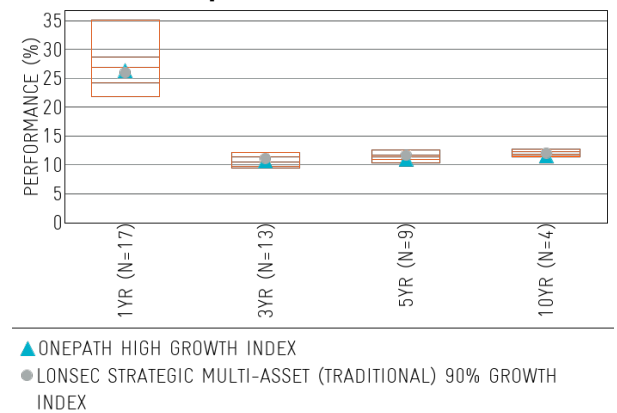


Quartile chart — risk



N: NUMBER OF ACTIVE FUNDS

Quartile chart — performance



N: NUMBER OF ACTIVE FUNDS

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Glossary

Total return ‘Top line’ actual return, after fees
Excess return Return in excess of the benchmark return
Standard deviation Volatility of monthly Absolute Returns
Tracking error Volatility of monthly Excess Returns against the benchmark (the Standard Deviation of monthly Excess Returns)
Sharpe ratio Absolute reward for absolute risk taken (outperformance of the risk free return (Bank Bills) / Standard Deviation)
Information ratio Relative reward for relative risk taken (Excess Returns / Tracking Error)
Worst drawdown The worst cumulative loss (‘peak to trough’) experienced over the period assessed
Time to recovery The number of months taken to recover the Worst Drawdown
Snail Trail A trailing 12-month relative performance and relative risk measurement over the benchmark. The trail is generated using a 12-month rolling window over the specified period

About Lonsec

Lonsec Research Pty Ltd (Lonsec) is an investment research house with specialist areas of expertise, that was originally established in 1994 and the current entity was registered on 23 June 2011. From 1 July 2011, Lonsec became a fully owned subsidiary of Lonsec Fiscal Holdings Pty Ltd, a privately owned entity with a multi-brand strategy of providing leading financial services research and investment execution. Lonsec believes that professional financial advisers need informed opinions on the best investment strategies and financial products to provide real value for their clients. To meet this need, Lonsec has in place an experienced research team, which draws on a robust research process to undertake in-depth assessment of managed fund products.

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