

ONEANSWER
INVESTMENT
FUNDS GUIDE

18 SEPTEMBER 2017

Investment Portfolio

The whole of this OneAnswer Investment Funds Guide forms Part Two of the Product Disclosure Statement (PDS) for:

- OneAnswer Frontier Investment Portfolio
- OneAnswer Investment Portfolio*
- OneAnswer Investment Portfolio //Select†.

* Only applicable to investors who joined prior to 1 July 2013.

† Only applicable to investors who joined prior to 15 November 2010.

Before making an investment decision, you should read this Investment Funds Guide carefully together with the following:

For OneAnswer Frontier Investment Portfolio:

- OneAnswer Frontier Investment Portfolio – Product Book (Part One) dated 18 September 2017.

For OneAnswer Investment Portfolio:

- OneAnswer Investment Portfolio – Product Book (Part One) dated 18 September 2017.

For OneAnswer Investment Portfolio //Select:

- OneAnswer Investment Portfolio – Product Book (Part One) dated 18 September 2017;
- OneAnswer Investment Portfolio // Select – Fees and Charges Guide (Part Three) dated 18 September 2017.

If you have not received all relevant parts of the PDS, please contact Customer Services.

Additional information can also be found in the incorporated material which is comprised of the OneAnswer Investment Portfolio Additional Information Guide. The incorporated material is available by contacting your financial adviser, visiting our website at onepath.com.au > Forms & brochures or free of charge by contacting Customer Services.

You should read all parts of the PDS and the incorporated material in its entirety before making a decision to invest.

Personal Super and Pension

This OneAnswer Investment Funds Guide consists of two documents:

1. the Important Information document, and
2. the Incorporation By Reference document (the IBR Document).

Each of these documents applies to the following OneAnswer Personal Super and Pension products:

- OneAnswer Frontier Personal Super
- OneAnswer Frontier Pension
- OneAnswer Personal Super
- OneAnswer Pension.

The information in the IBR Document contained within this Investment Funds Guide forms part of the Product Disclosure Statement (PDS) dated 18 September 2017, for OneAnswer Personal Super and Pension. Its purpose is to give you more information and/or specific terms and conditions referred to in the PDS. You should consider all of that information before making a decision to invest.

The Important Information document contained within this Investment Funds Guide does not form part of the PDS. Its purpose is to provide you with additional information in relation to OneAnswer Personal Super and Pension.

You can access a copy of the PDS, this Investment Funds Guide and any matter that is applied, adopted or incorporated in the PDS from our website at onepath.com.au > Forms & brochures or you can request a copy of this information free of charge by contacting Customer Services.

Important notes

References to 'OneAnswer' relate to OneAnswer Investment Portfolio, OneAnswer Personal Super, OneAnswer Pension, OneAnswer Investment Portfolio //Select, OneAnswer Frontier Investment Portfolio, OneAnswer Frontier Personal Super, OneAnswer Frontier Pension, ANZ OneAnswer Investment Portfolio, ANZ OneAnswer Personal Super and ANZ OneAnswer Pension.

OnePath Funds Management Limited (ABN 21 003 002 800, AFSL 238 342) (OnePath Funds Management) is the issuer of OneAnswer Investment Portfolio, OneAnswer Investment Portfolio //Select, OneAnswer Frontier Investment Portfolio and ANZ OneAnswer Investment Portfolio.

OnePath Custodians Pty Limited (ABN 12 008 508 496, AFSL 238 346, RSE L0000 673) (OnePath Custodians) is the issuer of OneAnswer Personal Super and Pension, OneAnswer Frontier Personal Super and Pension and ANZ OneAnswer Personal Super and Pension.

In this Investment Funds Guide, the terms 'us', 'we' and 'our' when used in relation to a OneAnswer product, refer to the issuer of that particular product, which is either OnePath Funds Management or OnePath Custodians as the context requires.

Each issuer has prepared and is responsible for the contents of this Investment Funds Guide.

The information provided in this OneAnswer Investment Funds Guide is general information only and does not take into account your objectives, financial situation or needs. You should obtain financial advice tailored to your personal circumstances.

Each external fund manager has provided its consent to statements relating to them being included in this Investment Funds Guide in the form and context in which it is included. No consents have been withdrawn at the time of preparation of this Investment Funds Guide.

OneAnswer Investment Portfolio – This OneAnswer Investment Funds Guide (comprising the information under the sections titled ‘Important Information’ and ‘How we invest your money’) forms Part Two of the Product Disclosure Statement dated 18 September 2017.

OneAnswer Personal Super and Pension – There are two sections in this OneAnswer Investment Funds Guide:

- The first section titled ‘Important information’ represents the Important Information document and provides additional information that does not form part of the Product Disclosure Statement.
- The second section titled ‘How we invest your money’ is the Incorporation By Reference document (the IBR Document) and forms part of the Product Disclosure Statement.

CONTENTS

Section	Page
Important information	5
What are my investment risks?	6
Important information in regards to Hedge Funds	11
How we invest your money	15
What are my investment choices?	16
Your guide to the investment profiles	19
How to read an investment profile	20
Multi-manager investment funds	22
Investor Profile 2 – Conservative	26
Investor Profile 3 – Moderate	28
Investor Profile 4 – Growth	29
Investor Profile 5 – High growth	31
Single manager investment funds	35
Manager profiles	35
Investor Profile 1 – Defensive	41
Investor Profile 2 – Conservative	42
Investor Profile 3 – Moderate	46
Investor Profile 4 – Growth	49
Investor Profile 5 – High growth	55
Other information	78
What investment funds are offered through OneAnswer?	88

For certain funds we are required to disclose additional information in relation to underlying investments because they are considered to be Hedge Funds, refer to page 11.

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WHAT ARE MY INVESTMENT RISKS?

The importance of risk assessment

Risk and return go hand-in-hand. When investing, you need to consider the opportunities and subsequent risks associated with each investment to create an investment profile that suits your needs.

Generally speaking, the higher the potential return from an investment, the higher the risk associated with it.

The more volatile investment funds, such as share funds, potentially offer greater returns and higher growth potential, but generally carry a higher risk than investing in cash or fixed interest funds.

The less volatile investment funds, such as cash funds, generally provide more secure and stable returns because your capital is less susceptible to risk and you may receive interest payments.

However, the returns on these investments are not guaranteed (just as the returns from other types of investments are not guaranteed). The returns also may not keep pace with inflation.

Investors should consider the level of risk involved with a particular investment and whether the potential returns justify those risks, before investing.

All the investment funds are subject to some or all of the risks described below. Your financial adviser can help you establish an investment profile that suits your needs.

The risk level of different investments

Investment risk refers to the chance of losing money on a particular investment. If negative returns are generated by an investment fund the unit price of that fund will go down. Whilst this reduces the value of your investment in the fund, it is not an actual loss until you decide to switch or withdraw from that fund. If you choose to switch or withdraw at that particular point in time, the loss will be realised.

The generally accepted view is that the higher the risk, the higher the potential return. However, taking a high risk does not automatically mean a high return. It could result in a significant loss.

Different types of risk

The basic definition of risk is that your financial expectations will not be achieved. Investment risk is the deviation from your expected return, or the risk that you might lose money.

The following types of risk can impact your investment:

- **Market risk:** Markets can be volatile. Market risk is the risk that your investment may lose value due to fluctuations in market prices.
- **Interest rate risk:** The possibility that the value of your investment may fall due to fluctuations in interest rates.
- **Currency risk:** Currency risk is the risk that your investment may lose value due to a change in price of one currency against another. Your investment may also be affected by the impact of changes in the prices of currencies on the value of foreign securities.

- **Inflation risk:** Inflation is the general increase in consumer prices. Inflation risk is the risk that the purchasing power of your capital and/or interest income may decrease over time, due to inflation.
- **Business risk:** The risk that the value of an individual business or entity to which the investment fund has exposure may be negatively impacted due to factors such as poor management, lower consumer demand or declining market share.
- **Political or social risk:** The risk that changes in government policy, laws and regulations may adversely affect the investment fund's value, and/or tax treatment or the investment's ability to implement certain investment strategies. This also includes the risk that a political upheaval may adversely affect an investment to which the investment fund has exposure (although this is more likely to occur in relation to overseas investments).
- **Liquidity risk:** Liquidity risk is the risk that an asset is unable to be realised in a timely manner and at a fair price, which could lead to the suspension, or delays in the processing of withdrawals.
- **Derivative risk:** Derivatives may be used by some of the investment funds to hedge or to gain economic exposures. Derivatives (swaps) are also used by some investment funds to gain exposure to alternative assets. The use of these instruments involves various risks, including market risk, liquidity risk and default risk which are all described in this section and in the Additional Information Guide under 'Risk of swaps'.
- **Default risk:** Issuers of the investments to which the investment funds may have exposure and other entities upon which the investment funds depend, may default on their obligations, for instance by failing to make a payment when it becomes due or by failing to return capital. Counterparties to the investment funds, including derivatives counterparties, may default on their contractual obligations.
Default on the part of these entities could result in financial loss to the relevant investment fund.
- **Short-selling strategies used by the investment manager:** The underlying investment managers may sell securities they do not hold on the expectation that they are able to purchase the securities at a lower price. The risk with this strategy is that the price of the securities may rise, meaning that the investment manager will need to purchase the securities at a higher price than that at which they were sold, resulting in a loss for the investment.
- **Longevity risk:** The risk that you may outlive your retirement assets.

In addition, lower than expected returns can result because of the choices made by fund managers, for example, in the selection of shares, or choices made by organisations that provide services to a fund manager in carrying out their obligations. However, the potential for loss can be reduced through diversification.

Diversification involves selecting a range of investment funds and accessing a range of fund managers. Through diversification, below-average performance by one fund manager may be potentially compensated for by above-average performance by other fund managers.

Risks associated with particular investment strategies

International investing

While global investing can provide more opportunities and greater diversification than investing in Australia alone, it also carries greater risk. For example, fluctuating currencies can increase or decrease the return from an investment. Also, many overseas countries have different financial industry regulations to what we have in Australia.

When a fund invests overseas it can make a profit or loss on the investment and a profit or loss on currency movements. For instance, an investment in US dollars, when the value of that currency falls, will involve a loss when the money is converted back into Australian dollars. If the investment itself has also made a loss, the losses will be compounded. However, it is also possible for profits to be compounded in the opposite scenario.

Fund managers may reduce the risk of adverse currency movements by hedging against falls in the currency in which an investment is made. In effect, the fund managers may fix the exchange rate for the duration of the investment so that there is protection against foreign currency values declining.

Fund managers may also actively manage currencies, which means they take a view on the likely movement of currencies and purchase or sell them accordingly. This is riskier, but it can be more profitable. This strategy carries significant risk because the fund manager's view can be wrong and, as a result, they can make a loss on the movement in currency values.

Currency risk can be reduced or mitigated if the fund manager places a stop/loss order on their transaction. If a fund manager believes a currency will increase in price, they will buy the currency and set a lower price at which they will automatically sell the currency and take a loss on the transaction. This is a form of insurance against the currency falling significantly lower in price. The risk of placing a stop/loss order is that a fund manager may not be able to execute it at the price they would like to. This may happen if the price of the currency falls dramatically in a short period of time.

Gearing

OnePath Geared Australian Shares Index fund has exposure to a gearing strategy. Gearing (or leveraging) means borrowing money in order to invest a greater amount. Gearing involves additional investment risks, as it increases the volatility of returns. While it magnifies potential gains, it may also magnify potential losses.

Geared investments may significantly underperform equivalent non-geared investments when the underlying assets experience negative returns or 'bear' markets. In extreme market declines all capital could be lost.

Gearing may be provided through one or more loan facilities entered into between the underlying fund's responsible entity and one or more lenders, which include related entities of the responsible entity and the Trustee. The underlying fund's ability to meet its investment objectives may be adversely affected if there are changes in that fund's ability to borrow, or the fund is unable to obtain a suitable loan facility. For example, a loan facility may be terminated and be subject to repayment in circumstances where the gearing ratio is not able to be managed, including during periods of adverse market conditions.

There is also the risk that the lender is not able to provide the funding necessary for the underlying fund to meet its investment objectives. To minimise this risk, only reputable and credit worthy lenders are chosen to provide gearing.

It is possible that deductible interest and other expenses may exceed income (including capital gains), resulting in a tax loss. If a loss arises, the Wholesale Trust is not able to distribute to investors. This risk is reduced by the regular monitoring and management of the gearing levels. The responsible entity of the Wholesale Trust also has the ability to further reduce this risk by waiving some or all of its fees and/or receive units in the Wholesale Trust in place of its fees.

Gearing significantly increases the risk of investing.

We strongly recommend that you consult your financial adviser before deciding to use this investment strategy.

Please refer to page 81 of this guide for more information about OnePath Geared Australian Shares Index.

Alternative Assets

Alternative assets are assets that behave differently to traditional asset classes such as shares, listed property, fixed interest, bonds and cash and are not generally included as part of a standard investment portfolio.

Alternative assets may include hedge funds, structured credit, unlisted real estate, unlisted infrastructure, private equity and others such as commodities and volatility.

Some alternative assets can be classified as 'growth' and others as 'defensive'. 'Growth' alternative assets generally provide higher returns and have higher risks with greater levels of volatility and a higher chance of a negative return. 'Defensive' alternative assets generally provide a relatively stable income stream and lower price volatility compared to 'Growth' alternative assets.

One of the benefits of alternative assets is that they typically produce returns with a lower correlation to traditional assets and when included in a diversified portfolio, can smooth out and improve total portfolio returns.

Derivatives

A derivative is a financial product where the price is 'derived' from the underlying product. The underlying product could be stocks, bonds, commodities, currencies, interest rates and market indexes. Futures contracts, forward contracts, warrants, options and swaps are examples of derivatives.

Any of the funds may use derivatives to gain exposure to investment markets or to protect against changes in the values of financial products, other assets, interest rates or currencies. It is also possible to use derivatives to gear a fund.

Risks associated with using derivatives include:

- **Variability of the market value:** Derivative market values can fluctuate significantly and, as a result, potential gains and losses can be magnified compared with investments that do not use derivatives.
- **Potential illiquidity:** The value of derivatives may not move in the same direction as the value of the underlying financial product, which may result in an investment loss. In addition, the derivative may not experience the same levels of liquidity resulting in illiquidity, meaning that it may not be easily converted into cash.
- **Counterparty risk:** The other party in a derivative transaction may not be able to meet its financial obligations.

OptiMix and OnePath Diversified Funds – Risks of Swaps

For the investment funds listed under 'OptiMix and OnePath investment funds – alternative asset exposure' on page 82, exposure to alternative assets is achieved through underlying total return swap (Swap) arrangements. Swaps are complex financial products entered into with a single counterparty, which, like us, is a wholly owned subsidiary of the ANZ Group.

We have entered into security arrangements with the Swap counterparty to address counterparty credit risk.

As well as the above risk, other risks may include:

- **Liquidity** – this is the risk that the Swap counterparty may not be able to meet withdrawal requests we make from time to time under the Swap. The underlying assets will typically have different pricing and withdrawal cycles (for example, daily, weekly, monthly or even longer periods) and this may impact the Swap counterparty's ability to access liquid funds when required. To minimise this risk the Swap counterparty will select liquid strategies or put in place restrictions to minimise any possible illiquidity.
- **Valuation risk** – related to liquidity risk is the risk that the withdrawal prices for alternative assets are not always up to date. Accurate withdrawal prices are typically only provided for the dates on which withdrawals are permitted from the underlying assets. Estimated prices are sometimes (but not always) provided by investment managers on an interim basis. When calculating unit prices for relevant OptiMix and OnePath investment funds, we will use the most recent pricing information provided by the underlying investment managers. This information may not be up to date or may be based on estimated (rather than actual) valuation data. Where possible, we will enter into arrangements with underlying fund managers to aid the timely delivery of accurate pricing information.
- **Default risk** – this is the risk that the Swap counterparty is unable to repay the capital in the investment or meet its contractual obligations under the Swaps.

- To manage any risk that it becomes unable to meet its payment and other obligations under the Swaps, the Swap counterparty will physically invest in a portfolio comprising all or some of the alternative assets that are referenced by the Swaps. In addition, we have entered into security arrangements with the Swap counterparty to address the risk of default by the Swap counterparty.
- **Fund risk** – this is the risk that one of the underlying assets referenced by the Swaps is unable to meet its obligations. The underlying assets have been selected in accordance with stringent investment requirements, such that in the event that one strategy (or underlying investment product) fails there is sufficient diversification to reduce the overall volatility of the portfolio.
- **Manager risk** – this is the risk that an underlying alternative manager may fail to meet its investment objectives, resulting in lower than expected results for a portfolio. This risk is mitigated by diversifying across a range of underlying alternative investment managers.
- **Currency risk** – some of the alternative assets referenced by the Swaps have non-Australian dollar based currencies, which means that the returns under the Swaps can be impacted by adverse currency movements when the returns are converted to Australian dollars. A currency hedging strategy can minimise the downside of adverse currency movements, but can also mean that favourable currency movements are not passed through to the relevant investment.

Currency risk can also arise when converting one currency to another. In particular there is a risk that the Swap counterparty to a foreign exchange contract may not perform its obligations.

We mitigate this risk by ensuring that we enter into foreign exchange contracts with reputable and experienced counterparties.

Inflation

Inflation is usually measured by the upward movement of the Consumer Price Index (CPI), which measures the increase in prices of goods and services in an economy. Inflation reduces a fund's purchasing power over time because, as the cost of goods and services increases, the relative value of the Australian dollar declines.

It is important to factor inflation into your investment choices because some investments will decline in real value while others will keep pace with inflation or exceed it. Generally speaking, cash funds are most at risk of not keeping pace with inflation.

Securities lending

Some fund managers may engage in the lending of securities to third parties for a fee. The lending is done through an appointed custodian who receives the fee and passes it on to the fund manager. This fee will be reflected in the unit price of the fund as revenue for that fund.

The risk of securities lending is that the borrower or custodian is not able to return equivalent securities, in which case the investment fund could experience delays in recovering assets and in some cases may incur a capital loss. The risk of securities lending may be mitigated by ensuring the investment funds lend to approved borrowers only, and by requiring the borrowers to provide sufficient collateral.

Short-selling

Some managers use a strategy called short-selling which is the selling of stock which they do not hold. They may borrow securities and then sell them in anticipation of a fall in their price. If the price falls as expected then the fund manager may buy the securities back at a lower price and make a profit. The risk with this strategy is that the price of these securities may rise instead of fall and the fund manager will need to purchase the securities at a higher price than the price at which they were sold. As there is no limit to how high the price may rise, in theory the potential loss is uncapped. Managers using short-selling strategies typically closely monitor the positions and employ stop/loss techniques to manage these risks.

Long/short strategy

Some funds may adopt a long/short strategy. This means that a fund manager profits by short-selling when the value of securities is expected to decline (referred to as 'shorting' or 'going short'), while purchasing (or 'going long') securities that are expected to increase in value. By using such a strategy a fund manager can potentially make profits both in rising and falling markets. The risk is that they may short-sell securities that increase in value and purchase securities that fall in value.

Going long is potentially a less risky strategy than going short. If a fund manager purchases securities, the lowest price to which they can fall is zero, providing a limit to the loss. When going short, however, the risk is that the price of the securities may increase and the fund manager will have to buy back at a higher price than the one at which they sold. As there is theoretically no limit to how high the price of a security can rise, the potential loss is unlimited.

When short-selling, a fund manager may use a stop/loss order to reduce the risk of unlimited loss. For example, if the fund manager was to short-sell at \$10 with the aim of buying back at \$9 the fund manager would instruct a buy-back at \$11 so that if the price rises, the loss is limited to \$1 per security.

As part of a short-selling strategy, a fund manager may need to provide collateral to the securities lender in order to borrow the securities it sells short. There is a risk that this collateral may not be returned to the fund manager when requested.

For the purposes of this section the term 'securities' includes futures, warrants and other derivatives. Fund Managers may use futures and other derivatives to gain exposure to, or protect the portfolio from adverse market movements. They may also short-sell securities or use long/short strategies. Each of these strategies involves risk, including loss of income or capital. Asset managers typically have detailed risk management processes in place to ensure that these risks are appropriately managed.

Liquidity risk

Liquidity risk means that sufficient assets cannot reasonably be expected to be realised and converted into cash to satisfy a withdrawal request of the fund within the period specified in the fund's constitution.

Assets such as shares, listed property securities, fixed interest and cash are generally considered to be liquid because they are actively traded on markets where they can more easily be sold or converted into cash at their full value. Private and unlisted assets such as direct property, leveraged leases and infrastructure are generally considered to be less liquid. They are not generally traded on active markets and, as such, can take longer to convert into cash.

The OptiMix and OnePath diversified funds hold investments in Alternative Assets. Alternative Assets may include investments such as hedge funds, structured credit, unlisted real estate, unlisted infrastructure, private equity and others such as commodities and volatility. These types of assets provide increased diversification to the diversified funds, but may require a longer period of time to liquidate (i.e. more than 30 days). Therefore the OptiMix and OnePath diversified funds will have a limited exposure to assets with varying liquidity. It is expected that these investments will allow these funds to deliver more consistent returns to investors.

During abnormal or extreme market conditions some normally liquid assets may become illiquid, restricting the ability to sell them and to make withdrawal payments or to process switches for investors.

In certain circumstances, which will vary depending on the rules governing the investment fund, we may suspend or otherwise restrict withdrawals from the fund (albeit that the fund may not technically be 'illiquid') meaning that the payment of withdrawal proceeds may be significantly delayed or not made at all. We may also terminate certain investment funds and in these circumstances may delay the realisation of the fund's assets, meaning that payment of your share of the proceeds will also be delayed.

By investing in OneAnswer you acknowledge that it may take longer than 30 days to process a withdrawal or switch request in the unlikely event of an investment ceasing to be 'liquid'.

Liquidity risk may be reduced by investing in funds that invest only in liquid assets. Another way of reducing liquidity risk is to diversify across a range of funds and fund managers.

Capital and income protection – counterparty risk

Some funds may offer capital or income protection. In either case, there is still a risk that the organisation providing the protection may fail to honour its commitments. For example, if an organisation providing capital protection cannot fulfil its contractual obligations, the capital protection may not be available and you may lose some or all of your money.

This risk can be reduced by critically evaluating the quality of the organisation providing the capital or income protection.

Changes in legislation

Your investment may be affected by changes in legislation, particularly in relation to taxation laws. These changes may be either favourable or unfavourable and it is generally not possible to mitigate the impact of unfavourable events. When changes occur, you may be notified via regular investor communications and/or via the OnePath website at onepath.com.au as soon as practicable after any changes occur.

Changes to investment funds

We regularly monitor the investment funds offered through OneAnswer. To maintain the quality and diversity of the investment funds, we may make changes at any time, including:

- adding, closing or terminating an investment fund
- removing, replacing or adding an investment manager
- changing an investment fund's objective, investment strategy (including the benchmark), asset allocation, neutral position and range, currency strategy and the number of asset classes
- changing the rules that govern an investment fund (e.g. changing fees, notice periods or withdrawal features).

The investment environment can change rapidly and you need to be aware that you may not have the most up-to-date information available at your fingertips when you make an investment. Material events can take place that you are not aware of at the time of investing. In some cases we can make these changes without prior notice to investors.

Any changes will be considered in light of the potential negative or positive impact on investors. We will notify existing investors in affected funds as soon as practicable after any changes, via regular investor communications and/or the OnePath website.

IMPORTANT INFORMATION IN REGARDS TO HEDGE FUNDS

The Australian Securities and Investments Commission (ASIC) requires responsible entities of hedge funds and funds of hedge funds to provide enhanced disclosure as set out in its Regulatory Guide 240 "Hedge Funds: Improving disclosure" (RG240). The main aim of RG240 is to improve the disclosure of information regarding hedge funds, to help investors understand and assess these funds more easily.

This new disclosure applies to a small number of investment funds offered through OneAnswer (the "Funds") that invest wholly in externally managed wholesale hedge funds. These are:

- OneAnswer BlackRock Balanced
- OneAnswer Platinum Asia
- OneAnswer Platinum International
- OnePath Alternatives Growth

This new disclosure is relevant to potential investors who wish to invest in the Funds through OneAnswer Frontier Investment Portfolio or OneAnswer Investment Portfolio.

Investment Risks

Before you make an investment decision it is important to identify your investment objectives and the level of risk that you are prepared to accept. Each of the Hedge Funds' investment strategies (including potential exposure to short-selling, derivatives and leverage), liquidity profile and investment structure all have specific risks which you should consider before making an investment decision. Please refer to the information provided by each of the responsible entities in relation to their underlying externally managed wholesale hedge funds and their specific risks.

Enhanced disclosure for the Funds

The Fund is a 'fund of hedge funds' for the purposes of RG240. The following table provides a summary of the key matters which ASIC requires for hedge funds and funds of hedge funds, and which we are therefore required to provide in relation to the Fund. It also provides a guide to where more detailed information can be found.

Disclosure benchmarks	Description
1: Valuation of assets	<p>OnePath Funds Management meets the ASIC benchmark and implements a policy that requires the valuation of the Fund's assets that are not exchange traded be provided by an independent administrator or an independent valuation service provider.</p> <p>Unit prices for externally managed wholesale hedge funds (which are unlisted registered managed investment schemes) are received from the relevant responsible entities of those funds and used to value the assets of the Funds.</p> <p>For further information please refer to:</p> <ul style="list-style-type: none"> • page 25 of the OneAnswer Frontier Investment Portfolio PDS Product Book titled 'Unit prices' • page 29 of the OneAnswer Investment Portfolio PDS Product Book titled 'Unit prices' • the relevant responsible entity disclosures provided on page 13 of this booklet.
2: Periodic reporting	<p>OnePath meets the ASIC benchmark and implements a policy to report (where applicable) on the following Fund information where relevant on an annual basis:</p> <ul style="list-style-type: none"> • the actual allocation to each asset type held by the Fund • the liquidity profile of the Fund's assets • the maturity profile of the Fund's liabilities • the leverage ratio of the Fund • derivative counterparties engaged • annual investment returns • changes to key service providers and their related party status. <p>Annual financial reports relevant to the Funds are available at onepath.com.au > Forms & brochures or on request from Customer Services.</p> <p>Monthly reporting (fund summaries) is available at onepath.com.au. The monthly fund summaries comprise of:</p> <ul style="list-style-type: none"> • Actual asset allocations • Stock holdings (where appropriate) • Net Fund returns after fees, costs and taxes • Funds under management • Fund commentary (investment strategy and objectives) • Standard Risk Measure. <p>An investment returns booklet containing net returns for each of the Funds is also available at onepath.com.au</p>

Disclosure benchmarks	Description
3: Fund structure	<p>Each Fund invests wholly into an externally managed wholesale hedge fund. Please refer to the below diagram for the investment structure.</p> <div data-bbox="306 318 1347 410" style="text-align: center;"> <pre> graph LR A[Investors] --> B[OneAnswer Fund Registered managed investment scheme] B --> C[Externally managed wholesale hedge fund Registered managed investment scheme] </pre> </div> <p>The profiles and information on the responsible entity of each underlying externally managed wholesale hedge fund is available on pages 35 to 40.</p> <p>OnePath Funds Management has formal agreements in place with the responsible entities of the underlying externally managed wholesale hedge funds that cover their obligations and service level requirements including unit pricing, distribution details, tax information and regular reporting. Prior to underlying funds being selected, an agreement is formalised in compliance with OnePath Funds Management’s stringent policies that cover and manage any related party and/or potential conflicts of interest matters.</p> <p>Before the underlying funds are selected, OnePath Funds Management undertakes a due diligence process to ensure the responsible entity (and/or investment manager) meets OnePath Funds Management’s investment selection criteria which include:</p> <ul style="list-style-type: none"> • consideration of external research ratings (our primary investment consultant) • the views of OnePath’s internal investment research teams • the experience and stability of the investment team managing the fund’s assets • the strength of the funds management organisation behind a particular fund • the investment philosophy and investment process followed by the investment managers • the risks inherent in the underlying fund’s investment strategy and the underlying fund’s suitability to OnePath’s client base • adequacy of portfolio diversification • a competitive fee structure aligned with investors’ interests • liquidity of the underlying fund and its underlying investments • short term and long term performance relative to investment objectives and peers • funds under management in the underlying fund and any capacity issues or constraints. <p>For information regarding OnePath receiving payments from responsible entities of underlying externally managed wholesale hedge funds and related parties, please refer to page 20 of the OneAnswer Frontier Investment Portfolio PDS – Product Book and page 23 of the OneAnswer Investment Portfolio PDS – Product Book.</p> <p>Performances fees are applicable to the OnePath Alternatives Growth fund. For more information please refer to page 18 of the OneAnswer Frontier Investment Portfolio PDS – Product Book and page 21 of the OneAnswer Investment Portfolio PDS – Product Book.</p>
4: Valuation, location and custody of assets	<p>OnePath Funds Management, as responsible entity of the relevant Funds, holds the assets of the Funds in the form of units in the underlying externally managed wholesale hedge funds. Each of the underlying funds are managed investment schemes registered in Australia.</p> <p>For information on the valuation of assets and the calculation of unit prices of the Funds, please refer to page 25 of the OneAnswer Frontier Investment Portfolio PDS – Product Book and page 29 of the OneAnswer Investment Portfolio PDS – Product Book.</p>
5: Liquidity	<p>As mentioned in Disclosure Principle 3 (Fund structure), as part of OnePath Funds Management’s due diligence process, liquidity of the underlying funds is considered before selection. During normal market conditions, it has been determined that OnePath Funds Management can reasonably expect to liquidate 80% of the Funds’ assets within 10 days. Therefore, the Funds meet the liquidity requirements under RG240 and are generally open for unit holder applications and redemptions on each business day.</p> <p>During abnormal or extreme market conditions the responsible entity of the underlying externally managed wholesale hedge fund may decide to restrict withdrawals or switches, hence causing the Funds to become illiquid. Under these extreme circumstances, OnePath Funds Management may suspend or restrict withdrawals from the Funds. We may also terminate the Funds which could result in a delay in the repayment of capital to investors.</p> <p>More information regarding liquidity risks can be found on page 9.</p>
6: Leverage	<p>Leveraging, derivatives and short-selling are not used by OnePath Funds Management in the Funds, however, they may be used by the underlying externally managed wholesale hedge fund.</p>
7: Derivatives	
8: Short-selling	
9: Withdrawals	<p>The Funds are generally available for transactions on each Sydney business day.</p> <p>For additional information regarding withdrawals, please refer to page 8 of the OneAnswer Frontier Investment Portfolio PDS – Product Book and the OneAnswer Investment Portfolio PDS – Product Book.</p>

Information from the responsible entity of each underlying wholesale hedge fund

The responsible entity of each underlying externally managed wholesale hedge fund has provided enhanced disclosure in response to RG240. This information is also relevant to an investor's assessment and decision to invest as this provides information on the investments, risk, strategies and policies the underlying responsible entity or investment manager will be using.

Fund	Responsible entity of underlying externally managed wholesale hedge fund	Where is enhanced hedge fund disclosure material located?	Website link [#]
OneAnswer BlackRock Balanced fund	BlackRock Investment Management (Australia) Limited as responsible entity of the BlackRock Tactical Growth Fund (ARSN 088 051 889) (ARSN 088 051 889)	BlackRock Tactical Growth Fund Product Disclosure Statement dated 31 August 2017 (as supplemented from time to time) pages 4-19.	https://www.blackrock.com/au/individual/literature/product-disclosure-statement/blackrock-tactical-growth-fund-pds-en-au.pdf
OneAnswer Platinum Asia fund	Platinum Investment Management Limited (trading as Platinum Asset Management) as responsible entity of the Platinum Asia Fund (ARSN 104 043 110)	Platinum Trust – Product Disclosure Statement No. 11 issued 3 July 2017 (as may be supplemented from time to time) pages 22–23 and 34–60. Disclosure Principles/Benchmark – pages 6–16.	https://www.platinum.com.au/documents/other/pds11_030717.pdf
OneAnswer Platinum International fund	Platinum Investment Management Limited (trading as Platinum Asset Management) as responsible entity of the Platinum International Fund (ARSN 089 528 307)	Platinum Trust – Product Disclosure Statement No. 11 issued 3 July 2017 (as may be supplemented from time to time) pages 18–19 and 34–60. Disclosure Principles/Benchmark – pages 6–16.	https://www.platinum.com.au/documents/other/pds11_030717.pdf
OnePath Alternatives Growth fund [^]	Equity Trustee Limited as responsible entity of Fulcrum Asset Management LLP (ARSN 601 830 353)	Fulcrum Diversified Absolute Return Fund PDS - dates 5 December 2016 (as may be supplemented from time to time).	http://www.eqt.com.au/fund-managers-and-institutional/institutional-funds/
	GMO Australia Limited as responsible entity of the GMO Systematic Global Macro Trust (ARSN 090 799 385)	GMO Systematic Global Macro Trust Product Disclosure Statement for indirect investors dated 20 December 2016.	https://www.gmo.com/asia-pacific/about/investor-information
	Man Investments Australia Limited as responsible entity of Man AHL Alpha (AUD) (ARSN 138 643 768)	Man AHL Alpha (AUD) Product Disclosure Statement dated 1 July 2015 (as may be supplemented from time to time). Disclosure Principles/Benchmark – pages 6–13.	https://www.man.com/ahl-alpha-aud-b-pds

[#] Information other than enhanced hedge fund disclosure information referenced in the above table is not relevant to investors of the OneAnswer funds and should not be relied upon.

[^] The Bentham Wholesale Syndicated Loan Fund is an underlying investment of the OnePath Alternatives Growth Fund, however it is not listed above as Bentham is not considered a hedge fund.

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WHAT ARE MY INVESTMENT CHOICES?

Through OneAnswer you can choose from a wide range of investment funds which enable you to diversify and gain exposure to a range of asset classes, fund managers and styles – all via one convenient investment.

We constantly review and monitor the investment funds and underlying fund managers to ensure they can meet the needs of investors.

You can build your own portfolio by investing or switching into:

- Investment funds, including OnePath funds, managed by leading Australian and international fund managers.
- OptiMix Multi-manager investment funds. The OptiMix process carefully selects a number of complementary investment managers to manage the underlying funds within each asset class.
- OnePath Multi-manager funds which combine the benefits of expert active manager diversification with index funds.
- A range of cash options offered by ANZ Bank, including ANZ Term Deposit options.

What are the benefits of diversification?

Diversification is an important way of managing the risks associated with investing. It involves spreading your money across different investments to provide more consistent overall returns. If done well, diversification can reduce investment risk.

Types of diversification

Across multiple investment managers

Performance may vary across different fund managers and time periods, depending on their investment style and success in implementing their strategy. Fund managers adopt differing investment styles such as value or growth, or market capitalisation bias such as large cap or small cap. These varying investment management styles are generally better suited to certain market and economic conditions.

By investing in a portfolio with a mix of fund managers you can potentially smooth out performance fluctuations more effectively than if you only had exposure to the one fund manager.

Across multiple asset classes

Different asset classes (e.g. cash, fixed interest, property and shares) usually perform with a degree of variation over a period of time. By diversifying your investment exposure across different asset classes you can reduce your risk to an individual asset class. For example, instead of investing only in shares, you could diversify across asset classes by investing some of your money in shares, some in property, some in fixed interest and some in cash.

Within asset classes

Investing in a range of securities within an asset class means that returns are less dependent on the performance of any one security. Within each asset class your portfolio can be diversified across a number of areas, including:

Property

- Property trusts
- Property-related securities
- Geographic regions

Australian shares

- Companies
- Industries

Fixed interest

- Government bonds
- Corporate bonds
- Term to maturity
- Credit quality

International shares

- Companies
- Industries
- Countries
- Currencies

Alternative assets

- Hedge funds
- Structured credit
- Private equity
- Unlisted infrastructure
- Unlisted real estate
- Commodities
- Volatility

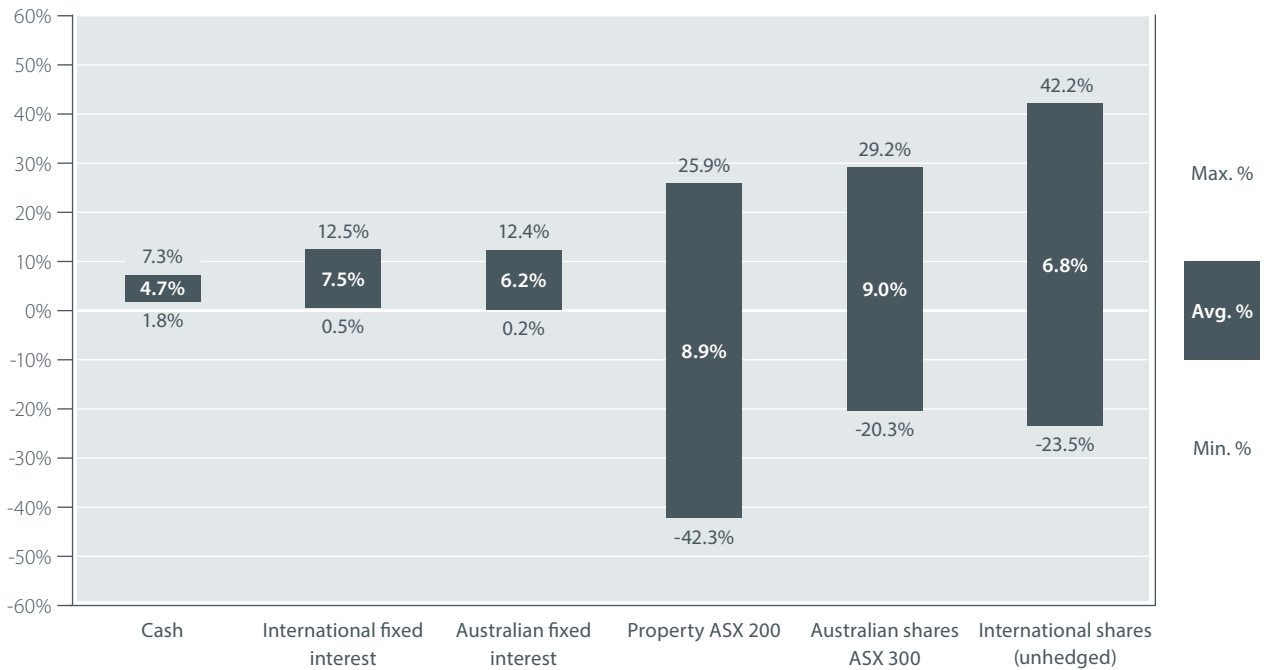
What asset classes can I gain exposure to?

The asset classes available through OneAnswer are outlined below. For further information on each investment fund's exposure to these asset classes, refer to the investment profiles in this guide.

Asset class	Description
Cash	<p>Cash funds are designed to offer a high degree of capital security relative to other asset classes. Generally, cash investments have a very low risk of capital loss. Examples include bank deposits and investments in fixed interest securities, including treasury notes and highly rated corporate debt securities which generally have a maturity of less than one year.</p> <p>Enhanced cash vehicles may attempt to generate higher returns by holding a portion of fixed interest securities with a longer time to maturity or a higher proportion of highly rated corporate debt securities.</p>
Fixed interest	<p>A fixed interest investment is a debt security issued by a bank, corporation or government in return for cash from an investor. The issuer of the debt is effectively a borrower and is required to pay interest on the loan for the life of the security. Fixed interest investments are valued on a mark to market basis, and as a result, their value may fluctuate. Fixed interest investments are generally higher risk than cash but lower risk than shares and property.</p> <p>Consequently, returns on fixed interest investments tend to be higher than cash and lower than shares and property.</p>
Property	<p>Property can include investments in direct property, Australian and international property trusts and other property securities. Property trusts may invest in a range of residential and commercial property, office buildings, hotels and industrial properties. Property investments have a higher risk than fixed interest but a lower risk than shares.</p>
Alternative investments	<p>Alternative investments are investments that generally do not fit into the traditional asset categories.</p> <p>Risk can be controlled by limiting exposure to individual investments and seeking diversification of alternative asset opportunities. Examples of alternative assets include:</p> <ul style="list-style-type: none">• hedge funds• structured credit• unlisted real estate• unlisted infrastructure• private equity• others such as commodities and volatility.
Shares	<p>A share (or stock) is an ownership stake in a company.</p> <p>The owner of the share has an interest in the company that issued it. The value of shares will typically fluctuate with general economic and industry conditions in addition to the company's profitability. Historically, the value of shares has been more volatile than the other major asset classes, therefore they carry the highest risk of capital loss on your investment but have potentially the greatest return over the long term.</p>

Returns across asset classes

The graph below shows the range of annual returns that the asset classes have achieved (minimum and maximum) for the twenty years since July 1998 to June 2017. The average return for each asset class for this period is also highlighted.



Assumptions: Returns are calculated based on the accumulation index of each asset class.

Sourced by OnePath from licensed research houses.

Past performance is not indicative of future performance. Actual returns for each asset class may vary significantly from the returns illustrated in the above graph.

The returns from alternative assets are not shown in the above graph as there is not an appropriate index recording returns from this asset class.

YOUR GUIDE TO THE INVESTMENT PROFILES

To assist in selecting an appropriate investment fund or mix of investment funds, these have been categorised into the following Investor Profiles. You should speak to your financial adviser to determine which Investor Profile best suits your needs.

Investor Profile 1 – Defensive

A Defensive Investor Profile is more likely to suit you if you seek to maintain the original value of your investment and you are prepared to accept lower returns for lower risk.

Asset classes: Mainly includes low risk assets such as cash and fixed interest (e.g. Australian and international fixed interest).

Investor Profile 2 – Conservative

A Conservative Investor Profile is more likely to suit you if you seek relatively stable returns and accept some risk through a diversified portfolio containing more than one asset class.

Asset classes: Predominantly includes asset classes such as cash and fixed interest and a small allocation to assets such as shares (e.g. Australian and international shares), alternative investments and property (e.g. listed property trusts and direct property).

Investor Profile 3 – Moderate

A Moderate Investor Profile is more likely to suit you if you seek higher medium-term returns and accept the possibility of negative returns and/or capital losses over shorter periods.

Asset classes: Includes an exposure to all asset classes, including cash, fixed interest, property, shares and alternative investments.

Investor Profile 4 – Growth

A Growth Investor Profile is more likely to suit you if you are seeking higher long term returns and are willing to accept the increased possibility of sustained negative returns and/or capital losses over shorter periods.

Asset classes: Mainly includes assets such as property, shares and alternative investments and a smaller allocation to cash and fixed interest.

Investor Profile 5 – High growth

A High growth Investor Profile is more likely to suit you if you seek to maximise long term returns and accept the possibility of greater volatility and shorter-term capital losses.

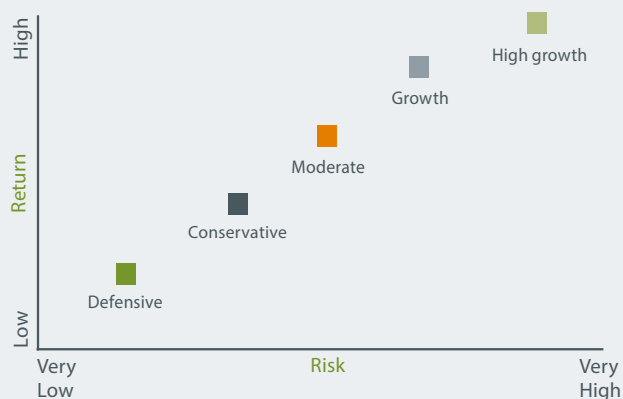
Asset classes: Includes assets such as shares, property, infrastructure and alternative investments.

Risk, return and investment timeframe

The graph to the right is illustrative only and is intended to show the potential return and risk for each of the Investor Profiles described above. Please refer to the specific investment fund profile in this OneAnswer Investment Funds Guide for more information.

Investor profiles sitting higher on the axis are more likely to experience returns that may vary significantly and may be negative over shorter-term periods. However, they are more likely to produce higher returns over the long term.

You should consider these factors when choosing an investment fund option in which to invest.



HOW TO READ AN INVESTMENT PROFILE

Information about each investment fund offered through OneAnswer is detailed in an investment profile. The following information is a guide to understanding the information in each profile.

Investment objective

The investment objective identifies the expected return for the investment fund. This is sometimes stated in relation to a relevant index (see below for a description).

Index

An index is a sample of stocks or securities selected to represent a particular financial market. For example, an index that can represent returns for the Australian sharemarket is the S&P/ASX 300 Accumulation Index.

The performance of an index can be used as an indicator for the performance of the relevant market. An index return is calculated using the weighted average returns of the stocks that are included in the representative sample.

Unless otherwise stated, all Morgan Stanley Capital International (MSCI) indices referred to in this Investment Funds Guide in relation to international shares are based on total returns with net dividends reinvested.

Description

The fund description provides information about the type of assets the fund invests in and the level of variability in fund returns. This information is useful when an investor decides whether the fund is suitable for their needs.

Investment strategy

The investment strategy describes how the investment fund's objective is achieved. It involves a description of the relevant asset classes to which the investment fund will gain exposure.

The investment funds offered through OneAnswer achieve their investment strategy by investing into an underlying fund(s) in most cases, although in some cases they invest in direct assets. The underlying fund(s) may hold direct assets or in turn also invest in other funds.

Where the OneAnswer investment funds (other than OnePath investment funds) invest in an underlying fund which is a wholesale fund the name of the wholesale fund is shown underneath the fund profile. For these investment funds investors are effectively exposed to the underlying manager and their investment strategy. For example, the OneAnswer – Perennial Value Shares Trust will invest and hold units in the Perennial Value Shares Wholesale Trust.

Standard Risk Measure

We have adopted the Standard Risk Measure which is based on the industry guidelines to allow investors to compare investment funds that are expected to deliver a similar number of negative annual returns over any 20-year period.

The Standard Risk Measure is not a complete assessment of all forms of investment risk, for instance it does not detail what the size of a negative return could be or the potential for a positive return to be less than an investor may require to meet their objectives. Further, it does not take into account the impact of ongoing fees and tax on the likelihood of a negative return.

Investors should still ensure they are comfortable with the risks and potential losses associated with their chosen investment fund(s).

Risk band	Risk label	Estimated number of negative annual returns over any 20-year period
1	Very low	Less than 0.5
2	Low	0.5 to less than 1
3	Low to medium	1 to less than 2
4	Medium	2 to less than 3
5	Medium to high	3 to less than 4
6	High	4 to less than 6
7	Very high	6 or greater

For further information refer to our website at onepath.com.au > Performance & updates > Product updates

Investor Profile 4 – Growth

OptiMix Balanced

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.

Description

The fund is suitable for investors seeking exposure to a diversified range of asset classes and a mix of managers and who are prepared to accept a higher variability of returns.

Investment strategy

The fund invests in a diversified portfolio of Australian and international assets through a mix of managers, with a bias towards growth assets. The fund is actively managed in accordance with the OptiMix Multi-manager investment process.

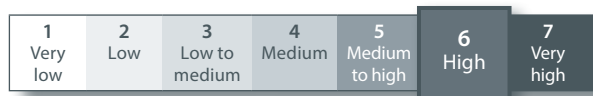
Minimum time horizon

10 years

Distribution frequency

Quarterly (Investment Portfolio only)

Standard Risk Measure



For more information on Risk Profile, see the Standard Risk Measure on page 20.

Asset allocation*

Asset class	Benchmark (%)	Range (%)
Cash	3	0–23
Australian fixed interest**	9	0–29
International fixed interest**	8	0–28
Listed Real Assets [#]	6	0–16
Australian shares	27	7–47
International shares [^]	29	9–49
Alternative assets [†]	18	1–38

* The maximum allocation to growth assets for the OptiMix Balanced Fund is 93%.

** Fixed interest may include exposure to government, corporate, inflation protected and/or other securities.

[^] International shares may include exposure to emerging market and/or global small cap securities.

[†] The Alternative Assets portfolio may include investments such as hedge funds, infrastructure, private equity and real estate. These assets may require a longer period of time to liquidate (i.e. greater than 30 days). For information about exposure to alternative assets for this investment fund, refer to 'Investment funds that invest via underlying Swaps' on page 82.

[#] Listed Real Assets may include allocations to Global Listed Property and Infrastructure Securities.

Minimum time horizon

As a guide only, each investment fund has a suggested minimum time horizon. This is the minimum period of time you should consider holding your investment in a particular investment fund. Holding an investment for the suggested time does not guarantee a positive return, but it does make it more likely.

If, after the suggested minimum time horizon, investment markets are performing poorly, the investment may need to be held for a longer period to attempt to avoid a negative return.

The minimum time horizon relates to the OneAnswer investment funds and not the underlying fund into which the OneAnswer fund invests.

Distribution frequency

The investment funds in Investment Portfolio pay distributions at different times throughout the year. The distribution frequency can be either monthly, quarterly, half-yearly or yearly. The table below outlines the period for which each distribution frequency is processed.

Distribution frequency	Description
Monthly	Every month
Quarterly	September, December, March, June
Half-yearly	December, June
Yearly	June

Please refer to the OneAnswer Frontier Investment Portfolio or OneAnswer Investment Portfolio Product Book for more information on distributions. Distributions do not apply to Personal Super or Pension.

Asset allocation

The asset allocation displays the type(s) of assets (and proportions) the investment fund invests in.

The **benchmark** is the neutral allocation for each asset class.

The **range** indicates the anticipated minimum and maximum allowable allocations for each asset class. The manager may vary the fund's asset allocation within the intended ranges in order to position the investment fund to benefit from prevailing market conditions. Under certain circumstances, the asset allocation for a particular asset class may move outside its range.

In some cases, an investment fund may have either a benchmark or a range, or neither.

Where an investment fund has a benchmark but no range for a particular asset class, there may be circumstances where the actual allocation for that asset class is different from the benchmark.

Where the terms 'international' and 'global' are used, they have the same meaning and are interchangeable, as are 'shares' and 'equities'.

MULTI-MANAGER INVESTMENT FUNDS

OnePath offers investors a choice of Multi-manager funds from both OptiMix and OnePath

We believe that our Multi-manager approach to investment provides a sound investment approach to achieve effective diversification and reliable returns. Detailed economic analysis and tactical asset allocation for both OptiMix and OnePath investment funds is provided by our comprehensive team of investment and research specialists. Factors considered include domestic and overseas economic growth forecasts, inflation settings, and government policy. Taking all of these factors into account, our team determines whether, in the short-term, certain asset classes are expected to outperform others. Where this is believed to be the case, we will increase or decrease our weightings towards these asset classes without compromising the funds' long term objectives. Our team may also use derivatives, such as futures, to implement these tactical asset allocation decisions.

OPTIMIX MULTI-MANAGER FUNDS

The OptiMix Multi-manager investment process combines a number of professionally selected investment managers in one investment portfolio, providing a convenient way to diversify across investment managers.

OptiMix is a specialist Multi-manager research and investment process. The OptiMix investment approach is based on the principle that broad diversification of investments can actively reduce fluctuations and provide consistent and competitive returns over time. In order to achieve this consistency in returns, OptiMix funds are diversified across a range of specialist investment managers – all within a single investment.

The OptiMix advantage

Proven expertise

The OptiMix research and investment solution has been in existence for over 15 years. The strength of the OptiMix process is reflected by the OptiMix investment team which consists of highly qualified and experienced investment professionals who are well regarded in the industry.

Consistent yet competitive returns

Investment managers have different styles of managing investments. The reality is that relying on one particular style or process can be risky, as markets can frequently change in response to economic and political events. The OptiMix solution aims to deliver consistent yet competitive returns by combining managers with different investment approaches across a range of asset classes.

Peace of mind

With OptiMix you can be assured that your investments are being managed by a team of experienced investment professionals purely focused on ensuring your investment portfolio is positioned for strong, consistent, long term investment returns.

Diversify your funds

Diversification is a key feature of the OptiMix Multi-manager process. Diversification means that as an investor, to reduce risk and protect your portfolio against market volatility, you do not put all your 'eggs into one basket' but spread your money across different investment managers and asset classes to provide more consistent returns.

The OptiMix investment team rigorously monitors economic conditions, financial markets and investment managers to ensure the portfolios are sufficiently robust to withstand market fluctuations.

Access the world's leading specialist investment managers

To produce superior investment outcomes, the OptiMix investment team chooses managers who are not only highly talented but have a proven track record in managing investment portfolios. Some of the investment managers are not normally available to retail investors, which means by choosing OptiMix you can gain access to some of the most talented and successful investment managers the global funds management industry has to offer.

Choice of investment funds

As investors have different investment objectives, risk preferences and time frames, OptiMix provides a comprehensive range of portfolio options. Your financial adviser will be able to assist you by assessing your individual needs and financial risk profile.

Specialist investment managers

Because no single manager outperforms all the time, the OptiMix strategy carefully selects the best managers from around the globe.

Diversifying the managers in each asset class helps mitigate the potential downside. Actively adjusting the allocation between different manager styles helps to optimise the return opportunities.

For investors this means lower volatility and more consistent returns over time.

A sample of specialist investments managers are listed here as at August 2017. The investment managers may change at any time without notice.

Defensive asset classes			
Global	Global Fixed Interest	PIMCO	WELLINGTON MANAGEMENT*
Australian	Cash	UBS	Aberdeen
	Australian Fixed Interest	Schroders	WESTERN ASSET
Alt	Alternative Defensive†	KAPSTREAM PLANNED CAPITAL MANAGEMENT	

Growth asset classes			
Global	Global Shares	ASSET MANAGEMENT	MFS VONTORBÈ
	Global Emerging Markets	RARE	MFS WELLS FARGO ASSET MANAGEMENT
	Global Smaller Companies	KROWSTREET CAPITAL	Copper Rock
	Global Property Securities	Vanguard	
Australian	Australian Shares	Arnhem	nikko am vinva* Vanguard
	Australian Property Securities*	UBS	SGH SG HISCOCK & COMPANY
	Australian Smaller Companies	UBS	
Alternatives	Alternative Growth#	ANCHORAGE CAPITAL GROUP Berkshire BLACKROCK Europa Capital	GMO GCM GROSVENOR BENTHAM M Man AHL

* Australian Property Securities are not a part of the OptiMix Diversified Funds. These managers are invested through the OptiMix Property Securities Trust.

Exposure to alternative assets is achieved through underlying swap arrangements provided by ANZ Wealth Alternative Investments Management Pty Ltd.

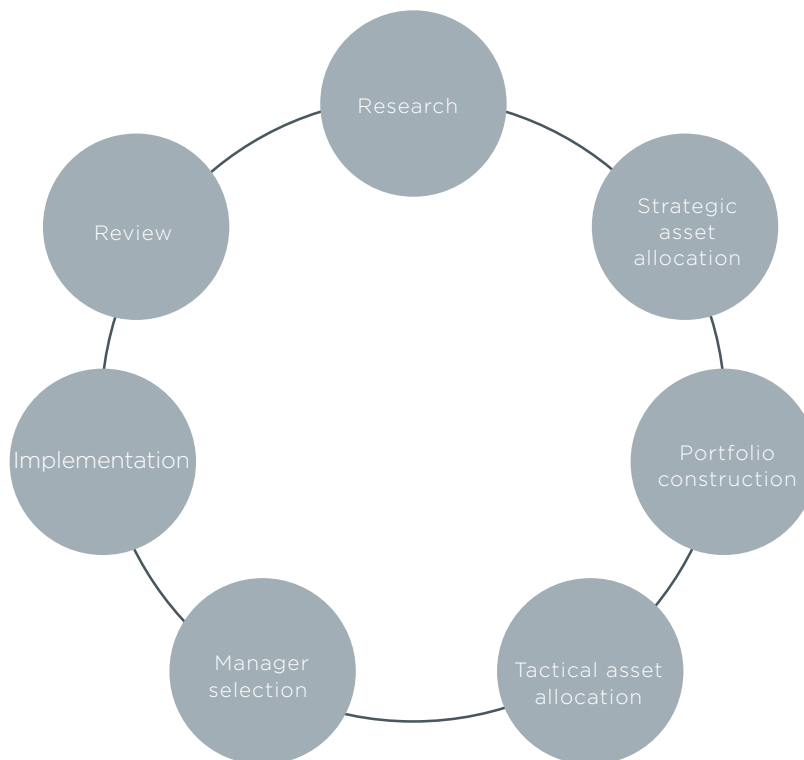
The inclusion of a manager's name and logo in the list and in the PDS does not, and must not be taken to, constitute an endorsement of, or recommendation or statement of opinion about, the product offered under the PDS. None of the managers in the list are, or should be taken to be, providing any financial product advice, and the recipient of the PDS should consider obtaining independent advice before making any financial decisions.

The specialist investment managers are current as at the time of the preparation of this Investment Funds Guide. The investment managers are regularly reviewed and may be removed at any time and the investment objectives and strategies may be changed without prior notification to you. As a result, the investment managers within may vary throughout the life of this Investment Funds Guide.

Specialist investment manager selection

The OptiMix investment team selects a range of investment managers who have expertise in a particular asset class. Each manager must have a distinct investment style, a proven investment process and a strong track record of performance.

How the OptiMix process works



The OptiMix active investment approach includes:

1. **Research** – the ANZ Wealth Chief Investment Office (CIO) develops capital market assumptions and market insights from proprietary analysis and consultants' input.
2. **Strategic asset allocation (SAA)** – fund strategy that involves setting target allocations for various asset classes based on an investor's risk tolerance, expected return, investment objectives and time horizon. The allocation also considers the liquidity impact and cost efficiency of implementation of each asset class.
3. **Portfolio construction** – optimise portfolios' risk and return characteristics by blending managers with complementary investment styles, with a view to deliver consistent returns above the benchmark.
4. **Tactical asset allocation (TAA)** – changes are made around the strategic benchmark. Valuation, economic and behavioural metrics are used to identify and exploit mispricing opportunities.
5. **Manager selection** – investment managers are selected according to strict criteria, including: investment approach, team experience, performance, risk management approach and research ratings.
6. **Implementation** – involves market exposure management, currency hedging and execution of asset allocation trades.
7. **Review** – selected managers are monitored on a regular basis and evaluated using qualitative and quantitative tools to assess their overall performance against the OptiMix mandate. Together with face-to-face meetings, this provides oversight of their investment style and process.

ONEPATH DIVERSIFIED MULTI-MANAGER INVESTMENT FUNDS

OnePath also offers a range of diversified multi-manager investment funds that blend the processes and styles of leading investment managers with index funds.

OnePath Diversified Multi-manager investment funds are designed for investors who believe that consistent returns can be generated through portfolios that combine selected investment managers with market benchmark based investments.

The benefits to investors of this style of investing include effective diversification across asset classes, investment styles, markets and managers.

Using a rigorous process, a range of highly regarded specialist investment managers are selected to manage individual asset class components to achieve enhanced performance.

The managers, asset classes and markets are continuously researched, assessed and monitored by OnePath's investment specialists, who then blend these portfolios with a range of index fund options.

Index funds invest in a portfolio of assets that match a particular investment index. The inclusion of index funds provides investors with smoother performance against nominated benchmarks, which in turn ensures that performance is more likely to be within expectations.

The underlying managers of OnePath's Diversified Multi-manager investment funds may, in some cases, also be accessed through the OnePath single manager investment funds.



Investor Profile 2 – Conservative

OnePath Capital Stable* (OnePath Stable in OneAnswer Pension)

Investment objective

The fund aims to achieve returns (before fees, charges and taxes) that on average exceed inflation by at least 2.5% p.a., over periods of three years or more.

A guarantee applies to this fund for OneAnswer Personal Super only. For more information on OnePath Capital Stable, see page 83 of this guide.

Description

The fund is suitable for investors seeking medium term returns through investing in a diversified mix of asset classes with a bias towards defensive assets offering yield with modest capital growth.

Investment strategy

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

Minimum time horizon

3 years

Distribution frequency

Quarterly (Investment Portfolio only)

Standard Risk Measure



For more information on Risk Profile, see the Standard Risk Measure on page 20.

Asset Allocation[†]

Asset class	Benchmark (%)	Range (%)
Cash	30	14–42
Australian fixed income	30	7–50
International fixed income	20	0–41
Australian property securities	1.5	0–8
Global property securities	1	0–8
Australian shares	10	0–18
International shares	2.5	0–10
Alternative assets (Growth) [‡]	5	0–10

* This investment fund is not available through OneAnswer Frontier.

† The maximum allocation to growth assets for the OnePath Capital Stable Fund is 20%.

‡ The Alternative Assets portfolio may include investments such as hedge funds, infrastructure, private equity and real estate. These assets may require a longer period of time to liquidate (i.e. greater than 30 days). For information about exposure to alternative assets for this investment fund, refer to 'Investment funds that invest via underlying Swaps' on page 20.

OnePath Conservative[^]

Investment objective

The fund aims to achieve returns (before fees, charges and taxes) that on average exceed inflation by at least 3.0% p.a., over periods of ten years or more.

Description

The fund is suitable for investors seeking medium term returns through investing in a diversified mix of asset classes with a bias towards defensive assets offering yield with modest capital growth.

Investment strategy

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

Minimum time horizon

10 years

Distribution frequency

Quarterly (Investment Portfolio only)

Standard Risk Measure



For more information on Risk Profile, see the Standard Risk Measure on page 20.

Asset allocation*

Asset class	Benchmark (%)	Range (%)
Cash	7	0–27
Australian fixed interest**	22	12–32
International fixed interest**	20	10–30
Listed real assets [#]	4	0–12
Australian shares	10	0–20
International shares [†]	12	2–22
Alternative assets [†]	25	13–37

* The maximum allocation to growth assets for the OnePath Conservative Fund is 43%.

** Fixed interest may include exposure to government, corporate, inflation protected and/or other securities.

‡ International shares may include exposure to emerging markets and/or global small cap securities.

† The Alternative Assets portfolio may include investments such as hedge funds, infrastructure, private equity and real estate. These assets may require a longer period of time to liquidate (i.e. greater than 30 days). For information about exposure to alternative assets for this investment fund, refer to 'Investment funds that invest via underlying Swaps' on page 82.

Listed Real Assets may include allocations to Global Listed Property and Infrastructure Securities.

^ Irrespective of the fund name being 'Conservative', the Standard Risk Measure of the fund is 4. This means it has been estimated that the fund may have 2 to less than 3 negative annual returns over any 20 year period.

OptiMix Australian Fixed Interest

Investment objective

This fund aims to achieve returns (before fees, charges and taxes) that exceed the Bloomberg AusBond Composite (All Maturities) Index, over periods of three years or more.

Description

The fund is suitable for investors seeking exposure to a diversified portfolio of fixed interest securities and a mix of managers and who can accept some variability of returns.

Investment strategy

The fund invests predominantly in a diversified portfolio of Australian fixed interest securities through a mix of managers. The fund is actively managed in accordance with the OptiMix Multi-manager investment process.

Minimum time horizon

3 years

Distribution frequency

Quarterly (Investment Portfolio only)

Standard Risk Measure



For more information on Risk Profile, see the Standard Risk Measure on page 20.

Asset allocation

Asset class	Benchmark (%)	Range (%)
Australian Fixed Interest and Floating Rate Securities	100	80–100
International Fixed Interest and Floating Rate Securities	0	0–10
Cash	0	0–10

OptiMix Conservative[^]

Investment objective

This fund aims to achieve returns (before fees, charges and taxes) that on average exceed inflation by at least 3.0% p.a., over periods of ten years or more.

Description

The fund is suitable for investors seeking exposure to a diversified range of asset classes and a mix of managers and who can accept some variability of returns.

Investment strategy

The fund invests in a diversified portfolio of Australian and international assets through a mix of managers, with a bias towards defensive assets. The fund is actively managed in accordance with the OptiMix Multi-manager investment process.

Minimum time horizon

10 years

Distribution frequency

Quarterly (Investment Portfolio only)

Standard Risk Measure



For more information on Risk Profile, see the Standard Risk Measure on page 20.

Asset allocation*

Asset class	Benchmark (%)	Range (%)
Cash	7	0–27
Australian fixed interest	22	12–32
International fixed interest	20	10–30
Listed real assets [#]	4	0–12
Australian shares	10	0–20
International shares [†]	12	2–22
Alternative assets [†]	25	13–37

* The maximum allocation to growth assets for the OptiMix Conservative Fund is 43%.

[‡] International shares may include exposure to emerging markets and/or global small cap securities.

[†] The Alternative Assets portfolio may include investments such as hedge funds, infrastructure, private equity and real estate. These assets may require a longer period of time to liquidate (i.e. greater than 30 days). For information about exposure to alternative assets for this investment fund, refer to 'Investment funds that invest via underlying Swaps' on page 82.

[#] Listed Real Assets may include allocations to Global Listed Property and Infrastructure Securities.

[^] Irrespective of the fund name being 'Conservative', the Standard Risk Measure of the fund is 4. This means it has been estimated that the fund may have 2 to less than 3 negative annual returns over any 20 year period.

Investor Profile 3 – Moderate

OnePath Balanced

Investment objective

The fund aims to achieve returns (before fees, charges and taxes) that on average exceed inflation by at least 4.0% p.a., over periods of ten years or more.

Description

The fund is suitable for investors seeking medium term returns through investing in a diversified range of asset classes balancing growth and defensive assets offering capital growth as well as yield.

Investment strategy

The fund invests in a diversified mix of Australian and International assets spread across growth and defensive asset classes. The fund blends active and passive management styles from a selection of leading investment managers.

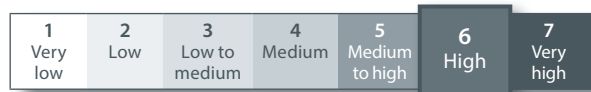
Minimum time horizon

10 years

Distribution frequency

Quarterly (Investment Portfolio only)

Standard Risk Measure



For more information on Risk Profile, see the Standard Risk Measure on page 20.

Asset allocation*

Asset class	Benchmark (%)	Range (%)
Cash	5	0–25
Australian fixed interest	17	2–32
International fixed interest	14	0–29
Listed real assets [#]	6	0–16
Australian shares	18	3–33
International shares [^]	20	5–35
Alternative assets [†]	20	4–36

* The maximum allocation to growth assets for the OnePath Balanced Fund is 69%.

[^] International shares may include exposure to emerging markets and/or global small cap securities.

[†] The Alternative Assets portfolio may include investments such as hedge funds, infrastructure, private equity and real estate. These assets may require a longer period of time to liquidate (i.e. greater than 30 days). For information about exposure to alternative assets for this investment fund, refer to 'Investment funds that invest via underlying Swaps' on page 82.

[#] Listed Real Assets may include allocations to Global Listed Property and Infrastructure Securities.

OptiMix Moderate

Investment objective

This fund aims to achieve returns (before fees, charges and taxes) that on average exceed inflation by at least 4.0% p.a., over periods of ten years or more.

Description

The fund is suitable for investors seeking exposure to a diversified range of asset classes and a mix of managers and who can accept some variability of returns.

Investment strategy

The fund invests in a diversified portfolio of Australian and international assets through a mix of managers, with a balance of growth and defensive assets. The fund is actively managed in accordance with the OptiMix Multi-manager investment process.

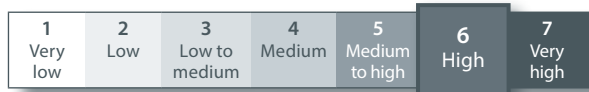
Minimum time horizon

10 years

Distribution frequency

Quarterly (Investment Portfolio only)

Standard Risk Measure



For more information on Risk Profile, see the Standard Risk Measure on page 20.

Asset allocation*

Asset class	Benchmark (%)	Range (%)
Cash	5	0–25
Australian fixed interest	17	2–32
International fixed interest	14	0–29
Listed real assets [#]	6	0–16
Australian shares	18	3–33
International shares [^]	20	5–35
Alternative assets [†]	20	4–36

* The maximum allocation to growth assets for the OptiMix Moderate Fund is 69%.

[^] International shares may include exposure to emerging markets and/or global small cap securities.

[†] The Alternative Assets portfolio may include investments such as hedge funds, infrastructure, private equity and real estate. These assets may require a longer period of time to liquidate (i.e. greater than 30 days). For information about exposure to alternative assets for this investment fund, refer to 'Investment funds that invest via underlying Swaps' on page 82.

[#] Listed Real Assets may include allocations to Global Listed Property and Infrastructure Securities.

Investor Profile 4 – Growth

OnePath Active Growth

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.

Description

The fund is suitable for investors seeking medium to higher returns through investing in a diversified range of asset classes with a bias towards growth assets and an active asset allocation process between asset classes.

Investment strategy

The fund invests in a diversified mix of Australian and international, growth and defensive assets. The fund blends active and passive management styles from a selection of leading investment managers. The allocation to asset classes is varied within broad ranges, providing high exposure to investment markets expected to perform well.

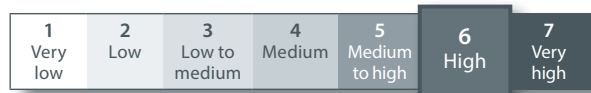
Minimum time horizon

10 years

Distribution frequency

Quarterly (Investment Portfolio only)

Standard Risk Measure



For more information on Risk Profile, see the Standard Risk Measure on page 20.

Asset allocation

Asset class	Benchmark (%)	Range (%)
Cash	n/a	0–45
Australian fixed interest**	n/a	0–50
International fixed interest**	n/a	0–50
Listed Real Assets [#]	n/a	0–20
Australian shares	n/a	0–70
International shares [^]	n/a	0–70
Alternative assets [†]	n/a	0–31

**Fixed interest may include exposure to government, corporate, inflation protected and/or other securities.

[^] International shares may include exposure to emerging markets and/or global small cap securities.

[†] The Alternative Assets portfolio may include investments such as hedge funds, infrastructure, private equity and real estate. These assets may require a longer period of time to liquidate (i.e. greater than 30 days). For information about exposure to alternative assets for this investment fund, refer to 'Investment funds that invest via underlying Swaps' on page 82.

[#] Listed Real Assets may include allocations to Global Listed Property and Infrastructure Securities.

OnePath Managed Growth

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.

Description

The fund is suitable for investors seeking medium to higher returns through investing in a diversified range of asset classes with a bias towards growth assets delivering capital growth with some yield.

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.

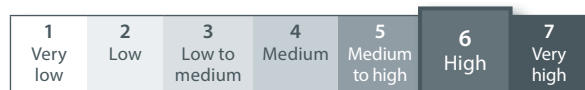
Minimum time horizon

10 years

Distribution frequency

Quarterly (Investment Portfolio only)

Standard Risk Measure



For more information on Risk Profile, see the Standard Risk Measure on page 20.

Asset allocation*

Asset class	Benchmark (%)	Range (%)
Cash	3	0–23
Australian fixed interest**	9	0–29
International fixed interest**	8	0–28
Listed real assets [#]	6	0–16
Australian shares	27	7–47
International shares [^]	29	9–49
Alternative assets [†]	18	1–38

* The maximum allocation to growth assets for the OnePath Managed Growth Fund is 93%.

**Fixed interest may include exposure to government, corporate, inflation protected and/or other securities.

[^] International shares may include exposure to emerging markets and/or global small cap securities.

[†] The Alternative Assets portfolio may include investments such as hedge funds, infrastructure, private equity and real estate. These assets may require a longer period of time to liquidate (i.e. greater than 30 days). For information about exposure to alternative assets for this investment fund, refer to 'Investment funds that invest via underlying Swaps' on page 82.

[#] Listed Real Assets may include allocations to Global Listed Property and Infrastructure Securities.

OptiMix Balanced

Investment objective

This 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.

Description

The fund is suitable for investors seeking exposure to a diversified range of asset classes and a mix of managers, and who are prepared to accept a higher variability of returns.

Investment strategy

The fund invests in a diversified portfolio of Australian and international assets through a mix of managers, with a bias towards growth assets. The fund is actively managed in accordance with the OptiMix Multi-manager investment process.

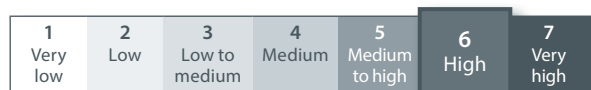
Minimum time horizon

10 years

Distribution frequency

Quarterly (Investment Portfolio only)

Standard Risk Measure



For more information on Risk Profile, see the Standard Risk Measure on page 20.

Asset allocation*

Asset class	Benchmark (%)	Range (%)
Cash	3	0–23
Australian fixed interest**	9	0–29
International fixed interest**	8	0–28
Listed real assets [#]	6	0–16
Australian shares	27	7–47
International shares [^]	29	9–49
Alternative assets [†]	18	1–38

* The maximum allocation to growth assets for the OptiMix Balanced Fund is 93%.

**Fixed interest may include exposure to government, corporate, inflation protected and/or other securities.

[^] International shares may include exposure to emerging market and/or global small cap securities.

[†] The Alternative Assets portfolio may include investments such as hedge funds, infrastructure, private equity and real estate. These assets may require a longer period of time to liquidate (i.e. greater than 30 days). For information about exposure to alternative assets for this investment fund, refer to 'Investment funds that invest via underlying Swaps' on page 82.

[#] Listed Real Assets may include allocations to Global Listed Property and Infrastructure Securities.

OptiMix Growth

Investment objective

This fund aims to achieve returns (before fees, charges and taxes) that on average exceed inflation by at least 5.5% p.a., over periods of ten years or more.

Description

The fund is suitable for investors seeking long term capital growth through active exposure to a diversified portfolio of growth assets and who are prepared to accept a higher variability of returns.

Investment strategy

The fund invests in a diversified portfolio of Australian and international assets through a mix of managers, with a strong bias towards growth assets. The fund is actively managed in accordance with the OptiMix Multi-manager investment process.

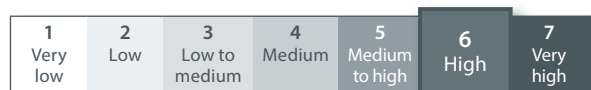
Minimum time horizon

10 years

Distribution frequency

Quarterly (Investment Portfolio only)

Standard Risk Measure



For more information on Risk Profile, see the Standard Risk Measure on page 20.

Asset allocation*

Asset class	Benchmark (%)	Range (%)
Cash	1	0–21
Australian fixed interest	4	0–24
International fixed interest	5	0–25
Listed real assets [#]	8	0–18
Australian shares	34	14–54
International shares [^]	35	15–55
Alternative assets [†]	13	0–33

* The maximum allocation to growth assets for the OptiMix Growth Fund is 100%.

[^] International shares may include exposure to emerging market and/or global small cap securities.

[†] The Alternative Assets portfolio may include investments such as hedge funds, infrastructure, private equity and real estate. These assets may require a longer period of time to liquidate (i.e. greater than 30 days). For information about exposure to alternative assets for this investment fund, refer to 'Investment funds that invest via underlying Swaps' on page 82.

[#] Listed Real Assets may include allocations to Global Listed Property and Infrastructure Securities.

Investor Profile 5 – High growth – Property

OptiMix Property Securities

Investment objective

This fund aims to achieve returns (before fees, charges and taxes) that exceed the S&P/ASX 300 Property Trusts Accumulation Index, over periods of five years or more.

Description

The fund is suitable for investors seeking exposure to the Australian property securities market and who are prepared to accept a higher variability of returns.

Investment strategy

The fund invests predominantly in a diversified portfolio of Australian property securities through a mix of managers. The fund is actively managed in accordance with the OptiMix Multi-manager investment process.

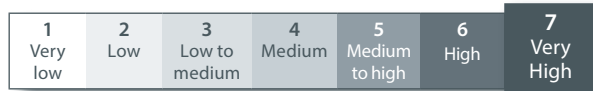
Minimum time horizon

5 years

Distribution frequency

Quarterly (Investment Portfolio only)

Standard Risk Measure



For more information on Risk Profile, see the Standard Risk Measure on page 20.

Asset allocation

Asset class	Benchmark (%)	Range (%)
Listed Australian Property Securities	100	75–100
Listed Securities excluding A-REITs	0	0–15
Cash	0	0–10

Investor Profile 5 – High growth – Australian shares

OptiMix Australian Shares

Investment objective

The fund aims to achieve returns (before fees, charges and taxes) that exceed the S&P/ASX 300 Accumulation Index, over periods of five years or more.

Description

The fund is suitable for investors seeking a broad exposure to the Australian equity market and who are prepared to accept higher variability of returns.

Investment strategy

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

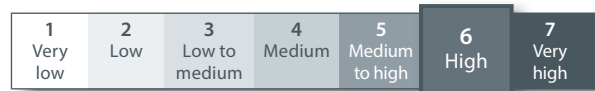
Minimum time horizon

5 years

Distribution frequency

Quarterly (Investment Portfolio only)

Standard Risk Measure



For more information on Risk Profile, see the Standard Risk Measure on page 20.

Asset allocation

Asset class	Benchmark (%)	Range (%)
Cash	0	0–10
Australian shares	100	90–100

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Investor Profile 5 – High growth – Global shares

OptiMix Global Emerging Markets Shares

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.

Description

The fund is suitable for investors seeking broad exposure to international shares and related investments and who are prepared to accept higher variability of returns.

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.

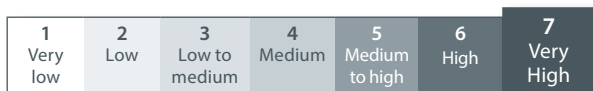
Minimum time horizon

5 years

Distribution frequency

Yearly (Investment Portfolio only)

Standard Risk Measure



For more information on Risk Profile, see the Standard Risk Measure on page 20.

Asset allocation

Asset class	Benchmark (%)	Range (%)
Listed Emerging Market Securities	100	90–100
Cash	0	0–10

OptiMix Global Shares

Investment objective

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

Description

The fund is suitable for investors seeking broad exposure to international shares and related investments and who are prepared to accept higher variability of returns.

Investment strategy

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

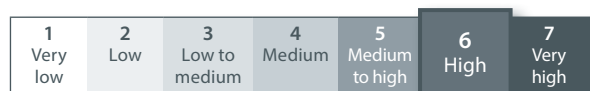
Minimum time horizon

5 years

Distribution frequency

Half-yearly (Investment Portfolio only)

Standard Risk Measure



For more information on Risk Profile, see the Standard Risk Measure on page 20.

Asset allocation

Asset class	Benchmark (%)	Range (%)
Cash	0	0–10
International shares	100	90–100

OptiMix Global Smaller Companies Shares

Investment objective

This fund aims to achieve returns (before fees, charges and taxes) that exceed the MSCI World ex-Australia Small Cap Net Total Return Index (\$A unhedged) over periods of five years or more.

Description

The fund is suitable for investors seeking broad exposure to international shares and related investments and who are prepared to accept higher variability of returns.

Investment strategy

The fund invests predominantly in a diversified portfolio of international small companies through a mix of managers. The fund is actively managed in accordance with the OptiMix Multi-manager investment process.

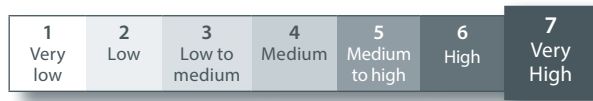
Minimum time horizon

5 years

Distribution frequency

Half-yearly (Investment Portfolio only)

Standard Risk Measure



For more information on Risk Profile, see the Standard Risk Measure on page 20.

Asset allocation

Asset class	Benchmark (%)	Range (%)
Cash	0	0–10
Global small companies shares	100	90–100

Investor Profile 5 – High growth – Multi-sector

OnePath High Growth

Investment objective

The fund aims to achieve returns (before fees, charges and taxes) that on average exceed inflation by at least 6.0% p.a., over periods of ten years or more.

Description

The fund is suitable for investors seeking higher long term returns through investing in a diversified range of asset classes with a strong bias towards growth assets delivering capital growth with some yield.

Investment strategy

The fund invests predominantly in a diversified portfolio of Australian and international shares. The fund blends active and passive management styles from a selection of leading investment managers using disciplined Australian shares and global share investment processes.

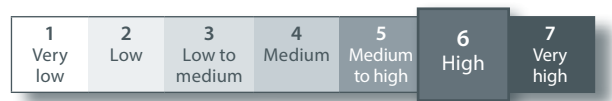
Minimum time horizon

10 years

Distribution frequency

Quarterly (Investment Portfolio)

Standard Risk Measure



For more information on Risk Profile, see the Standard Risk Measure on page 20.

Asset allocation*

Asset class	Benchmark (%)	Range (%)
Cash	1	0–21
Australian fixed interest	0	0–20
International fixed interest	0	0–20
Listed real assets [#]	8	0–18
Australian shares	40	20–60
International shares [^]	45	25–65
Alternative assets [†]	6	0–26

* The maximum allocation to growth assets for the OnePath High Growth Fund is 100%.

[^] International shares may include exposure to emerging market and/or global small cap securities.

[†] The Alternative Assets portfolio may include investments such as hedge funds, infrastructure, private equity and real estate. These assets may require a longer period of time to liquidate (i.e. greater than 30 days). For information about exposure to alternative assets for this investment fund, refer to 'Investment funds that invest via underlying Swaps' on page 82.

[#] Listed Real Assets may include allocations to Global Listed Property and Infrastructure Securities.

OptiMix High Growth

Investment objective

The fund aims to achieve returns (before fees, charges and taxes) that on average exceed inflation by at least 6.0% p.a., over periods of ten years or more.

Description

The fund is suitable for investors seeking exposure to a mix of growth assets and who are prepared to accept higher variability of returns.

Investment strategy

The fund invests in an actively managed, diversified portfolio of Australian and international shares through a mix of managers. The fund is actively managed in accordance with the OptiMix Multi-manager investment process.

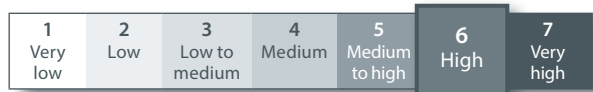
Minimum time horizon

10 years

Distribution frequency

Quarterly (Investment Portfolio only)

Standard Risk Measure



For more information on Risk Profile, see the Standard Risk Measure on page 20.

Asset allocation*

Asset class	Benchmark (%)	Range (%)
Cash	1	0–21
Australian fixed interest	0	0–20
International fixed interest	0	0–20
Listed real assets [#]	8	0–18
Australian shares	40	20–60
International shares [^]	45	25–65
Alternative assets [†]	6	0–26

* The maximum allocation to growth assets for the OptiMix High Growth Fund is 100%.

[^] International shares may include exposure to emerging market and/or global small cap securities.

[†] The Alternative Assets portfolio may include investments such as hedge funds, infrastructure, private equity and real estate. These assets may require a longer period of time to liquidate (i.e. greater than 30 days). For information about exposure to alternative assets for this investment fund, refer to 'Investment funds that invest via underlying Swaps' on page 82.

[#] Listed Real Assets may include allocations to Global Listed Property and Infrastructure Securities.

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SINGLE MANAGER INVESTMENT FUNDS

OneAnswer also offers a range of investment funds across all investor profiles, giving a choice of investment approaches to suit varying needs.

Funds are available offering investments in a wide range of asset classes including: Australian shares, international shares, property securities, Global Property/Infrastructure Securities, fixed interest, cash and mortgages.

The selected fund managers available in OneAnswer are strong, reputable brands that are well supported in the marketplace, and are subject to regular, rigorous review. Further information on each of these fund managers is provided in the following pages.

Altrinsic Global Advisors, LLC

Established 2000

Funds under management A\$10.4 billion (as at 30 June 2017)

Altrinsic Global Advisors, LLC (Altrinsic) is an employee-controlled and majority-owned investment boutique focused on global equity investing and is based in Greenwich, Connecticut, USA. A subsidiary of NAB holds a minority interest in the firm.

As owners of the business, Altrinsic's interests are strongly aligned with those of its clients.



Australia and New Zealand Banking Group Limited

ABN 11 005 357 522

Australian Financial Services Licence Number 234527

Established 1835

Deposit funds under management A\$468.2 billion (as at 31 March 2017)

ANZ is a major Australian financial institution and provider of loans, insurance and deposit products. Established in 1835, ANZ is one of the largest companies in Australia and New Zealand and among the top 50 international banking and financial service providers. ANZ has more than six million personal, private banking, small business, corporate, institutional, and asset finance customers worldwide. ANZ is one of the four major Australian banks with an extensive network including over 2,500 ATMs and 700 branches in Australia.



Antipodes Partners Limited

ABN 29 602 042 035

Established 2015

Funds under management A\$3.8 billion (as of 30 June 2017)

Antipodes Partners is a global asset manager offering a pragmatic value approach across long only and long-short strategies. We aspire to grow client wealth over the long term by generating absolute returns in excess of the benchmark, at below market levels of risk. We seek to take advantage of the market's tendency for irrational extrapolation, identify investments that offer a high margin of safety and build portfolios with a capital preservation focus.

Antipodes Partners is majority owned by its seasoned investment team with over 100 years of combined global experience. Our performance culture is underpinned by sensible incentives, a focused offering and the outsourcing of non-investment functions to minority partner Pinnacle Investment Management Limited.



Bennelong Australian Equity Partners

ABN 69 131 665 122

Established July 2008

Funds under management A\$6.0 billion (as at 30 June 2017)

Bennelong Australian Equity Partners (BAEP) is a boutique asset manager offering Australian equities solutions for institutional and retail clients. The business was founded in 2008 in partnership with Bennelong Funds Management.

BAEP's investment philosophy is to favour high quality, strongly growing companies. In particular, it is focused on those companies it believes have the earnings strength to deliver against, or potentially exceed, the market's expectations of its future earnings prospects. BAEP's investment process entails undertaking an extensive program of company meetings and other industry contact. This is aimed at identifying opportunities through on-the-ground research where a company's prospects are better than perceived by the market and as reflected in a company's stock price. Fundamentally, BAEP's research and analysis is predominantly focused on stock specifics, but it is also supported with quantitative and macroeconomic insights. BAEP typically constructs high conviction portfolios that entail consideration to the risk-return fundamentals of the individual stocks and overall portfolio.



Ausbil Investment Management Limited

ABN 26 076 316 473

Established 1997

Funds under management A\$9.8 billion (as at 30 June 2017)

Ausbil Investment Management Limited is an Australian shares specialist with approximately A\$9.7 billion in funds under management. Established in April 1997, Ausbil's core business is the management of Australian shares for major superannuation funds, institutional investors and master trust clients.

During the past twenty years Ausbil Investment Management Limited has been one of Australia's highest performing managers and has consistently delivered superior returns through its core investment process.

Ausbil is a strategic partnership between senior members of the investment/management team of Ausbil and New York Life Investment Management ('NYLIM'). Ausbil offers clients the focus and specialisation of an employee-owned boutique. NYLIM is a wholly-owned subsidiary of New York Life Insurance Company.



Bentham Asset Management Pty Ltd

ABN 92 140 833 674

Established 2010

Funds under management A\$8.47 billion (as at 30 June 2017)

Bentham Asset Management Pty Limited (Bentham) is a specialist fixed interest and credit investment manager. Bentham actively manages a number of high yielding funds with varying risk profiles. The portfolios are designed to generate income while diversifying risk in global credit markets. Bentham's goal is to deliver higher income to investors than can generally be achieved in traditional fixed interest and equity markets.

The founders of Bentham previously worked together as part of the Credit Investment Group of Credit Suisse Alternative Capital Inc. New York. They are still managing the same Funds.

Bentham's investment philosophy is based on a strong credit culture and a systematic investment process, with a focus on the preservation of principal and protection against downside risk.



Colonial First State Global Asset Management

ABN 89 114 194 311

Established 2005

Funds under management A\$219.4 billion (as at 30 June 2017)

Colonial First State Global Asset Management ('CFSGAM'), known as First State Investments outside of Australia, is the investment management business of the Commonwealth Bank of Australia. We are a global asset manager with established offices across Europe, the US, Middle East, and Asia Pacific regions. With expertise across a range of asset classes and specialist investment sectors, our approach to investment is driven by a commitment to provide the best possible outcomes over the long term for our investors. To achieve this, we ensure our interests are aligned with our investors and uphold a culture of consistently acting in our clients' best interests.

* Assets under management indicated above includes Realindex Investments which is a wholly owned investment management subsidiary of the Colonial First State group of companies. Source: Commonwealth Bank of Australia Financials as at 30 June 2017.



BlackRock Investment Management (Australia) Limited

ABN 13 006 165 975

Established 1988

Assets under management A\$5.7 trillion (as at 30 June 2017)

BlackRock is a global leader in investment management, risk management and advisory services for institutional and retail clients. At 30 June 2017, BlackRock's AUM was \$5.7 trillion. BlackRock helps clients around the world meet their goals and overcome challenges with a range of products that include separate accounts, mutual funds, iShares® (exchange-traded funds), and other pooled investment vehicles. BlackRock also offers risk management, advisory and enterprise investment system services to a broad base of institutional investors through BlackRock Solutions®. As of 30 June 2017, the firm had approximately 13,000 employees in more than 30 countries and a major presence in global markets, including North and South America, Europe, Asia, Australia and the Middle East and Africa.



Fidelity International

Established 1969

Funds under management A\$384.8 billion (as at 31 March 2017)

We are a trusted global leader in investment management and we offer world class investment solutions and retirement expertise.

We have invested in Australian equities for over 35 years. Our Australian-based team is backed by one of the largest buy-side research teams in the world.

Fidelity has built its reputation on first-hand research of companies. We build investment funds from the bottom up, stock by stock, through active, on-the-ground analysis of companies, their customers, suppliers and competitors wherever they may be in the world. This intensive first-hand knowledge of companies sets Fidelity apart from other fund managers.

Fidelity is a private company and our ownership structure, focus on investment management and size enable us to develop successful and innovative products and provide the highest levels of customer service.



BT Investment Management (Institutional) Limited

ABN 17 126 390 627

Established 2007

Funds under management A\$94.4 billion* (as at 30 June 2017)

BT Investment Management (Institutional) Limited (BTIM) combines a strong institutional platform with an investment-led culture to achieve strong risk-adjusted returns for its investors. BTIM offers investors a range of investment choices including Australian shares and property securities, fixed income and cash, absolute return investments, international shares and property securities. To complement its in-house expertise, BTIM also partners with leading global and domestic managers.

BTIM follows a 'multi-boutique' business model, where teams of investment professionals focus exclusively on asset management, while distribution, compliance, business and general management functions are delivered centrally.

The model is designed to provide the best of both worlds. Fund managers operate in a boutique environment where they maintain full autonomy over their investment approaches and share in the economic value that they create for clients, combined with the strength of a significant institution with a strong operational platform (brand, distribution, compliance, sales and marketing, back office). Boutiques also share information, giving each the benefit of expert views from other asset classes.

BT Investment Management is one of the largest ASX-listed pure investment managers (ASX:BTT), with a market capitalisation of around \$2.85 billion and funds under management of \$94.4 billion* as at 30 June 2017.

* Includes J O Hambro Capital Management assets under management.



Fulcrum Asset Management LLP

Established 2004

Funds under management A\$8.5 billion (as at 30 June 2017)

Fulcrum is an independent investment manager founded in 2004, with a core focus on global, multi-asset investing across liquid markets. Headquartered in London with additional offices in New York and Frankfurt, the firm is defined by the strength of its research and disciplined investment approach.

Fulcrum manages both absolute return and relative return strategies across all of the major liquid asset classes globally. Our approach combines fundamental and behavioural research teams with investment specialists in equities, bonds, commodities and currencies. The investment process is driven by the Fulcrum Investment Team who have a deep market knowledge and experience gained across numerous economic cycles and environments. Our process and philosophy is designed to deliver stable outcomes for investors, regardless of the direction of global financial markets.

Fulcrum has been managing assets for Australian institutions since 2012 and manages over \$2.5 billion on behalf of Australian institutions and clients.



GMO

ABN 30 071 502 639

Established 1977

Funds under management A\$100 billion (as at 30 June 2017)

GMO is an independent US investment management firm based in Boston, with offices in San Francisco, London, Singapore, Amsterdam and Sydney. Established in 1977, GMO is owned by its staff and investment management is its only business. It has in excess of \$100 billion under management worldwide (as at 30 June 2017). GMO Australia Limited was established in 1995 and is responsible for managing the group's Systematic Global Macro portfolios, in addition to servicing Australian clients invested in global and emerging shares and bonds, hedge funds, asset allocation products and forestry.



North America Europe Asia Pacific

Kapstream Capital Pty Limited

ABN 19 122 076 117

Established 2006

Funds under management A\$10.6 billion (as at June 2017)

Kapstream is a global fixed income manager providing absolute return investment strategies.

Kapstream seeks to achieve superior results by stepping beyond the traditional core manager approach and targeting an absolute return, using a wide range of instruments, including derivatives, to exploit market inefficiencies across the full spectrum of global fixed income markets.



A - ANUS CAPITAL Group Company

Greencape Capital

ABN 98 120 328 529

Established 2006

Funds under management A\$6.9 billion (as at 31 May 2017)

Greencape Capital is a boutique investment manager based in Melbourne, Australia, managing over A\$5 billion. The company was founded and is majority owned by David Pace and Matthew Ryland. Prior to establishing Greencape Capital, David and Matthew worked together at a large institutional funds management firm for a number of years.



Janus Henderson Investors (Australia) Funds Management Limited

ABN 43 164 177 244

Established 2017

Funds under management A\$433.6 billion (as at 31 March 2017)

Janus Henderson Investors (Australia) Funds Management Limited is a subsidiary of the global asset management group Janus Henderson Group plc ('Janus Henderson').

Formed in 2017 from the merger between Janus Capital Group and Henderson Group plc, Janus Henderson is committed to adding value through active management. Headquartered in London, Janus Henderson is an independent asset manager that is dual-listed on the New York Stock Exchange and the Australian Securities Exchange. Janus Henderson has \$433.6 billion in assets under management, more than 2,000 employees and offices in 27 cities worldwide¹.

¹ Combined pre-merger figures of Janus Capital Group and Henderson Group plc, at 31 March 2017.



Investors Mutual Limited

ABN 14 078 030 752

Established 1998

Funds under management A\$9.1 billion (as of 30 June 2017)

Investors Mutual Ltd (IML) is a specialist Australian equity manager based in Sydney. IML has a conservative investment style with a long term focus, and aims to deliver consistent returns for clients. IML achieves this through the disciplined application of a fundamental and value-based approach to investing. The IML investment team is a committed and stable team whose remuneration structure aligns their interest with those of Investors Mutual's clients.



Karara Capital

ABN 34 134 075 157

Established 2007

Funds under management A\$4 billion (as at 30 June 2017)

Karara Capital is a specialist investment manager focusing on the active management of funds investing in Australian shares.

Established in 2007 by its three executive Directors, who between them have built a successful record of managing Australian shares spanning 30 years. Supporting them is a team of experienced investment professionals.

Karara brings together like minded investors within an aligned, performance focused environment. As an independent, wholly staff owned company Karara is free to invest in a purely objective fashion. Its belief is that a small, self determining team is best positioned to build a strong and durable investment culture.



Macquarie Investment Management Australia Limited

ABN 55 092 552 611

Established 1999

Funds under management A\$320.3 billion (as at 31 March 2017)

Macquarie Investment Management Australia Limited, the responsible entity of the Arrowstreet Global Equity Fund (Hedged) and Walter Scott Global Equity Fund (Hedged), has appointed Macquarie Investment Management Global Limited to implement the currency hedging for the funds. Both entities form part Macquarie Group's investment management business, Macquarie Investment Management.

The Arrowstreet Global Equity Fund (Hedged) invests indirectly in the Arrowstreet Global Equity Fund, managed by Arrowstreet Capital Limited Partnership (Arrowstreet), an independent private partnership that serves as a discretionary institutional global equity manager. Arrowstreet was founded in June 1999 and its principal place of business is in Boston, Massachusetts.

The Walter Scott Global Equity Fund (Hedged) invests in the Walter Scott Global Equity Fund, managed by Walter Scott & Partners Limited (Walter Scott), a global investment manager established in 1983 in Edinburgh, Scotland. Walter Scott is a classical, fundamental, long term growth manager with a wealth of experience managing global equities portfolios.

Magellan Asset Management Limited

ABN 31 120 593 946

Established 2006

Funds under management A\$50.6 billion (as at 30 June 2017)

Magellan Asset Management Limited ('Magellan') is an Australian based manager specialising in international shares and global listed infrastructure. Magellan is the sole operating subsidiary of Magellan Financial Group Limited (ASX code: MFG), a company listed on the Australian Securities Exchange.

Magellan's unique philosophy focuses on investment in high-quality businesses to achieve the goals of capital preservation and absolute wealth accumulation through the business cycle. In applying this philosophy, experienced investment professionals undertake a specifically-designed investment process, incorporating proprietary fundamental research, macroeconomic analysis and risk management techniques.



MFS® Investment Management

Established 1924

Funds under management A\$617 billion (as at 31 May 2017)

MFS International Australia Pty Ltd ('MFS Australia') and MFS Institutional Advisors, Inc. ('MFSI') are members of the MFS Investment Management group of companies ('MFS'). MFS Australia and MFSI are subsidiaries of Massachusetts Financial Services Company, which is in turn a member of the Sun Life Financial group of companies. MFS is an active, global asset manager with a uniquely collaborative approach to building better insights for clients. These insights are derived from three guiding principles – integrated research, global collaboration, and active risk management. The firm believes the application of these principles and the combined insights across fundamental equity, quantitative and credit perspectives is what enables it to deliver sustainable, long term returns for clients.



Man Investments Australia Limited

ABN 47 002 747 480

Established 1783

Funds under management A\$124.7 billion (as of 30 June 2017)

Man Investments Australia is a part of Man Group plc ('Man'). Established in 1783, Man is a global independent asset manager dedicated to alternative and long-only investing. Across its five investment engines Man offers a broad range of products and services to address clients' investment needs, covering quantitative (Man AHL and Man Numeric), discretionary (Man GLG and Man FRM) and private markets (Man GPM). Active across equity, credit, commodities and currency markets, Man's investment managers offer long-only, alternative and private markets strategies.

Man AHL ('AHL') is one of the world's leading quantitative investment managers. Established in 1987, AHL provides investors with highly liquid and efficient trading strategies which offer low correlation to more traditional investment disciplines. As at 30 June 2017, AHL managed approximately A\$25 billion in assets.



Nikko Asset Management Group

ABN 99 003 376 252

Established 1989

Funds under management A\$239 billion (as of 31 March 2017)

Part of the Nikko Asset Management Group, Nikko AM Limited offers investors the benefits of extensive global resources combined with the local expertise and long-standing experience of our Sydney based investment teams, with a history dating back to 1989. Today the company manages approximately A\$10.0 billion in assets (as at 30 June 2017) for retail and institutional clients across Australia.

Nikko Asset Management Group is one of Asia's largest asset managers with A\$239 billion under management (as at 31 March 2017).



Perennial Value Management Limited

ABN 22 090 879 904

Established 2000

Funds under management A\$6.9 billion (as of 30 June 2017)

Perennial Value Management Limited (Perennial) is a specialist, active investment management firm. Perennial's sole focus is to deliver excellence in funds management through equity ownership and the alignment of interests between key investment management staff and our clients.

Formed in 2000 by John Murray through a joint venture with IOOF Holdings, the cornerstone of its investment process is first hand independent research to identify and exploit markets inefficient for the interests of its investors.



Merlon Capital Partners Pty Ltd

ABN 94 140 833 683

Established 2010

Funds under management A\$1.35 billion (as at 30 June 2017)

Merlon is a boutique fund manager based in Sydney, Australia, specialising in equity income strategies. Merlon commenced operation in May 2010, with the objective of providing high quality, tailored investment management services to investors.

Prior to establishing Merlon, the majority of the principals worked together at Challenger Limited. Merlon's investment approach is to build a portfolio of undervalued high dividend yielding companies and to then reduce some risk through the use of derivatives. Merlon aims for the Fund to be fully invested in large and mid-cap companies listed on the ASX, which are selected based on Merlon's investment philosophy.



Perpetual Investment Management Limited

ABN 18 000 866 535

Established 1971

Funds under management A\$32.9 billion (as at 31 March 2017)

Perpetual Investment Management Limited (Perpetual Investments) is one of Australia's leading investment managers. Perpetual Investments is part of the Perpetual Group, which has been in operation for over 130 years. By employing some of the industry's best investment specialists and applying a proven investment philosophy, Perpetual Investments has been able to help generations of Australians manage their wealth.



PIMCO Australia Pty Ltd

ABN 54 084 280 508

Established 1998

Funds under management A\$39.2 billion (as at 30 June 2017)

PIMCO is one of the largest global investment solutions providers in the world, with more than A\$2.1 trillion in assets under management globally as at 30 June 2017 and more than 2,000 employees in offices around the world. In Australia, PIMCO manages over \$39 billion in assets under management for a wide range of clients including superannuation funds, insurance companies, corporations, dealer groups and family offices. PIMCO also provide investment solutions and advisory services to financial planners, advisors and private banks where their strategies appear on numerous model portfolios, investment wrap vehicles and approved product lists across Australia.

P I M C O

Platinum Investment Management Limited

ABN 25 063 565 006

Established 1994

Funds under management A\$22.7 billion (as at 30 June 2017)

Platinum Investment Management Limited, trading as Platinum Asset Management (Platinum) is an Australian based investment manager specialising in international equities. Platinum manages approximately \$22.7 billion (as at 30 June 2017) with around 8% of funds from investors in New Zealand, Europe, America and Asia. Platinum's investment methodology is applied with the aim of achieving absolute returns for investors. Platinum is a fully owned subsidiary of Platinum Asset Management Limited ABN 13 050 064 287, a company listed on the Australian Securities Exchange. Platinum staff have relevant interests in the majority of Platinum Asset Management Limited's issued shares.



RARE Infrastructure Limited

ABN 84 119 339 052

Established 2006

Funds under management A\$5.5 billion (as at 30 June 2017)

RARE Infrastructure Limited (RARE) is an investment management company focused exclusively on global listed infrastructure. Their philosophy is to provide investors with a high quality portfolio of listed infrastructure securities, managed by an experienced team of investment specialists.

RARE's investment and risk management approach is reflected in its name – Risk Adjusted Returns to Equity with the purpose of building and managing portfolios that exhibit attractive risk/return characteristics, liquidity and superior medium to long term returns. RARE has developed a solid track record as one of the of the largest listed infrastructure managers globally.



Schroder Investment Management Australia Limited

ABN 22 000 443 274

Established 1961

Funds under management A\$45.0 billion (as at 31 March 2017)

Schroders is one of the world's largest, most diverse and independent investment managers providing investment management, research and marketing services from offices located in 27 countries. It is a publicly listed UK company and has origins in banking and finance that trace back over 200 years.

As at 31 March 2017 Schroders managed over A\$682.4 billion on behalf of clients around the globe. Schroders in Australia is a wholly owned subsidiary of Schroders plc. The Australian firm was established in 1961 and its domestic research and investment teams are an integral part of Schroders global network. Schroders in Australia has a product range including Australian equities, global equities, fixed income and multi-asset capabilities.

As at 31 March 2017, Schroders in Australia managed A\$45.0 billion on behalf of clients.

SG Hiscock & Company Ltd

ABN 51 097 263 628

Established 2001

Funds under management A\$2.2 billion (as at 30 June 2017)

SG Hiscock & Company (SGH) is a boutique investment manager, established in August 2001. The highly experienced principals were formerly employed at National Asset Management (NAM), a \$17 billion subsidiary of National Australia Bank. The team has worked together since 1995 and use their trademarked investment style (ValueActive™). SGH has a broad range of funds and a mix of some of the largest wholesale clients in Australia as well as a large number of high net worth and retail clients who predominantly invest through financial planners and platforms.



SG HISCOCK & COMPANY

Stewart Investors

ABN 89 114 194 311

Established 1988

Funds under management A\$39 billion (as at 31 March 2017)

We are a team of dedicated investment professionals based in Edinburgh, London and Singapore and Sydney. We operate autonomously and manage funds on behalf of clients in Asia Pacific, Emerging Markets and WorldWide and Sustainable Development equity investment strategies. We have a distinct culture and investment philosophy that is unchanged in more than two decades, since the launch of our first fund in 1988. We strive to integrate environmental, social and governance (ESG) considerations into every investment decision. Our sustainability strategies take this one step further by focusing on long term sustainability themes as a key driver of the investment process.



Stewart Investors

T. Rowe Price International Ltd

ABN 84 104 852 191

Established 2004*

Funds under management A\$1,129.4 billion (as of 31 March 2017)

Thomas Rowe Price, Jr., founded our firm in 1937, initially focusing on private wealth management. Since then, the firm has grown, innovated, and evolved to meet client needs. Along the way, we have expanded our offerings to include retail and institutional funds, defined contribution plan services, and institutional accounts for investors in more than 30 countries. T. Rowe Price International Ltd is ultimately owned by T. Rowe Price Group, Inc., an independent, publicly traded company with significant employee ownership. T. Rowe Price International Ltd is authorised and regulated by the UK Financial Conduct Authority. As such, it relies on the exemption from the requirement to hold an Australian Financial Services Licence provided by the Australian Securities and Investments Commission ("ASIC") Class Order 03/1099.

* T. Rowe Price International Ltd was founded in 2004 and is a wholly owned subsidiary of T. Rowe Price Group, Inc., an independent public holding company which was founded in 1937.

† The combined assets under management of the T. Rowe Price group of companies. The T. Rowe Price group of companies includes T. Rowe Price Associates, Inc., T. Rowe Price International Ltd, T. Rowe Price Hong Kong Limited, T. Rowe Price Singapore Private Ltd., and T. Rowe Price (Canada), Inc. Assets under management are calculated in U.S. dollars and converted to Australian dollars using an exchange rate determined by an independent third party.

T. Rowe Price, Invest With Confidence, and the Bighorn Sheep logo is a registered trademark of T. Rowe Price Group Inc. in Australia and other countries.



Vanguard Investments Australia Ltd

ABN 72 072 881 086

Established 1996

Assets under management A\$5.5 trillion (as of 31 March 2017)

With more than A\$5.5 trillion in assets under management as of 31 March 2017, including more than A\$940 billion in ETFs, Vanguard is one of the world's largest global investment management companies. In Australia, Vanguard has been serving financial advisers, retail clients and institutional investors for more than 20 years.



Vontobel

Established 1924

Assets under management A\$132 billion (as at 30 June 2017)

Vontobel Asset Management is a global, active, multi-boutique asset manager with Swiss roots and investment teams located around the globe. Drawing on outstanding investment talent and a strong performance culture, each boutique is driven by the aim of delivering a market leading offering in their respective asset classes. As of 30 June 2017, Vontobel Asset Management had A\$132 billion in assets under management.

Vontobel's investment expertise is rooted in its passion for active asset management. The Firm has built a successful track record by taking a common sense investment approach: seek high quality growth at sensible prices to generate consistently attractive risk-adjusted long term performance with less than benchmark risk.



UBS Asset Management (Australia) Ltd

ABN 31 003 146 290

Established 1985

Funds under management A\$910 billion (as at 31 March 2017)

UBS Asset Management (Australia) Ltd, a business division of UBS AG, is a large-scale asset manager with businesses well-diversified across regions, capabilities and distribution channels. It has invested assets of some \$910 billion and is located in 22 countries at 31 March 2017.

UBS Asset Management (Australia) Ltd offers investment capabilities and styles across all major traditional and alternative asset classes to private clients, financial intermediaries and institutional investors around the globe. These include equities, fixed income, currency, hedge funds, real estate and infrastructure; which can be combined into multi-asset strategies.

In Australia, the firm was established in 1985 and has invested assets of \$47.60 billion at 31 March 2017. UBS Asset Management (Australia) Ltd offers a range of domestic equities, fixed income and multi-asset capabilities while accessing international traditional and alternative solutions.



Investor Profile 1 – Defensive

ANZ Cash Advantage*†

Investment objective

The fund aims to provide investors with a high level of capital security while achieving returns generally in line with cash management accounts by investing in ANZ bank deposits.

Description

The fund is suitable for investors seeking a steady and reliable income stream with a high level of capital security.

Investment strategy

ANZ Cash Advantage aims to meet its objective by investing in a portfolio of cash held by ANZ.

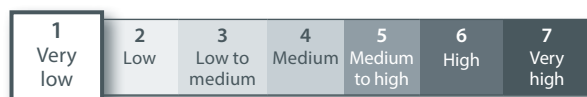
Minimum time horizon

No minimum

Distribution frequency

Monthly (Investment Portfolio only)

Standard Risk Measure



For more information on Risk Profile, see the Standard Risk Measure on page 20

Asset allocation

Asset class	Benchmark (%)	Range (%)
Cash‡	100	n/a

* This investment is not covered by the Federal Government guarantee.

† The fund profile of ANZ FTD Fund (which is offered to OneAnswer Investment Portfolio clients) is identical to ANZ Cash Advantage which is described above. ANZ FTD Fund is closed to new investment except for Regular Investment Plans and Auto-Rebalance Plans established by existing clients prior to 12 April 2010.

‡ May include term deposits.

ANZ Prime Cash Management Account (Pension only)

Investment objective

The ANZ Prime Cash Management Account aims to protect the value of your investment while achieving returns generally consistent with cash management account interest rates with the added security of a bank account.

The ANZ Prime Cash Management Account has the added convenience of at-call access to your investment via ANZ branches, ATMs, EFTPOS, ANZ Phone Banking, ANZ Internet Banking and BPAY® (conditions apply).

Description

The option is suitable for investors seeking a steady and reliable income stream with a high level of capital security.

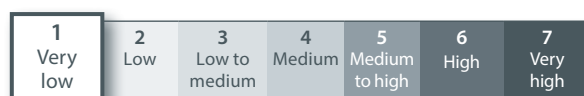
Investment strategy

Your investment is held in an ANZ account.

Minimum time horizon

No minimum

Standard Risk Measure



For more information on Risk Profile, see the Standard Risk Measure on page 20

Asset allocation

Asset class	Benchmark (%)	Range (%)
Cash	100	n/a

® Registered to BPAY Pty Ltd ABN 69 079 137 518.

ANZ Term Deposits

Investment objective

To provide investors with a fixed rate of return with a choice of investment terms by depositing funds with ANZ.

Description

The option is suitable for investors seeking a steady and reliable income stream with a high level of capital security.

Investment strategy

To invest in term deposit products issued by ANZ.

Minimum time horizon

There are six terms available ranging from 3 months to 5 years.

Standard Risk Measure



For more information on Risk Profile, see the Standard Risk Measure on page 20

Asset allocation

Asset class	Benchmark (%)	Range (%)
Cash	100	n/a

Refer to page 78 of this guide for more information on ANZ Term Deposits.

Investor Profile 2 – Conservative

BT Monthly Income Plus

Investment objective

The fund aims to provide a return (before fees, costs and taxes) that exceeds the RBA Cash Rate over rolling three year periods while allowing for some capital growth to reduce the impact of inflation.

Description

This fund is designed for investors who want the potential for regular income and some long term capital growth to protect against inflation, diversification across a range of asset classes and are prepared to accept some variability of returns. The fund invests in a number of income generating strategies across a range of asset classes, including fixed interest, shares, and cash. The fund may also use derivatives.

Investment strategy

The fund's investment strategy seeks to provide a reliable and consistent income stream that is commensurate with the prevailing cash rate. This will be achieved primarily by exposure to liquid cash and fixed income investments that generally continue to produce income even in times of stress.

The fund's strategy also seeks to reduce the impact of inflation through exposure to growth assets (namely Australian shares) which will provide investors with the potential for some capital growth.

The fund invests mainly in fixed and floating credit, government bonds and cash securities as well as Australian shares. The fund is diversified with the goal of achieving stability and consistency of income over the long term.

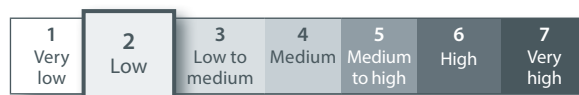
Minimum time horizon

3 years

Distribution frequency

Monthly (Investment Portfolio Only)

Standard Risk Measure



For more information on Risk Profile, see the Standard Risk Measure on page 20.

Asset allocation

Asset class	Benchmark (%)	Range (%)
Cash	n/a	0–50
Fixed interest	n/a	20–100
Shares	n/a	0–30

Underlying fund: BT Wholesale Monthly Income Plus Fund

Kapstream Absolute Return Income

Investment objective

The fund aims to provide a steady stream of income and capital stability over the medium term while aiming to outperform its benchmark through market cycles.

Description

The fund is intended to be suitable for investors who are seeking potentially higher levels of returns compared to cash and cash-like securities with low to moderate volatility in the unit price.

Investment strategy

The fund is managed by Kapstream who applies an innovative, flexible, and risk averse approach to fixed income portfolio management. The fund targets an absolute return over time, by investing in a global, diversified portfolio of predominantly investment grade fixed income securities, according to Kapstream's global macroeconomic and market views.

Kapstream draws on information from many sources such as economic roundtables, investment banks, brokers, rating agencies and central banks. Kapstream employs a rigorous evaluation process for individual trades, first confirming that a prospective security meets Kapstream's global macroeconomic view, then incorporating various decision variables such as duration, yield curve, country, sector and volatility which is supported by the investment team's research and analysis.

Derivatives may be used to increase (or decrease) the duration of the fund by gaining economic exposure to bonds. Kapstream actively manages the currency exposure of the fund's investments.

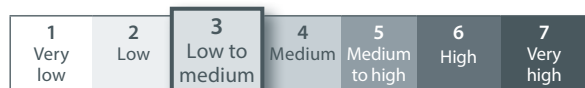
Minimum time horizon

3 years

Distribution frequency

Quarterly (Investment Portfolio only)

Standard Risk Measure



For more information on Risk Profile, see the Standard Risk Measure on page 20.

Asset allocation

Asset class	Benchmark (%)	Range (%)
Cash	n/a	0–100
Global fixed income securities (including derivatives)*	n/a	0–100

Underlying fund: Kapstream Wholesale Absolute Return Income Fund

* The global securities asset allocation is broken down as:

- Investment grade securities 85–100%.
- Non-investment grade securities 0–15%.

OnePath Diversified Fixed Interest

Investment objective

The fund aims to provide income and achieve returns (before fees, charges and taxes) that exceed the Bloomberg AusBond Composite 0+ Yr Index, over periods of three years or more.

Description

The fund is suitable for investors seeking to generate returns through investing in cash and fixed interest defensive investments.

Investment strategy

The fund is actively managed and invests predominantly in a diversified mix of Australian and international defensive assets.

Minimum time horizon

3 years

Distribution frequency

Quarterly (Investment Portfolio only)

Standard Risk Measure



For more information on Risk Profile, see the Standard Risk Measure on page 20.

Asset allocation

Asset class	Benchmark (%)	Range (%)
Cash and Australian fixed interest	45	0–90
International fixed interest	45	0–90
Australian and international high yield debt*	10	0–20

Managed on behalf of OnePath by PIMCO.

* High Yield is defined as targeting securities that are consistent with the investment objective.

Perpetual Conservative Growth[^]

Investment objective

The fund aims to provide moderate growth over the medium term and income through investment in a diversified portfolio with an emphasis on cash, enhanced cash and fixed income securities. The fund aims to outperform a composite benchmark (before fees and taxes) reflecting its allocation to the various asset types over rolling three-year periods.

Description

The fund is suitable for investors seeking long term capital growth and income through exposure to a well diversified portfolio of assets and who are prepared to accept some variability of returns.

Investment strategy

The fund invests in a diverse mix of growth, defensive and other assets, with a focus on cash, enhanced cash and fixed income securities. Tactical asset allocation strategies may be applied, which involves the fund adjusting its exposure to asset classes on a regular basis within the investment guidelines.

Currency hedges may be used from time to time.

Derivatives and exchange traded fund's may be used in managing each asset class.

Minimum time horizon

3 years

Distribution frequency

Quarterly (Investment Portfolio only)

Standard Risk Measure



For more information on Risk Profile, see the Standard Risk Measure on page 20.

Asset allocation

Asset class	Benchmark (%)	Range (%)
Cash and enhanced cash*	21	15–55
Fixed income	40	15–55
Property	5.5	0–10
Australian shares [†]	13	0–25
International shares [†]	9	0–20
Alternative assets [‡]	11.5	0–30

Underlying fund: Perpetual Wholesale Conservative Growth Fund

* This fund may invest in enhanced cash fund's that allow gearing.

† The fund may gain its exposure to Australian shares by investing in one or more underlying Australian share fund's. Where the fund invests in the Perpetual Australian Share Fund, that underlying fund invests primarily in shares listed on or proposed to be listed on any recognised Australian exchange but may have up to 20% exposure to shares listed on or proposed to be listed on any recognised global exchange. The investment guidelines showing the fund's maximum investment in international shares do not include this potential additional exposure. Underlying Australian share fund's may use short positions as part of their investment strategy. Currency hedges may be used from time to time.

‡ Perpetual may allocate up to 30% of the portfolio to other assets which may include, but is not limited to, infrastructure, mortgages (including mezzanine mortgages), private equity, opportunistic property, absolute return fund's, commodities and real return strategies. Exposure to other assets aims to enhance the fund's diversification and may reduce volatility.

[^] Irrespective of the fund name being 'Conservative', the Standard Risk Measure of the fund is 5. This means it has been estimated that the fund may have 3 to less than 4 negative annual returns over any 20 year period. We recommend that clients and their advisers take this into account when making investment decisions to ensure the investment is suitable for the investor's risk profile.

Schroder Fixed Income

Investment objective

The fund aims to obtain exposure to a diversified range of domestic and international fixed income securities with the principal aim of outperforming the UBS Composite Bond Index over the medium term.

Description

The fund is suitable for investors seeking stable absolute returns over time through exposure to a range of domestic and international fixed income assets and who are prepared to accept some variability of returns.

Investment strategy

Schroders believes an active 'Core Plus' approach can deliver stable absolute returns to investors over time. Schroders aim to deliver the return objective for the lowest achievable risk. This is critical as they judge themselves not only on meeting the stated fund objectives but also on a 'reward-for-risk' basis. Schroders also put a lot of emphasis on the management of tail risk which is critical especially in the current credit environment.

Minimum time horizon

3 years

Distribution frequency

Quarterly (Investment Portfolio only)

Standard Risk Measure



For more information on Risk Profile, see the Standard Risk Measure on page 20.

Asset allocation

Asset class	Benchmark (%)	Range (%)
Cash	5	0–50
Australian bonds	50	20–100
Australian hybrids	10	0–20
International bonds	25	0–50
Asian bonds (ex Japan)	5	0–15
Emerging market bonds	5	0–15

Underlying fund: Schroder Fixed Income Fund.

UBS Diversified Fixed Income

Investment objective

The fund aims to provide investors with a total return (after management costs) in excess of the returns measured by relevant debt market indices, over rolling three year periods.

Description

The fund is suitable for investors seeking diversified exposure to a range of domestic and international fixed income securities across fixed income classes and who are prepared to accept some variability of returns.

Investment strategy

The fund is an actively managed portfolio of cash and Australian and international fixed income securities. The fund may gain its asset sector exposure by investing in UBS managed fund's or direct securities and financial derivatives.

The fixed income assets of the fund are predominantly of investment grade quality. Non-investment grade fixed income assets (High Yield and Emerging Market debt) will generally not exceed 30% of the total portfolio. The fund may invest in derivatives to gain or reduce exposure to relevant markets and currencies and to manage investment risk. The fund is managed to a minimum 90% \$A exposure. Derivative holdings may result in notional exposures that are greater than the underlying value of the assets in the fund.

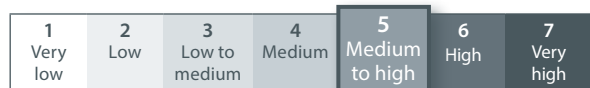
Minimum time horizon

3 years

Distribution frequency

Quarterly (Investment Portfolio only)

Standard Risk Measure



For more information on Risk Profile, see the Standard Risk Measure on page 20.

Asset allocation*

Asset class	Benchmark (%)	Range (%)
Australian bonds and cash	50	20–80
International bonds and cash	50	20–80

Underlying fund: UBS Diversified Fixed Income Fund

* Total portfolio exposure to currency movements has a benchmark of 0%, with a range of 0–10%.

Vanguard® Conservative Index[^]

Investment objective

The fund seeks to track the weighted average return of the various indices of the underlying fund's in which the fund invests, in proportion to the strategic asset allocation (SAA) for the fund, before taking into account fees, expenses, and tax.

Description

The fund is suitable for investors seeking a steady and reliable income stream, with some capital growth potential through passive exposure to a diversified portfolio of assets and who are prepared to accept some variability of returns.

Investment strategy

The fund holds units in a range of underlying fund's and/or direct assets to achieve the mix of assets shown in the Asset Allocation table below.

The portfolio targets a 70% allocation to income asset classes (cash and fixed interest securities) and a 30% allocation to growth asset classes (property securities and shares).

Actual allocations are permitted to deviate from the strategic asset allocations provided they remain within the ranges in the table below. The strategic asset allocation benchmarks and asset allocation ranges may be varied, and new asset classes may be introduced from time to time.

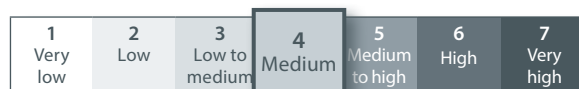
Minimum time horizon

3 years

Distribution frequency

Quarterly (Investment Portfolio only)

Standard Risk Measure



For more information on Risk Profile, see the Standard Risk Measure on page 20.

Asset allocation

Asset class	Benchmark (%)	Range (%)
Australian cash	10	8–12
Australian fixed interest	18	16–20
International fixed interest (hedged)	42	40–44
Australian shares	12	10–14
International shares	8.5	6.5–10.5
International shares (hedged)	5.5	3.5–7.5
International small companies	2	0–4
Emerging markets shares	2	0–4

Underlying investments are managed by Vanguard

[^] Irrespective of the fund name being 'Conservative', the Standard Risk Measure of the fund is 4. This means it has been estimated that the fund may have 2 to less than 3 negative annual returns over any 20 year period.

Vanguard® Diversified Bond Index

Investment objective

The fund seeks to track the return (income and capital appreciation) of a tailored diversified index representing a 30% allocation to the Bloomberg AusBond Composite 0+ Yr Index, and a 70% allocation to the Bloomberg Barclays Global Aggregate ex Securitised Index (hedged to Australian dollars) before taking into account fees, expenses, and tax.

Description

The fund is suitable for investors seeking a steady and reliable income stream through passive exposure to a diversified range of domestic and international fixed income securities and who are prepared to accept some variability of returns.

Investment strategy

The fund invests in Australian and international bonds by holding units in a range of underlying fund's and/or direct assets.

Vanguard seeks to reduce credit risk in the portfolio by selecting only bonds with a sufficiently high credit rating and by diversifying the fund's holding across issuers.

Futures may be used to gain market exposure without investing directly in fixed interest securities. This allows Vanguard to maintain fund liquidity without being under-invested. Importantly, derivatives are not used to leverage the fund's portfolio. Vanguard will use forward foreign exchange contracts to hedge most of the currency risk back to Australian dollars.

Minimum time horizon

3 years

Distribution frequency

Quarterly (Investment Portfolio only)

Standard Risk Measure



For more information on Risk Profile, see the Standard Risk Measure on page 20.

Asset allocation

Asset class	Benchmark (%)	Range (%)
Cash	0	0–2
Australian fixed interest	30	28–32
International fixed interest (hedged)	70	68–72

Underlying Investments are managed by Vanguard

Investor Profile 3 – Moderate

Colonial First State Global Credit Income

Investment objective

The fund aims to provide income-based returns and to outperform the Bloomberg AusBond Bank Bill Index over rolling three year periods before fees and taxes by investing in a diversified portfolio of higher yielding Australian and international fixed interest investments.

Description

The fund is suitable for investors seeking exposure to a heavily diversified absolute return credit fund that hedges out interest rate and currency risk in order to create a pure credit fund. The fund is suitable for investors who are prepared to accept some variability of returns.

Investment strategy

The fund invests in a portfolio of predominantly global corporate debt investments. The fund's strategy is to earn an income return from its investments, controlling risk through careful selection and monitoring, combined with broad diversification. The increased credit risk of corporate debt means that these investments have the potential to deliver higher returns over the medium term compared to cash. The fund uses derivatives to manage interest rate sensitivity and credit risk, and to hedge currency risk.

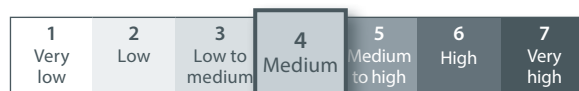
Minimum time horizon

3 years

Distribution frequency

Monthly (Investment Portfolio only)

Standard Risk Measure



For more information on Risk Profile, see the Standard Risk Measure on page 20.

Asset allocation

Asset class	Benchmark (%)	Range (%)
Cash and fixed interest	100	n/a

Underlying fund: Colonial First State Wholesale Global Credit Income Fund.

Janus Henderson Global Fixed Interest Total Return

Investment objective

The fund seeks to achieve a positive total return with moderate volatility, through capital appreciation and income.

Description

The fund is intended to be suitable for investors who are comfortable to invest for at least three years. The Fund is an actively managed global fixed interest fund and has a total return focus, meaning the return may be generated through both capital appreciation and income.

Investment Strategy

The fund aims to deliver a positive total return through a combination of capital growth and income by investing in a broad range of global fixed interest asset classes. The fund is managed on a benchmark unaware basis. This gives The Manager flexibility to access a wide range of investments, manage downside risk during periods of falling markets and avoid sectors that do not offer value, irrespective of their size or weight in global fixed interest markets. Flexible asset allocation allows the fund to adapt to changing economic and market conditions, while retaining moderate volatility. Risk is managed through both bottom-up fundamental analysis of securities to assess creditworthiness and top down active asset allocation.

Minimum time horizon

3 years

Distribution frequency

Quarterly (Investment Portfolio only)

Standard Risk Measure



For more information on Risk Profile, see the Standard Risk Measure on page 20.

Asset allocation

Asset class	Benchmark (%)	Range (%)
Investment grade bonds	n/a	0–100
High yield bonds*	n/a	0–50
Asset backed securities [†]	n/a	0–30
Secured loans	n/a	0–30
Cash [‡]	n/a	0–20

Underlying fund: Janus Henderson Global Fixed Interest Total Return Fund

* Including hybrid and convertible debt

[†] Floating rate (variable coupon) securities, including but not limited to, residential mortgage backed securities, commercial mortgage backed securities, other asset backed securities and collateralised loan obligations.

[‡] In exceptional circumstances, the fund may temporarily hold up to 50% in cash (or cash equivalents) at the discretion of the fund manager.

The above ranges are indicative only. If the fund's exposure moves outside these ranges, the fund manager will seek to rebalance the fund within a reasonable period of time.

Schroder Real Return

Investment objective

To deliver an investment return of 5.0% p.a. before fees above Australian inflation over rolling three year periods. Inflation is defined as the RBA trimmed mean.

Description

The fund is suitable for investors seeking exposure to a diversified range of assets and who can accept some variability in returns.

Investment strategy

Diversified portfolio of assets drawn across the three broad types of investments according to the likely returns and the risk:

- Defensive assets – those which are relatively secure with low volatility such as government issued debt and cash.
- Diversifying assets – those offering higher potential returns usually with an income generating focus which assist in diversifying the portfolio's sources of return e.g. high yielding corporate bonds.
- Growth assets – offering potentially the highest returns but also higher volatility e.g. Australian and international shares and property trusts.

Minimum time horizon

3 years

Distribution frequency

Half-yearly (Investment Portfolio Only)

Standard Risk Measure



For more information on Risk Profile, see the Standard Risk Measure on page 20.

Asset allocation

Asset class	Benchmark (%)	Range (%)
Cash	n/a	0–100
Australian fixed interest	n/a	0–100
International fixed interest	n/a	0–100
Inflation linked bonds	n/a	0–100
Australian property securities	n/a	0–75
Global property securities	n/a	0–75
Australian shares	n/a	0–75
International shares	n/a	0–75
Mortgages and floating rate credit	n/a	0–100
High yielding credit	n/a	0–75
Absolute return strategies	n/a	0–75

Underlying fund: Schroder Real Return Fund Wholesale Class.

T. Rowe Price Dynamic Global Bond

Investment objective

The fund's investment objective is to achieve a return of 2.5% (gross of fees) per annum above the Bloomberg AusBond Bank Bill Index over the full economic cycle. The fund seeks to generate positive returns from global fixed-income with a focus on downside risk and providing diversification from equity markets.

Description

The fund may be suitable for risk-oriented investors seeking the potential for higher level of current income and some appreciation over time and who can accept the risks associated with investments in global fixed income securities as well as those associated with the use of derivatives.

Investment strategy

The investment strategy of the fund is:

- To generate a consistent performance over the benchmark by exploiting inefficiencies in the global fixed income and currency markets.
- To achieve a total return, including capital gains and income, in excess of 2.5% per annum gross of fees above the benchmark over the full economic cycle.
- To control the amount of risk taken and to limit downside risk. Minimum 80% of the currency risk hedged back to the Australian dollar.

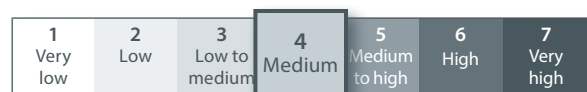
Minimum time horizon

3-5 years

Distribution frequency

Quarterly (Investment Portfolio only)

Standard Risk Measure



For more information on Risk Profile, see the Standard Risk Measure on page 20.

Asset allocation

Asset class	Benchmark (%)	Range (%)
Cash	n/a	0-75
Non-government bonds	n/a	0-50
Australian government bonds	n/a	0-50
Securities rated below investment grade	n/a	0-20

Underlying fund: T. Rowe Price Dynamic Global Bond Fund.

UBS Defensive

Investment objective

The fund aims to provide a total return (after management costs) in excess of its Neutral Allocation (measured by relevant market indices), over rolling five year periods. Over a full investment cycle (usually three to five years), this Neutral Allocation displays performance characteristics of CPI plus 4.5-6.5% p.a. on average.

Description

The fund is suitable for investors seeking exposure to a diversified portfolio of income assets through a limited investment in growth and alternative assets and who are prepared to accept some variability of returns.

Investment strategy

The fund may maintain its asset allocation anywhere within the allowable range to differing asset classes consistent with the risk and return objectives indicated above. The fund normally gains its asset sector exposure by investing in other relevant UBS managed fund's and third-party fund's either directly or indirectly through a range of instruments. The fund may also invest directly in securities. Derivatives may also be used to gain or hedge exposure to securities, markets, asset classes and currencies. Derivative holdings may result in notional exposures that are greater than the underlying value of assets in the fund. The long term neutral (or average) exposure to traditional growth and income assets is expected to be around 30% and 60% respectively of the total portfolio. The remaining 10% is expected to be allocated on average to various alternative asset strategies which are likely to provide a combination of both income and growth potential.

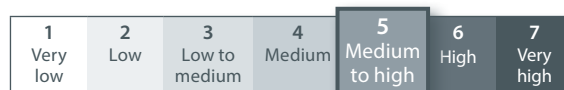
Minimum time horizon

3 years

Distribution frequency

Quarterly (Investment Portfolio only)

Standard Risk Measure



For more information on Risk Profile, see the Standard Risk Measure on page 20.

Asset allocation*

Asset class	Benchmark (%)	Range (%)
Income Assets		
Cash	5	0-50
Australian bonds	25	0-80
International bonds	30	0-80
TOTAL	60	30-90
Growth Assets		
Property securities/REITs	5	0-20
Australian shares	15	0-40
International shares	10	0-40
TOTAL	30	0-50
Alternative Strategies	10	0-20 [†]

Underlying fund: UBS Defensive Investment Fund

* Total portfolio exposure to currency movements has a benchmark of 10%, with a range of 0-40%.

† May exceed the upper limit of this range for extended periods due to market movements or significant cash flows.

Vanguard® Balanced Index

Investment objective

The fund seeks to track the weighted average return of the various indices of the underlying fund's in which the fund invests, in proportion to the strategic asset allocation (SAA) for the fund, before taking into account fees, expenses, and tax.

Description

The fund is suitable for investors seeking a balance between income and capital growth through passive exposure to a diversified portfolio of assets and who are prepared to accept some variability of returns.

Investment strategy

The fund holds units in a range of underlying fund's and/or direct assets to achieve the mix of assets shown in the Asset Allocation table below.

The portfolio targets a 50% allocation to income asset classes (cash and fixed interest securities) and a 50% allocation to growth asset classes (property securities and shares).

Actual allocations are permitted to deviate from the strategic asset allocations provided they remain within the ranges in the table below. The strategic asset allocation benchmarks and asset allocation ranges may be varied, and new asset classes may be introduced from time to time.

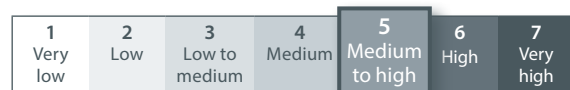
Minimum time horizon

5 years

Distribution frequency

Quarterly (Investment Portfolio only)

Standard Risk Measure



For more information on Risk Profile, see the Standard Risk Measure on page 20.

Asset allocation

Asset class	Benchmark (%)	Range (%)
Australian cash	0	0–2
Australian fixed interest	15	13–17
International fixed interest (hedged)	35	33–37
Australian shares	20	18–22
International shares	14.5	12.5–16.5
International shares (hedged)	9	7–11
International small companies	3.5	1.5–5.5
Emerging markets shares	3	1–5

Underlying investments are managed by Vanguard

Investor Profile 4 – Growth

Bentham Global Income

Investment objective

The fund aims to provide exposure to global credit markets and to generate income with some potential for capital growth over the medium to long term. The fund aims to outperform its composite benchmark over the suggested minimum investment timeframe.

Description

The fund is suitable for investors seeking to invest for at least three years, with a preference for stable income with minimised risk of capital loss.

Investment strategy

The fund is actively managed and focused on generating stable investment income by providing a diversified exposure to domestic and global credit markets while managing interest rate risk and currency risk. Bentham seeks to add value through actively managing allocations across different credit sectors, trading of individual securities and managing its interest rate and currency risk.

The fund invests in global credit and fixed interest markets. The fund's investments include, but are not limited to, Australian and global hybrid securities, global high yield bonds, global syndicated loans, investment grade securities, global capital securities, asset backed securities, shares and derivatives. The fund must maintain a minimum investment of 50% in investment grade rated securities and a maximum portfolio exposure to any single non-investment grade security of 2% of the net asset value of the fund.

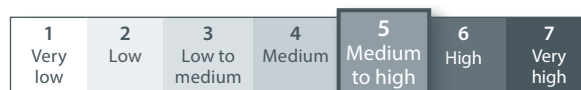
Minimum time horizon

3 years

Distribution frequency

Monthly (Investment Portfolio only)

Standard Risk Measure



For more information on Risk Profile, see the Standard Risk Measure on page 20.

Asset allocation

Asset class	Benchmark (%)	Range (%)
Cash	n/a	0–30
Australian hybrids	n/a	0–50
Global hybrids (global/Euro convertible bonds)	n/a	0–40
Global loans (including syndicated loans)	n/a	0–50
Global high yield bonds	n/a	0–30
Investment grade credit (including global corporate bonds and asset backed securities)	n/a	0–75

Underlying fund: Bentham Wholesale Global Income Fund

BlackRock Balanced†

Investment objective

The Fund aims to outperform peer performance consistent with a “growth” orientated investment strategy encompassing:

- a broadly diversified exposure to Australian and international assets;
- active asset allocation, security selection and risk management; and
- the flexibility to deviate from the strategic asset allocation to help manage total portfolio risk.

The Fund aims to outperform its benchmark indices over a 5-year rolling period before fees.

Description

The fund is suitable for investors wanting exposure to a diversified range of asset classes and who can accept some variability of returns.

Investment strategy

The investment strategy of the fund is to provide investors with a diversified exposure to the best investment teams and strategies that the BlackRock Group has globally, within the context of an Australian based growth investment portfolio.

Minimum time horizon

5 years

Strategic benchmark

The fund’s strategic benchmark has exposure to a mix of growth assets such as Australian shares, international shares listed property and listed infrastructure and more defensive (income) asset classes such as Australian and international fixed income and cash.

As the fund is a diversified fund, there is no one relevant index to provide a benchmark, so the benchmark consists of a weighted average of the returns provided by market indices for relevant asset classes. The relevant benchmark indices are Bloomberg Bloomberg AusBond Bank Bill IndexSM, Bloomberg AusBond Composite 0+ Yr IndexSM, the Bloomberg Barclays Global Aggregate 500 Index (Hedged in AUD), the S&P/ASX 300 Total Return Index, FTSE EPRA/NAREIT Developed Rental Net TR Index (unhedged in AUD), the MSCI World ex-Australia Net TR Index (unhedged and/or hedged in AUD), MSCI Emerging Markets IMI ex Tobacco ex Controversial ex Nuclear Weapons Net TR Index (Unhedged in AUD) FTSE Developed Core Infrastructure Net TR Index (Unhedged in AUD) J.P. Morgan EMBI Global Core Index (Hedged in AUD) The strategic benchmark is reviewed periodically. Specific allocations may vary through time in line with our objective to manage total portfolio risk, however the Fund will generally retain its split between growth and defensive assets over the medium to long term.

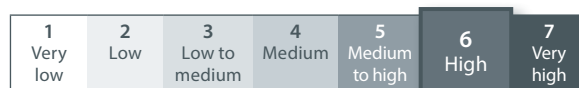
The fund’s strategic benchmark is provided on this page.

Distribution frequency

Half-yearly (Investment Portfolio only)

BlackRock Balanced (continued)

Standard Risk Measure



For more information on Risk Profile, see the Standard Risk Measure on page 20.

Asset allocation

Asset class	Benchmark (%)	Range (%)*
Cash	5	n/a
Australian fixed income	15	n/a
International fixed income	6	n/a
International listed property	6	n/a
Australian shares	30	n/a
International shares	29	n/a
Emerging market shares:	3	n/a
International listed infrastructure:	3	n/a
Emerging markets USD bonds:	3	n/a

Underlying fund: BlackRock Tactical Growth Fund

* The active risk relative to the Fund’s strategic benchmark is controlled through a risk budgeting framework, rather than constraining risk by limiting allocations to particular asset classes. In addition, we maintain the flexibility to deviate meaningfully from the strategic benchmark with the objective of managing overall portfolio risk and minimising performance downside at market extremes, should in our assessment, market conditions warrant.

† This fund is classified as a fund of a hedge fund and detailed information about the underlying investments can be found on pages 11–14.

For the latest investment returns for
OneAnswer go to onepath.com.au

BlackRock Scientific Diversified Growth

Investment objective

The fund aims to achieve superior investment performance through providing returns (before fees) that exceed those of the neutral portfolio benchmark over rolling three year periods.

Description

The fund is suitable for investors wanting exposure to a diversified range of asset classes and who can accept some variability of returns.

Investment strategy

The fund's neutral portfolio benchmark comprises a portfolio of published indexes, approximately 30% of which represent interest bearing assets and 70% of which represent growth assets.

The fund invests in various asset classes by investing in other managed investment schemes, including those managed by BlackRock or other entities within the BlackRock Group. The fund primarily invests via actively managed sector fund's, each of which utilises a disciplined active approach to investment management that aims to add value and control active risk.

Minimum time horizon

5 years

Distribution frequency

Quarterly (Investment Portfolio only)

Standard Risk Measure



For more information on Risk Profile, see the Standard Risk Measure on page 20.

Asset allocation

Asset class	Benchmark (%)	Range (%)
Cash	10	0–20
Australian fixed interest	10	0–25
International credit	3	
Developed markets fixed interest	4	0–20
Emerging markets fixed interest	3	
Australian shares	36	25–45
International developed markets shares (unhedged)	12	10–35
International developed markets shares (hedged)	11	
Emerging markets shares	3	0–10
Global listed infrastructure (unhedged)	3	0–10
Global real estate (REITs)	5	0–10

Underlying fund: BlackRock Scientific Diversified Growth Fund

OnePath Alternatives Growth[†]

Investment objective

The fund aims to produce a portfolio that seeks to outperform the Bloomberg AusBond Bank Bill Index.

Description

The fund is suitable for investors seeking high total return over a medium to long term period and who are prepared to accept higher variability of returns.

Investment strategy

The fund is a multi-manager solution that seeks to provide returns with low correlation to equity markets by investing in a portfolio of alternative investment strategies. The multi-manager portfolio is designed to deliver more consistent, and diversified sources of returns than would be achieved if investing with a single manager.

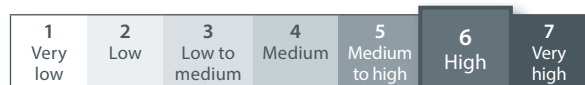
Minimum time horizon

5 years

Distribution frequency

Quarterly (Investment Portfolio only)

Standard Risk Measure



For more information on Risk Profile, see the Standard Risk Measure on page 20.

Asset allocation

Asset class	Benchmark (%)	Range (%)*
Alternative assets*	100	80–100
Cash or cash equivalent	0	0–20

Underlying funds are: GMO Systematic Global Macro Trust, Bentham Wholesale Syndicated Loan Fund, Fulcrum Diversified Absolute Return Fund and Man AHL Alpha (AUD) Fund.

* Underlying funds may hold cash inside their portfolios.

† It is classified as a fund of a hedge fund and detailed information about the underlying investments can be found on pages 11–13.

OnePath Diversified High Yield

Investment objective

The fund aims to provide income and achieve returns (before fees, charges and taxes) that exceed the Bloomberg AusBond Bank Bill Index by at least 2.0% p.a., over periods of three years or more.

Description

The fund is suitable for investors seeking medium term returns through investing in a diversified mix of income producing asset classes with a bias towards defensive assets.

Investment strategy

The fund invests predominantly in a diversified mix of Australian and international high yield debt assets* and fixed interest securities. The fund is actively managed using disciplined fixed interest and cash investment processes.

Minimum time horizon

3 years

Distribution frequency

Quarterly (Investment Portfolio only)

Standard Risk Measure



For more information on Risk Profile, see the Standard Risk Measure on page 20.

Asset allocation

Asset class	Benchmark (%)	Range (%)
Australian investment grade debt and cash	0	0–100
International investment grade debt	0	0–80
Australian high yield debt*	60	20–100
International high yield debt*	40	0–80

Managed on behalf of OnePath by PIMCO

* High Yield is defined as targeting securities that are consistent with the investment objective.

OnePath Tax Effective Income

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.

Description

The fund is suitable for investors seeking higher long term returns through investing in a diversified mix of income producing asset classes with a bias towards growth assets.

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.

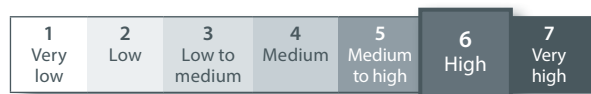
Minimum time horizon

10 years

Distribution frequency

Quarterly (Investment Portfolio only)

Standard Risk Measure



For more information on Risk Profile, see the Standard Risk Measure on page 20.

Asset allocation

Asset class	Benchmark (%)	Range (%)
Cash	10	8–12
Australian fixed interest	20	18–22
Total defensive	30	
Property securities	30	28–32
Australian shares	40	38–42
Total growth	70	

Managed on behalf of OnePath by UBS Asset Management (Australia) Ltd

Perpetual Balanced Growth

Investment objective

The fund aims to provide long term capital growth and income through investment in a diversified portfolio with an emphasis on Australian and international share investments. The fund aims to outperform a composite benchmark (before fees and taxes) reflecting its allocation to the various asset types over rolling three-year periods.

Description

The fund is suitable for investors seeking long term capital growth and income through exposure to a well diversified portfolio of assets and who are prepared to accept some variability of returns.

Investment strategy

The fund invests in a diverse mix of growth, defensive and other assets, with a focus on Australian and international shares. Tactical asset allocation strategies may be applied, which involves the fund adjusting its exposure to asset classes on a regular basis within the investment guidelines.

Currency hedges may be used from time to time.

Derivatives and exchange traded fund's may be used in managing each asset class.

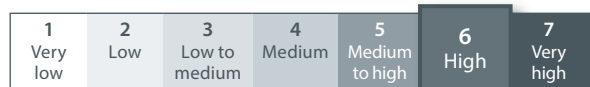
Minimum time horizon

5 years

Distribution frequency

Half-yearly (Investment Portfolio only)

Standard Risk Measure



For more information on Risk Profile, see the Standard Risk Measure on page 20.

Asset allocation

Asset class	Benchmark (%)	Range (%)
Cash and enhanced cash*	7	0–30
Fixed income	15	0–35
Property	5.5	0–15
Australian shares [†]	30	10–50
International shares [†]	27	10–50
Alternative assets [‡]	15.5	0–30

Underlying fund: Perpetual Wholesale Balanced Growth Fund

* This fund may invest in enhanced cash fund's that allow gearing.

[†] The fund may gain its exposure to Australian shares by investing in one or more underlying Australian share fund's. Where the fund invests in the Perpetual Australian Share Fund, that underlying fund invests primarily in shares listed on or proposed to be listed on any recognised Australian exchange but may have up to 20% exposure to shares listed on or proposed to be listed on any recognised global exchange. The investment guidelines showing the fund's maximum investment in international shares do not include this potential additional exposure. Underlying Australian share fund's may use short positions as part of their investment strategy. Currency hedges may be used from time to time.

[‡] Perpetual may allocate up to 30% of the portfolio to other assets which may include, but are not limited to, infrastructure, mortgages (including mezzanine mortgages), private equity, opportunistic property, absolute return fund's, commodities and real return strategies. Exposure to other assets aims to enhance the fund's diversification and may reduce volatility.

Schroder Balanced

Investment objective

The objective of the fund is to provide unit holders with returns (before OneAnswer Ongoing Fees) in the order of 5% above Australian inflation (as measured by the RBA Trimmed Mean over the medium to long term).

Description

The fund is suitable for investors seeking exposure to a diversified portfolio of assets and who are prepared to accept some variability of returns.

Investment strategy

The fund adopts a traditional multi-asset investment approach, investing in a diversified mix of Australian and international assets with a bias towards growth assets. The fund is actively managed, incorporating a Strategic Asset Allocation (SAA) based on a long run absolute risk-return framework, and Tactical Asset Allocation (TAA) shifts which take into account shorter term considerations. Schroders' approach to managing investments is based on the principle that risk and return are of equal importance. This means that understanding risk and how to allocate it across the portfolio is crucial to successful investment management over time. While Schroders' research also seeks to identify assets that are mispriced relative to medium-term fundamentals, their preference is to find and hold assets that deliver consistent returns over time – in effect, assets that pay the holder to own them.

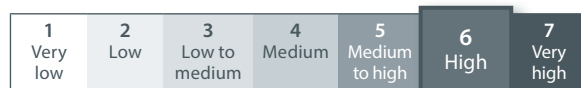
Minimum time horizon

5 years

Distribution frequency

Half-yearly (Investment Portfolio only)

Standard Risk Measure



For more information on Risk Profile, see the Standard Risk Measure on page 20.

Asset allocation

Asset class	Benchmark (%) [^]	Range (%)
Growth Assets	62	40–70
Australian Shares	32	20–40
International Shares	26	20–40
Property Trusts	4	0–8
Diversifying Assets	16	0–30
Alternatives	0	0–10
Higher Yield Credit	6	0–15
Objective Based	10	0–20
Defensive Assets	22	10–50
Australian Fixed Income	8	0–35
Global Investment Grade Credit	6	0–15
Cash	8	0–30

Underlying fund: Schroder Balanced Fund

[^] Schroder Balanced Fund strategic benchmark. Investment guidelines and the Strategic Asset Allocation (SAA) benchmark are internal and subject to change without notice. The last changes to the SAA benchmark were implemented 1 July 2015.

UBS Balanced

Investment objective

This fund aims to provide a total return (after management costs) in excess of its Neutral Allocation (measured by relevant market indices), over rolling five year periods. Over a full investment cycle (usually three to five years), this Neutral Allocation displays performance characteristics of CPI plus 6–8% p.a. on average.

Description

The fund is suitable for investors seeking exposure to a mix of growth, income and alternative assets and who are prepared to accept some variability of returns.

Investment strategy

The fund may maintain its asset allocation anywhere within the allowable range to differing asset classes consistent with the risk and return objectives indicated above. The fund normally gains its underlying security selection exposure by investing in other relevant UBS managed fund's and third-party fund's either directly or indirectly through a range of instruments. The fund may also invest directly in securities. Derivatives may also be used to gain or hedge exposure to securities, markets, asset classes and currencies. Derivative holdings may result in notional exposures that are greater than the underlying value of assets in the fund. The long term neutral (or average) to traditional growth and income assets is expected to be around 65% and 25% respectively of the total portfolio. The remaining 10% is expected to be allocated on average to various alternative asset strategies which are likely to provide a combination of both income and growth potential.

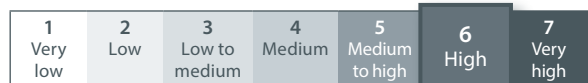
Minimum time horizon

3 years

Distribution frequency

Quarterly (Investment Portfolio only)

Standard Risk Measure



For more information on Risk Profile, see the Standard Risk Measure on page 20.

Asset allocation*

Asset class	Benchmark (%)	Range (%)
Income Assets		
Cash	5	0–30
Australian bonds	5	0–60
International bonds	10	0–60
TOTAL	20	0–70
Growth Assets		
Property securities/REITs	5	0–30
Australian shares	30	0–60
International shares	35	0–60
TOTAL	70	20–95
Alternative Strategies	10	0–20 [†]

Underlying fund: UBS Balanced Investment Fund

* Total portfolio exposure to currency movements has a benchmark of 30%, with a range of 0–95%.

† May exceed the upper limit of this range for extended periods due to market movements or significant cash flows

Vanguard® Growth Index

Investment 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.

Description

The fund is suitable for investors seeking a balance between income and capital growth through passive exposure to a diversified portfolio of assets and who are prepared to accept some variability of returns.

Investment strategy

The fund holds units in a range of underlying fund's and/or direct assets to achieve the mix of assets shown in the Asset Allocation table below.

The portfolio targets a 30% allocation to income asset classes (cash and fixed interest securities) and a 70% allocation to growth asset classes (property securities and shares).

Actual allocations are permitted to deviate from the strategic asset allocation benchmarks provided they remain within the ranges in the table below. The strategic asset allocation benchmarks and asset allocation ranges may be varied, and new asset classes may be introduced from time to time.

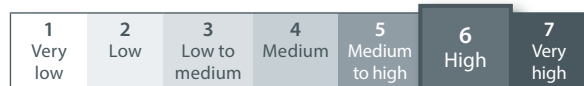
Minimum time horizon

7 years

Distribution frequency

Quarterly (Investment Portfolio only)

Standard Risk Measure



For more information on Risk Profile, see the Standard Risk Measure on page 20.

Asset allocation

Asset class	Benchmark (%)	Range (%)
Australian cash	0	0–2
Australian fixed interest	9	7–11
International fixed interest (hedged)	21	19–23
Australian shares	28	26–30
International shares	20.5	18.5–22.5
International shares (hedged)	12.5	10.5–14.5
International small companies	5	3–7
Emerging markets shares	4	2–6

Underlying investments are managed by Vanguard

Investor Profile 5 – High growth – Property

OnePath Global Property Securities Index

Investment objective

The fund seeks to track the return of the FTSE EPRA/NAREIT Developed Rental Ex-Australia Net Index hedged to the Australian dollar (including income and capital appreciation) before taking into account fees, charges and taxes.

Description

The fund is suitable for investors seeking higher long term returns through investing in a broad exposure to the International, listed property securities market.

Investment strategy

The fund will have exposure to global listed property securities indices (excluding Australia). The weightings may vary from time to time. This fund may invest in property securities that have been or are expected to be included in the indices. Derivatives are not utilised to leverage the portfolio.

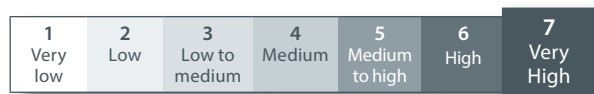
Minimum time horizon

5 years

Distribution frequency

Half-yearly (Investment Portfolio only)

Standard Risk Measure



For more information on Risk Profile, see the Standard Risk Measure on page 20.

Asset allocation

Asset class	Benchmark (%)	Range (%)
Cash	0	0–10
Listed Real Assets [#]	100	90–100

Managed on behalf of OnePath by Vanguard

[#] Listed Real Assets may include allocations to Global Listed Property and Infrastructure Securities.

OnePath Property Securities

Investment objective

The fund aims to achieve returns (before fees, charges and taxes) that exceed the S&P/ASX 200 AREIT Accumulation Index, over periods of three years or more.

Description

The fund is suitable for investors seeking higher long term returns through investing in a broad exposure to the Australian, listed property securities market with a strong bias towards growth assets.

Investment strategy

The fund invests predominantly in a diversified portfolio of property securities selected in accordance with a disciplined property securities investment process.

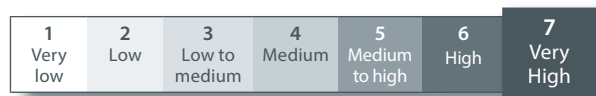
Minimum time horizon

5 years

Distribution frequency

Quarterly (Investment Portfolio only)

Standard Risk Measure



For more information on Risk Profile, see the Standard Risk Measure on page 20.

Asset allocation

Asset class	Benchmark (%)	Range (%)
Cash	0	0–5
Australian property securities	100	95–100

Managed on behalf of OnePath by SG Hiscock & Company

For the latest investment returns for
OneAnswer go to onepath.com.au

Vanguard® Australian Property Securities Index

Investment objective

The fund seeks to track the return (income and capital appreciation) of the S&P/ASX 300 A-REIT Index before taking into account fees, expenses and tax.

Description

The fund is suitable for investors seeking long term capital growth and some tax effective income through passive exposure to the Australian property securities market. The fund is suitable for investors who are prepared to accept higher variability of returns.

Investment strategy

While maintaining the objective of closely tracking the index, the fund will hold all of the property securities in the index (at most times) allowing for individual security weightings to vary marginally from the index from time to time. These securities are real estate investment trusts and companies that own real estate assets and derive a significant proportion of their revenue from rental income. The fund may invest in property securities that have been or are expected to be included in the Index. Futures may be used to gain market exposure without investing directly in securities. This allows the fund to maintain liquidity without being under invested. Importantly, derivatives are not used to leverage the fund's portfolio.

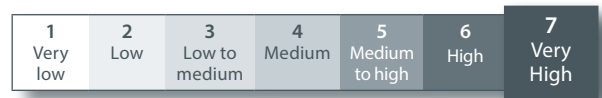
Minimum time horizon

5 years

Distribution frequency

Quarterly (Investment Portfolio only)

Standard Risk Measure



For more information on Risk Profile, see the Standard Risk Measure on page 20.

Asset allocation

Asset class	Benchmark (%)	Range (%)
Australian property securities	100	n/a

Underlying investments are managed by Vanguard

Investor Profile 5 – High growth – Australian shares

Ausbil Australian Emerging Leaders

Investment objective

The aim of the fund is to achieve returns (before fees and taxes) in excess of the benchmark over the medium to long term. The performance benchmark for the fund consists of 70% S&P/ASX Midcap 50 Accumulation Index and 30% S&P/ASX Small Ordinaries Accumulation Index.

Description

The fund is designed for investors who wish to benefit from the long term capital gains and income available from share investments and who are comfortable with fluctuations in capital value in the short to medium-term.

Investment strategy

The fund predominantly invests in a portfolio of listed mid and small cap Australian shares which are primarily chosen from the S&P/ASX 300 Index, but generally excludes securities from the S&P/ASX 50 Index.

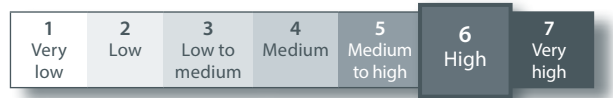
Minimum time horizon

5+ years

Distribution frequency

Half-yearly (Investment Portfolio only)

Standard Risk Measure



For more information on Risk Profile, see the Standard Risk Measure on page 20.

Asset allocation

Asset class	Benchmark (%)	Range (%)
Cash	0	0–10
Australian shares	100	90–100

Underlying fund: Ausbil Australian Emerging Leaders Fund

Bennelong Australian Equities

Investment objective

The fund's objective is to grow the value of your investment over the long term via a combination of capital growth and income, by investing in a diversified portfolio of primarily Australian shares, providing a total return that exceeds the S&P/ASX 300 Accumulation Index by 2% per annum after fees (measured on a rolling three year basis).

Description

The fund is suitable for investors who:

- are primarily seeking capital growth from a portfolio of Australian stocks;
- are seeking some income via dividends and franking credits; and
- have a high tolerance to investment risk.

Investment strategy

The companies within the portfolio are primarily selected from, but not limited to, the S&P/ASX 300 Index. The fund may invest in securities expected to be listed on the ASX. The fund may also invest in securities listed, or expected to be listed, on other exchanges where such securities relate to ASX-listed securities. Derivative instruments may be used to replicate underlying positions on a temporary basis and hedge market and company-specific risks.

Minimum time horizon

5 years

Distribution frequency

Half-yearly (Investment Portfolio only)

Standard Risk Measure



For more information on Risk Profile, see the Standard Risk Measure on page 20.

Asset allocation

Asset class	Benchmark (%)	Range (%)
Cash	0	0–10
Australian shares	100	90–100

Underlying fund: Bennelong Australian Equities Fund

BlackRock Scientific Australian Equity

Investment objective

The fund aims to achieve superior investment performance through providing returns (before fees) that exceed those of the S&P/ASX 300 Accumulation Index over rolling three year periods, while maintaining a similar level of investment risk to that Index.

Description

The fund is suitable for investors seeking a broad exposure to the Australian equity market and who are prepared to accept higher variability of returns.

Investment strategy

BlackRock's active Australian equity strategy is designed to be highly diversified, providing broad exposure to the Australian equity market. Rather than making large and inherently risky investments in a few individual stocks, smaller investments across many individual stocks are made. This process diversifies active risk across a broad spectrum of stocks in a variety of industries and is designed to provide more consistent active, returns over time.

In order to achieve its expected return objective the fund may invest all of its assets in other managed investment schemes, including those managed by BlackRock or other entities within the BlackRock Group.

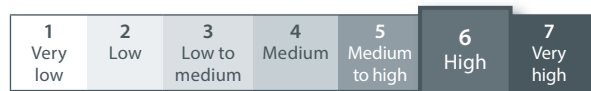
Minimum time horizon

5 years

Distribution frequency

Quarterly (Investment Portfolio only)

Standard Risk Measure



For more information on Risk Profile, see the Standard Risk Measure on page 20.

Asset allocation

The fund's investment strategy aims to remain fully exposed to the Australian equity market, with cash exposure being maintained at a minimum, which will, wherever practicable, be equitised using share price index futures.

Underlying fund: BlackRock Scientific Australian Equity Fund

BT Core Australian Shares

Investment objective

Aims to provide a return (before fees, costs and taxes) that exceeds the S&P/ASX 300 Accumulation Index over the medium to long term.

Description

This fund is suitable for investors who want the potential for long term capital growth and tax effective income, diversification across a broad range of Australian companies and industries and are prepared to accept higher variability of returns. The fund may also hold cash and may use derivatives.

Investment strategy

The fund is an actively managed portfolio of Australian shares designed for investors who want the potential for long term capital growth and tax effective income.

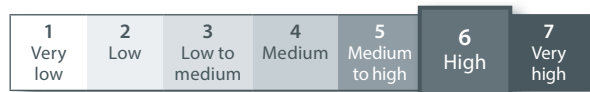
Minimum time horizon

5 years

Distribution frequency

Quarterly (Investment Portfolio only)

Standard Risk Measure



For more information on Risk Profile, see the Standard Risk Measure on page 20.

Asset allocation

Asset class	Benchmark (%)	Range (%)
Cash	0	0–20
Australian shares	100	80–100

Underlying fund: BT Wholesale Core Australian Share Fund

BT Smaller Companies

Investment objective

The fund aims to provide a return (before fees, costs and taxes) that exceeds the S&P/ASX Small Ordinaries Accumulation Index over the medium to long term.

Description

This fund is suitable for investors who want the potential for long term capital growth and tax effective income, diversification across a broad range of smaller companies and industries and are prepared to accept higher variability of returns.

Investment strategy

The fund invests primarily in companies outside the top 100 listed on the Australian Securities Exchange. The fund may also invest in equivalent companies listed on the New Zealand Stock Exchange, hold cash and may use derivatives.

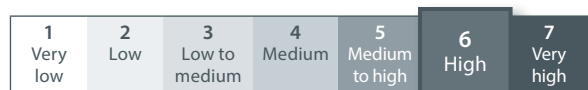
Minimum time horizon

5 years

Distribution frequency

Half-yearly (Investment Portfolio only)

Standard Risk Measure



For more information on Risk Profile, see the Standard Risk Measure on page 20.

Asset allocation

Asset class	Benchmark (%)	Range (%)
Cash	0	0–20
Australian shares	100	80–100
New Zealand shares	0	0–10

Underlying fund: BT Wholesale Smaller Companies Fund

Colonial First State Imputation

Investment objective

The fund aims to provide long term capital growth with some tax-effective income by investing in a broad selection of Australian companies. The fund aims to outperform the S&P/ASX 300 Accumulation Index over rolling three year periods before fees and taxes.

Description

The fund is suitable for investors seeking exposure to the Australian share market and who are prepared to accept higher variability of returns.

Investment strategy

The fund's strategy is based on the belief that, over the medium to long term, stock prices are driven by the ability of management to generate excess returns over their cost of capital in their chosen industry. The fund generally invests in high quality companies with strong balance sheets and earnings. The strategy has an emphasis on companies that provide long term capital growth and growing dividends with tax-effective income. The fund predominantly invests in Australian companies and therefore does not hedge currency risk.

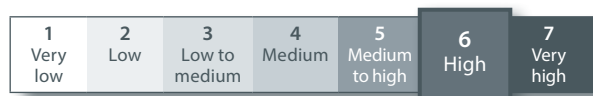
Minimum time horizon

7 years

Distribution frequency

Quarterly (Investment Portfolio only)

Standard Risk Measure



For more information on Risk Profile, see the Standard Risk Measure on page 20.

Asset allocation

Asset class	Benchmark (%)	Range (%)
Cash	0	0–10
Australian shares	100	90–100

Underlying fund: Colonial First State Wholesale Imputation Fund

Fidelity Australian Equities

Investment objective

To achieve returns in excess of the S&P/ASX 200 Accumulation Index over the suggested minimum time period of five to seven years.

Description

The fund is suitable for investors seeking exposure to a core Australian equities portfolio and who are prepared to accept higher variability of returns.

Investment strategy

Fidelity seeks out stocks that it believes are undervalued and likely to generate growth. The companies selected for the portfolio must demonstrate good management, strong competitive advantages and favourable industry dynamics.

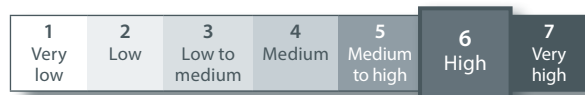
Minimum time horizon

5–7 years

Distribution frequency

Quarterly (Investment Portfolio only)

Standard Risk Measure



For more information on Risk Profile, see the Standard Risk Measure on page 20.

Asset allocation

Asset class	Benchmark (%)	Range (%)
Cash	0	0–10
Australian shares	100	90–100

Underlying fund: Fidelity Australian Equities Fund

Greencape Broadcap

Investment objective

The fund aims to outperform the S&P/ASX 300 Accumulation Index over rolling three-year periods.

Description

The fund is suitable for investors seeking a broad exposure to a portfolio of large, mid and small cap Australian equities over the long term with a suggested investment timeframe of at least 5 years.

Investment strategy

The fund offers investors a diversified portfolio of large, mid and small cap Australian shares, providing the potential for long term capital growth. Greencape is an active, 'bottom-up' stock picker and a style that may be classified as 'growth at a reasonable price'. Greencape's research is grounded in fundamental analysis, with its efforts focused heavily on an intensive visitation program encompassing all participants in a given supply chain.

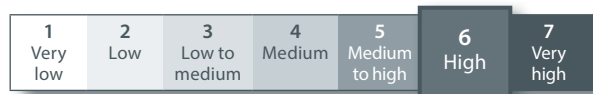
Minimum time horizon

5 years

Distribution frequency

Quarterly (Investment Portfolio only)

Standard Risk Measure



For more information on Risk Profile, see the Standard Risk Measure on page 20.

Asset allocation

Asset class	Benchmark (%)	Range (%)
Cash	0	0–15
Australian shares	100	75–100
International shares	0	0–10

Underlying fund: Greencape Wholesale Broadcap Fund

Investors Mutual Australian Shares

Investment objective

The fund aims to achieve returns (after external manager fees, but before taxes and OneAnswer Ongoing Fees) that exceed the S&P/ASX 300 Accumulation Index, on a rolling four year basis.

Description

The fund is suitable for investors seeking reasonable capital growth and steady income over time through exposure to a core Australian shares portfolio and who are prepared to accept higher variability of returns.

Investment strategy

The Fund will invest in a diversified portfolio of quality ASX listed Australian and New Zealand industrial and resource shares, where these shares are identified by our investment team as being undervalued.

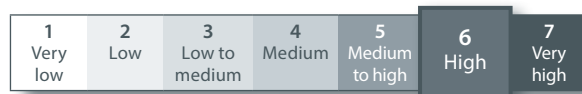
Minimum time horizon

5 years

Distribution frequency

Half-yearly (Investment Portfolio only)

Standard Risk Measure



For more information on Risk Profile, see the Standard Risk Measure on page 20.

Asset allocation

Asset class	Benchmark (%)	Range (%)
Cash	0	0–10
Australian shares	100	90–100

Underlying fund: Investors Mutual Australian Share Fund managed by Investors Mutual Ltd (IML)

IML can vary the asset allocation outside the range from time to time.

Janus Henderson Australian Equity

Investment objective

The fund seeks to achieve a total return after fees that exceeds the total return of the S&P/ASX 300 Accumulation Index over rolling three year periods.

Description

The fund is intended to be suitable for investors who are comfortable to invest for at least five years. The Fund seeks to deliver a combination of capital growth and tax effective income.

Investment strategy

The fund will typically have exposure to 20–50 Australian companies that the Manager has identified as being undervalued, with the expectation that these companies will grow faster than the market.

The Manager believes that companies which offer the prospect of profitable growth at attractive prices generate the most value for shareholders over time.

Through a combination of internally generated bottom-up research and qualitative modelling, the Manager applies both a profitable growth test and a lifecycle valuation model to screen the investment universe.

The Manager performs detailed fundamental research on these companies and the markets in which they operate, to arrive at what the Manager considers to be a fair valuation for the company given their growth prospects.

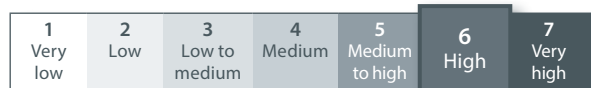
Minimum time horizon

5 years

Distribution frequency

Half-yearly (Investment Portfolio only)

Standard Risk Measure



For more information on Risk Profile, see the Standard Risk Measure on page 20.

Asset allocation

Asset class	Benchmark (%)	Range (%)
Cash	0	0–10
Australian shares	100	90–100

Underlying fund: Janus Henderson Australian Equity Fund – Institutional

Merlon Australian Share Income

Investment objective

The fund aims to provide a higher level of tax effective income with a lower level of risk than the S&P/ASX 200 Accumulation Index, with the potential for capital growth and inflation protection over the medium to long term.

Description

The fund is intended to be suitable for investors seeking high levels of return, with a large proportion of returns coming from income with moderate volatility.

Investment strategy

Merlon's investment approach is to build a portfolio of undervalued high dividend yielding companies and to then reduce some risk through the use of derivatives. Merlon aims for the fund to be fully invested in large and mid-cap companies listed on Australian listed exchanges such as the ASX, which are selected based on Merlon's investment philosophy.

There are two elements to Merlon's investment philosophy:

Value: Merlon believes that stocks trading below fair value will outperform through time. Merlon measures value by sustainable free cash flow yield. Merlon views franking credits similarly to cash and takes a medium to long term view.

Risk management: Merlon believes that the impact of risk associated with investing can be reduced through derivative based hedging strategies. By entering into a derivative contract whose value moves in the opposite direction to the underlying asset, the risk of a reduction in the value of the underlying asset can be cancelled out in part or in full. Derivative based hedging strategies may also have the potential to provide additional returns and may deliver beneficial tax outcomes.

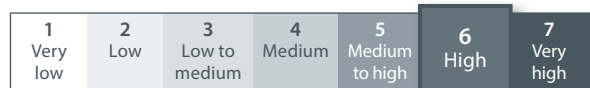
Minimum time horizon

5 years

Distribution frequency

Monthly (Investment Portfolio only)

Standard Risk Measure



For more information on Risk Profile, see the Standard Risk Measure on page 20.

Asset allocation

Asset class	Benchmark (%)	Range (%)
Cash	n/a	0–10
Australian securities*	n/a	90–100

Underlying fund: Merlon Wholesale Australian Share Income Fund

* The fund targets to be fully invested in shares for the purposes of earning dividend income and uses derivatives to reduce exposure to share market volatility to a typical range of 60–80%.

Nikko AM Australian Shares

Investment objective

The fund aims to outperform the S&P/ASX200 Accumulation Index by more than 2.5% p.a. over rolling five year periods, before fees, expenses and tax.

Description

The fund is a relatively concentrated Australian share fund, typically investing in 20-35 stocks, designed to provide capital growth and income over the longer term.

Investment strategy

The fund is managed using an active high conviction style with stock selection based on a ranking of expected return (i.e. Internal Rate of Return) determined by in-depth fundamental company research with a medium-term outlook.

Nikko AM applies its Comparative Value Analysis process and risk management tools to select intrinsic value investments that offer the best compromise between risk and expected return.

Derivatives may be used to gain or reduce market exposures, however the fund's investment strategy does not permit derivatives to be used for speculative or gearing purposes.

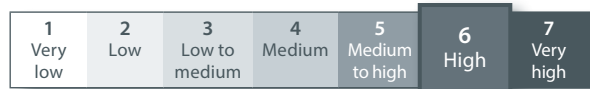
Minimum time horizon

5+ years

Distribution frequency

Half-yearly (Investment Portfolio only)

Standard Risk Measure



For more information on Risk Profile, see the Standard Risk Measure on page 20.

Asset allocation

Asset class	Benchmark (%)	Range (%)
Cash and short-term securities	5	0–10
Australian shares	95	90–100

Underlying fund: Nikko AM Australian Share Wholesale Fund, which is managed by Nikko AM Limited and issued by its related party, Nikko Asset Management Australia Limited as Responsible Entity.

OnePath Australian Shares

Investment objective

The fund aims to achieve returns (after costs but before fees and taxes) that exceed the S&P/ASX 300 Accumulation Index, over periods of at least three to five years.

Description

The fund is best suited to investors who seek a well diversified portfolio of securities listed on the Australian Stock Exchange.

Investment strategy

The fund invests predominantly in a diversified portfolio of Australian shares selected in accordance with a disciplined investment process.

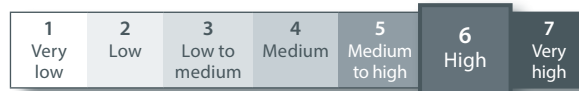
Minimum time horizon

5 years

Distribution frequency

Quarterly (Investment Portfolio only)

Standard Risk Measure



For more information on Risk Profile, see the Standard Risk Measure on page 20.

Asset allocation

Asset class	Benchmark (%)	Range (%)
Cash	0	0–5
Australian shares	100	95–100

Managed on behalf of OnePath by UBS Asset Management (Australia) Ltd

OnePath Blue Chip Imputation

Investment objective

The fund aims to outperform the gross return of the S&P/ASX 100 Total Return Index, including franking credits (but before investment fees and taxes) over periods of at least three to five years. The fund also targets a gross dividend yield, including franking credits that exceeds the gross dividend yield of the benchmark.

Description

The fund is suitable for investors seeking higher long term returns and income through investing in the Australian equity market with a strong bias towards income producing shares.

Investment strategy

The fund invests predominantly in a diversified portfolio of Australian companies which provide a relatively high level of franked income, and have been selected in accordance with a disciplined Australian shares investment process.

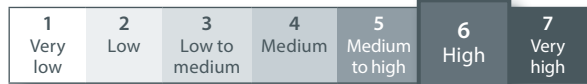
Minimum time horizon

5 years

Distribution frequency

Quarterly (Investment Portfolio only)

Standard Risk Measure



For more information on Risk Profile, see the Standard Risk Measure on page 20.

Asset allocation

Asset class	Benchmark (%)	Range (%)
Cash	0	0–5
Australian shares	100	95–100

Managed on behalf of OnePath by UBS Asset Management (Australia) Ltd

OnePath Emerging Companies

Investment objective

The fund aims to achieve returns (before fees, charges and taxes) that exceed the S&P/ASX Small Ordinaries Accumulation Index, over periods of three years or more.

Description

The fund is suitable for investors seeking higher long term returns and targeted exposure to the Australian, small cap equity market with a strong bias towards growth assets.

Investment strategy

The fund invests predominantly in a diversified portfolio of smaller companies in accordance with a disciplined Australian shares investment process.

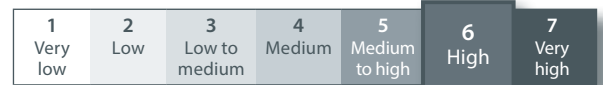
Minimum time horizon

7 years

Distribution frequency

Half-yearly (Investment Portfolio only)

Standard Risk Measure



For more information on Risk Profile, see the Standard Risk Measure on page 20.

Asset allocation

Asset class	Benchmark (%)	Range (%)
Cash	0	0–20
Australian shares	100	80–100

Managed on behalf of OnePath by Karara Capital

OnePath Geared Australian Shares Index

Investment objective

The fund aims to achieve returns (before fees, charges and taxes) that magnify the S&P/ASX 300 Accumulation Index returns.

Description

This is a geared fund and is suitable for investors seeking a broad exposure to the Australian equity market and who are prepared to accept higher variability of returns.

Investment strategy

The fund invests capital and borrowings in a diversified portfolio of Australian shares. The share portfolio comprises approximately 300 of the largest companies (shares) listed on the Australian Securities Exchange (ASX). The fund will hold most of the securities in the S&P/ASX 300 Index (Index), allowing for individual security weightings to vary marginally from the Index from time to time. The fund may invest in securities that have been removed from or are expected to be included in the Index.

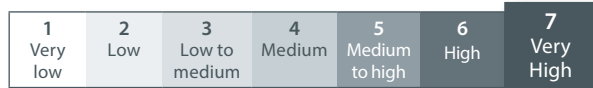
Minimum time horizon

5 years

Distribution frequency

Yearly (Investment Portfolio only)

Standard Risk Measure



For more information on Risk Profile, see the Standard Risk Measure on page 20.

Asset allocation

Asset class	Benchmark (%)	Range (%)
Cash	0	0–10
Australian shares	100	90–100

Underlying investments are managed by Vanguard

Gearing magnifies both gains and losses and investors may experience increased volatility in the value of their investment. Refer to page 81 of this guide for additional information regarding OnePath Geared Australian Shares Index.

OnePath Select Leaders

Investment objective

The fund aims to achieve returns (after costs but before fees and taxes) that exceed the S&P/ASX 100 Accumulation Index by at least 4% p.a., over periods of five years or more.

Description

The fund is suitable for investors seeking higher long term returns and concentrated exposure to the Australian equity market.

Investment strategy

The fund invests predominantly in a concentrated portfolio of Australian shares selected in accordance with a disciplined Australian shares investment process.

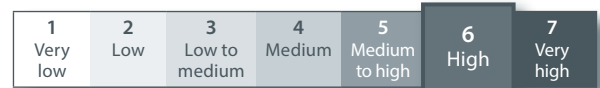
Minimum time horizon

5 years

Distribution frequency

Half-yearly (Investment Portfolio only)

Standard Risk Measure



For more information on Risk Profile, see the Standard Risk Measure on page 20.

Asset allocation

Asset class	Benchmark (%)	Range (%)
Cash	0	0–5
Australian shares	100	95–100

Managed on behalf of OnePath by UBS Asset Management (Australia) Ltd

OnePath Sustainable Investments – Australian Shares

Investment objective

The fund aims to achieve returns (after costs but before fees and taxes) that exceed the S&P/ASX 300 Accumulation Index, over periods of three to five years or more.

Description

The fund is suitable for investors seeking higher long term returns within a socially responsible investment framework, through investing in the Australian equity market.

Investment strategy

The fund invests predominantly in a diversified portfolio of Australian shares, selected in accordance with a detailed sustainable Australian shares investment process. As a general guideline both positive and negative screens are applied in the stock selection process.*

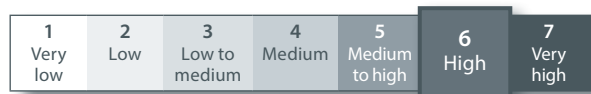
Minimum time horizon

5 years

Distribution frequency

Half-yearly (Investment Portfolio only)

Standard Risk Measure



For more information on Risk Profile, see the Standard Risk Measure on page 20.

Asset allocation

Asset class	Benchmark (%)	Range (%)
Cash	0	0–5
Australian shares	100	95–100

Managed on behalf of OnePath by UBS Asset Management (Australia) Ltd

* Refer to page 83 to 86 of this guide for information about the sustainable investments process.

Perennial Value Shares

Investment objective

To grow the value of your investment over the long term via a combination of capital growth and income, by investing in a diversified portfolio of Australian shares, and to provide a total return (after fees) that exceeds the S&P/ASX 300 Accumulation Index, on a rolling three year basis.

Description

The fund is suitable for investors seeking exposure to a value oriented Australian shares portfolio who are prepared to accept higher variability of returns.

Investment strategy

The fund invests in a range of companies listed (or soon to be listed) on the ASX which Perennial Value, the investment manager, believes have sustainable operations and whose share prices offer good value. The cornerstone of this approach is a strong emphasis on company research. The aim is to develop a detailed understanding of each company before committing investors' fund's.

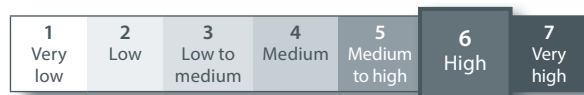
Minimum time horizon

5 years

Distribution frequency

Half-yearly (Investment Portfolio only)

Standard Risk Measure



For more information on Risk Profile, see the Standard Risk Measure on page 20.

Asset allocation

Asset class	Benchmark (%)	Range (%)
Cash	0	0–10
Australian shares	100	90–100

Underlying fund: Perennial Value Shares Wholesale Trust

Perpetual Australian Shares

Investment objective

The fund aims to provide long-term capital growth and regular income through investment in quality industrial and resource shares. The fund aims to outperform the S&P/ASX 300 Accumulation Index (before fees and taxes) over rolling three year periods.

Description

The fund is suitable for investors seeking the potential for long term capital growth and income and who are prepared to accept higher variability of returns.

Investment strategy

Perpetual researches companies of all sizes using consistent share selection criteria. Perpetual's priority is to select companies that represent the best investment quality and are appropriately priced. In determining investment quality, investments are carefully selected on the basis of four key investment criteria: conservative debt levels, sound management, quality business and recurring earnings. Derivatives may be used in managing the fund.

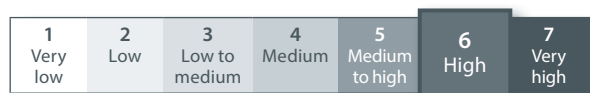
Minimum time horizon

5 years

Distribution frequency

Half-yearly (Investment Portfolio only)

Standard Risk Measure



For more information on Risk Profile, see the Standard Risk Measure on page 20.

Asset allocation

Asset class	Benchmark (%)	Range (%)
Cash	0	0–10
Australian shares*	100	90–100

Underlying fund: Perpetual Wholesale Australian Share Fund

* The fund invests primarily in shares listed on or proposed to be listed on any recognised Australian exchange but may have up to 20% exposure to shares listed on or proposed to be listed on any recognised global exchange. Currency hedges may be used from time to time.

Perpetual Ethical SRI

Investment objective

The fund aims to outperform the S&P/ASX 300 Accumulation Index (before fees and taxes) over rolling three year periods.

Description

The fund is suitable for investors seeking the potential for long term capital growth and regular income through investment in quality shares of socially responsible companies.

Investment strategy

Perpetual researches companies of all sizes using consistent share selection criteria. Perpetual's priority is to select those companies that represent the best investment quality and are appropriately priced. In determining investment quality, investments are carefully selected on the basis of four key investment criteria: conservative debt levels, sound management, quality business and recurring earnings. In addition to the above investment approach, Perpetual utilises a strategy for screening ethical and socially responsible investments. Derivatives may be used in managing the fund.[^]

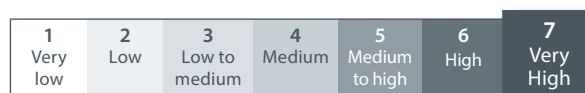
Minimum time horizon

5 years

Distribution frequency

Half-yearly (Investment Portfolio only)

Standard Risk Measure



For more information on Risk Profile, see the Standard Risk Measure on page 20.

Asset allocation

Asset class	Benchmark (%)	Range (%)
Cash	0	0–10
Australian shares*	100	90–100

Underlying fund: Perpetual Wholesale Ethical SRI Fund

* The fund invests primarily in shares listed on or proposed to be listed on any recognised Australian exchange but may have up to 20% exposure to shares listed on or proposed to be listed on any recognised global exchange. Currency hedges may be used from time to time.

[^] Refer to page 83 to 86 of this guide for more information about the sustainable investment process.

Schroder Australian Equity

Investment objective

The objective of the fund is to outperform the S&P/ASX 200 Accumulation Index over the medium to long term.

Description

The fund is suitable for investors seeking exposure to the Australian equity market and who are prepared to accept higher variability of returns.

Investment strategy

The fund invests in a portfolio of predominantly Australian and New Zealand equity securities. Schroders is a fundamental active manager that seeks to invest predominantly in growth stocks where growth is defined as growing shareholder value over the long term. The core of Schroders' investment philosophy is that corporate value creation, or the ability to generate returns on capital higher than the cost of capital, leads to sustainable share price outperformance in the long term.

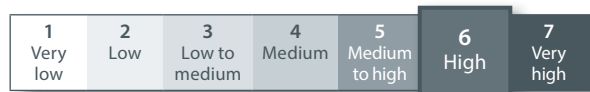
Minimum time horizon

5 years

Distribution frequency

Half-yearly (Investment Portfolio only)

Standard Risk Measure



For more information on Risk Profile, see the Standard Risk Measure on page 20.

Asset allocation

Asset class	Benchmark (%)	Range (%)
Cash	0	0–5
Australian and New Zealand shares	100	95–100

Underlying fund: Schroder Wholesale Australian Equity Fund

Vanguard® Australian Shares Index

Investment objective

The fund seeks to track the return (income and capital appreciation) of the S&P/ASX 300 Index before taking into account fees, expenses, and tax.

Description

The fund is suitable for investors seeking long term capital growth and some tax effective income through passive exposure to the Australian equity market. The fund is suitable for investors who are prepared to accept higher variability of returns.

Investment strategy

The S&P/ASX 300 Index comprises approximately 300 of the largest companies (shares) listed on the Australian Securities Exchange (ASX). The index represents approximately 85 per cent of the value of all Australian-based companies and property trusts listed on the ASX. The fund will hold most of the securities in the index, allowing for individual security weightings to vary marginally from the index from time to time. The fund may invest in securities that have been removed from or are expected to be included in the index.

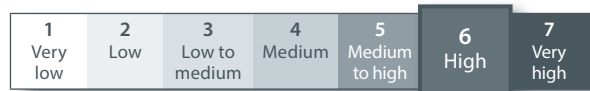
Minimum time horizon

5 years

Distribution frequency

Quarterly (Investment Portfolio only)

Standard Risk Measure



For more information on Risk Profile, see the Standard Risk Measure on page 20.

Asset allocation

Asset class	Benchmark (%)	Range (%)
Australian shares	100	n/a

Underlying investments are managed by Vanguard

Investor Profile 5 – High growth – Global shares

Altrinsic Global Equities

Investment objective

The fund aims to deliver long term capital growth and to outperform the MSCI All Country World Index (ex Australia) Net Dividends Reinvested (A\$) over rolling five year periods before fees and taxes.

Description

The fund aims to provide long term growth of capital by investing predominantly in publicly traded global equity securities (unhedged to the Australian dollar).

Investment strategy

Altrinsic is a high conviction fundamental value orientated global equity manager. Altrinsic specialises in company research and identifies investment opportunities across the full market-cap spectrum in both developed and emerging markets.

Altrinsic's investment philosophy is based on the belief that a company's valuation is a function of its future financial productivity (i.e. a return on capital relative to the cost of capital) adjusted for associated risk.

The firm implements this philosophy by capitalising on mispriced securities in the world's equity markets and by taking a long term view and leveraging Altrinsic's:

- individual company analysis
- global industry knowledge; and
- a distinctive cross-border frame of reference.

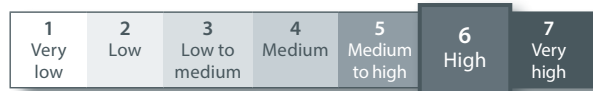
Minimum time horizon

5+ years

Distribution frequency

Yearly (Investment Portfolio only)

Standard Risk Measure



For more information on Risk Profile, see the Standard Risk Measure on page 20.

Asset allocation

Asset class	Benchmark (%)	Range (%)
Global Emerging Markets*	n/a	0–30
Global Developed Markets*	n/a	50–100
Cash and cash equivalents	n/a	0–20

Underlying fund: Altrinsic Global Equities Trust

* Up to 15% of the fund may be invested in small cap stocks (A\$2 billion or less market capitalisation).

Antipodes Global (Long only)

Investment objective

To provide absolute returns in excess of the MSCI All Country World Index over the investment cycle (typically three to five years) at below market levels of risk.

Description

This fund may be suitable for investors with an investment horizon of five years or more and who seek capital growth and income via exposure to global stocks and are willing to accept the shorter term fluctuations in price typically associated with such investments.

Investment strategy

The fund typically invests in a select number of attractively valued companies listed on global share markets (usually between 20 and 60). The fund is also permitted to utilise exchange traded derivatives for risk management purposes subject to the specific restrictions that such derivatives cannot be used to gear portfolio exposure and that the underlying effective face value is limited to 10% of the NAV of the fund unless used to manage currency risk.

Currency exposure will generally reflect the currency of the underlying securities. However, where the Investment Manager believes there is a strong likelihood of a decline in the underlying currency, currency derivatives, both over-the-counter and exchange traded, may be used to hedge subject to the specific restriction that such derivatives cannot be used to gear portfolio exposure.

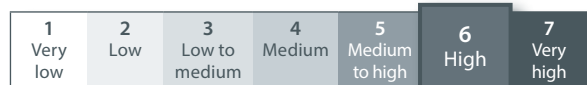
Minimum time horizon

5 years

Distribution frequency

Yearly (Investment Portfolio only)

Standard Risk Measure



For more information on Risk Profile, see the Standard Risk Measure on page 20.

Asset allocation

Asset class	Benchmark (%)	Range (%)
Cash equivalent investments	0	0–25
International equities*	100	75–100

Underlying fund: Antipodes Global Fund – Long only

* For reasons of investment efficiency, the fund may gain its exposure by holding units in other pooled fund's and/or through direct investment holdings.

Arrowstreet Global Equity (Hedged)

Investment objective

The fund seeks to achieve a long term (at least seven years) total return before fees and expenses that exceeds the MSCI All Country World ex Australia Index, in \$A hedged with net dividends reinvested.

Description

The investment option is suitable for investors seeking the potential for higher long term returns than the benchmark across various market conditions, reduced exposure to foreign currency movements through currency hedging and who are prepared to accept higher variability of returns.

Investment strategy

The fund provides exposure to a diversified portfolio of global equities which may include securities listed in emerging markets as well as securities of small capitalisation companies by investing indirectly in the Arrowstreet Global Equity Fund.

The Arrowstreet Global Equity Fund is managed using an active, quantitative approach and stock selection modelling to evaluate securities on an integrated basis to exploit tactical opportunities across different factors with the aim of controlling risk relative to its benchmark and maximising the likelihood of outperforming the benchmark.

Arrowstreet's investment approach uses forecasting models that combine the experience and judgement of Arrowstreet's investment team with quantitative analysis to forecast individual stock returns based on a diverse set of predictive factors. The Arrowstreet Global Equity Fund may use derivatives for hedging or active investment purposes.

The underlying fund's exposure to international assets is hedged by Macquarie Investment Management Global Limited back to Australian dollars.

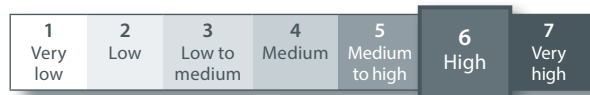
Minimum time horizon

7 years

Distribution frequency

Half-yearly (Investment Portfolio only)

Standard Risk Measure



For more information on Risk Profile, see the Standard Risk Measure on page 20.

Asset allocation

Asset class	Benchmark (%)	Range (%)
Cash	0	0–5
International shares	100	95–100

Underlying fund: Arrowstreet Global Equity (Hedged)

BlackRock Scientific International Equity

Investment objective

The fund aims to achieve returns (before fees) that exceed those of the MSCI World ex-Australia Net TR Index (unhedged in AUD) (the "Index") over rolling three year periods while maintaining a similar level of investment risk to the Index.

Description

The fund is suitable for investors seeking broad exposure to international shares and who are prepared to accept higher variability of returns.

Investment strategy

The fund's research driven investment process utilises a combination of active stock selection strategies across international developed markets that aim for the best trade-off between returns, risk and costs. The investment ideas blend local investment insights, cross-border insights, macro-economic insights and short-term drivers of stock returns.

The fund gains exposure to the international developed equity market through investing in other managed investment schemes, including those managed by BlackRock or other entities within the BlackRock Group.

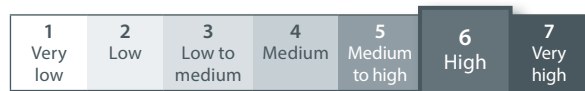
Minimum time horizon

5 years

Distribution frequency

Half-yearly (Investment Portfolio only)

Standard Risk Measure



For more information on Risk Profile, see the Standard Risk Measure on page 20.

Asset allocation

The fund's investment strategy aims to remain fully exposed to the international developed equity market, with cash exposure being maintained at a minimum, which will, wherever practicable, be equitised using share price index futures.

Underlying fund: BlackRock Scientific International Equity Fund

BT Core Hedged Global Shares

Investment objective

The fund aims to provide a return (before fees, costs and taxes) that exceeds MSCI World ex Australia (Standard) Index (Net Dividends) hedged to AUD over the medium to long term. The suggested investment timeframe is five years or more.

Description

This fund is designed for investors who want the potential for long term capital growth, diversification across a broad range of companies, industries and countries and are prepared to accept higher variability of returns.

Investment strategy

As manager for the fund's international shares, AQR's investment process is based on their quantitative investment strategies and aims to add value through active stock and industry selection and investment research. AQR employs a systematic investment process to maintain a highly diversified and risk controlled portfolio that reflects their valuation and momentum philosophy. Value investing is buying securities that are cheap and selling those that are expensive. Momentum investing is buying securities that are improving and selling securities that are deteriorating. AQR's investment research focuses on valuation, momentum, earnings quality, investor sentiment, sustainable growth and management quality themes. Whilst the fund can invest in any international sharemarket that offers attractive opportunities, most investments will be located in the United States, Europe and Japan. The fund may also hold cash and may use derivatives. The fund has assets that are denominated in foreign currencies. The fund's foreign currency exposure will generally be fully hedged back to the Australian dollar to the extent considered reasonably practicable.

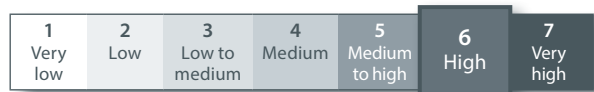
Minimum time horizon

5 years

Distribution frequency

Yearly (Investment Portfolio only)

Standard Risk Measure



For more information on Risk Profile, see the Standard Risk Measure on page 20.

Asset allocation

Asset class	Benchmark (%)	Range (%)
Cash	0	0–20
International shares	100	80–100

Underlying fund: BT Wholesale Core Hedged Global Share Fund

Magellan Global

Investment objective

The primary objectives of the fund are to achieve attractive risk-adjusted returns over the medium to long term, while reducing the risk of permanent capital loss.

Description

The fund is suitable for investors seeking exposure to international shares and who are prepared to accept higher variability of returns.

Investment strategy

The fund seeks to invest in outstanding companies at attractive prices, while exercising a deep understanding of the macroeconomic environment to manage investment risk. Magellan perceives outstanding companies to be those that are able to sustainably exploit competitive advantages in order to continually earn returns on capital that are materially in excess of their cost of capital. Magellan focusses on risk adjusted returns rather than benchmark relative returns; as a result, the fund's investment process is designed to generate an unconstrained, concentrated portfolio of high quality companies. Magellan believes that an appropriately structured portfolio of 20 to 40 investments can provide sufficient diversification to ensure that investors are not overly correlated to any single company, industry-specific or macroeconomic risk.

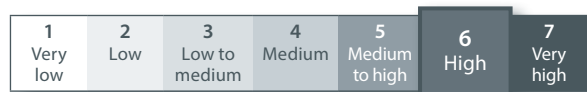
Minimum time horizon

7+ years

Distribution frequency

Yearly (Investment Portfolio Only)

Standard Risk Measure



For more information on Risk Profile, see the Standard Risk Measure on page 20.

Asset allocation

Asset class	Benchmark (%)	Range (%)
Cash	n/a	0–20
International shares	n/a	80–100

Underlying fund: Magellan Global Fund

MFS Global Equity

Investment objective

The fund aims to seek capital appreciation over the longer term by investing in a diversified portfolio of global shares (unhedged) and aims to outperform its benchmark (the MSCI World Index (with net dividends reinvested before fees) measured in AUD) over a full market cycle before taking into account fees and expenses.

Description

The fund is designed for investors seeking the potential for capital appreciation over the longer term by investing in a diversified portfolio of global shares (unhedged).

Investment strategy

Companies with sustainable above-average growth and returns, and whose prospects are not reflected in their valuation, will outperform over the long run. The value of compounding high returns on capital and above-average growth rates over long time periods is often underestimated by the market.

Through fundamental analysis, MFS seeks to identify enduring businesses, focusing on operational risks and the long term potential for change. MFS considers whether the valuation reflects the long term growth and returns of the company, and to what extent it adequately incorporates risk.

Minimum time horizon

5 years

Distribution frequency

Yearly (Investment Portfolio only)

Standard Risk Measure



For more information on Risk Profile, see the Standard Risk Measure on page 20.

Asset allocation

Asset class	Benchmark (%)	Range (%)
Cash	0	0–10
International equities	100	90–100

Underlying fund: MFS Global Equity Trust

OnePath Global Emerging Markets Shares

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 or more.

Description

The fund is best suited to investors seeking a diversified portfolio of global emerging markets equity securities and related investments.

Investment strategy

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

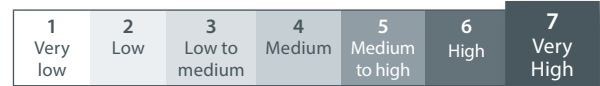
Minimum time horizon

5 years

Distribution frequency

Half-yearly (Investment Portfolio only)

Standard Risk Measure



For more information on Risk Profile, see the Standard Risk Measure on page 20.

Asset allocation

Asset class	Benchmark (%)	Range (%)
Cash	0	0–10
International shares	100	90–100

Managed on behalf of OnePath by MFS

OnePath Global Shares

Investment objective

The fund aims to achieve returns (after costs but before fees and taxes) that exceed the MSCI World (excluding Australia) Net Total Return Index (unhedged and in AUD with net dividends reinvested), over periods of three years or more.

Description

The fund is suitable for investors seeking higher long term returns through investing in the international equity market with a strong bias towards growth assets.

Investment strategy

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

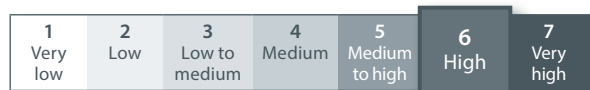
Minimum time horizon

5 years

Distribution frequency

Half-yearly (Investment Portfolio only)

Standard Risk Measure



For more information on Risk Profile, see the Standard Risk Measure on page 20.

Asset allocation

Asset class	Benchmark (%)	Range (%)
Cash	0	0–5
International shares	100	95–100

Managed on behalf of OnePath by Vontobel

Platinum Asia*

Investment objective

The fund aims to provide capital growth over the long term by investing in undervalued companies in the Asian region excluding Japan.

Description

The fund is suitable for investors seeking exposure to Asian share market opportunities and who are prepared to accept higher variability of returns.

Investment strategy

The fund primarily invests in the listed securities of Asian companies. The fund will ideally consist of 50 to 100 securities that Platinum believes to be undervalued by the market. Cash may be held when undervalued securities cannot be found. Platinum may short sell securities that it considers overvalued. The fund will typically have 50% or more net equity exposure. Derivatives may be used for risk management purposes and to take opportunities to increase returns. The underlying value of Derivatives may not exceed 100% of the Net Asset Value (NAV) of the fund and the underlying value of long stock positions and Derivatives will not exceed 150% of the NAV of the fund. The fund's currency exposures are actively managed.

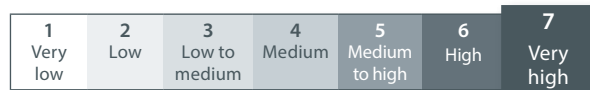
Minimum time horizon

5+ years

Distribution frequency

Yearly (Investment Portfolio only)

Standard Risk Measure



For more information on Risk Profile, see the Standard Risk Measure on page 20.

Asset allocation

Asset class [#]	Benchmark (%)	Range (%)
Cash ⁺	n/a	0–100
International shares	n/a	0–100

Underlying fund: Platinum Asia Fund

* This fund is classified as a Hedge Fund and detailed information about the underlying investments can be found on pages 11–14.

+ Cash and cash equivalents typically represents less than 40% of a fund's NAV.

The fund may invest in bullion and other physical commodities, but the total value of such investments at the time of acquisition will not exceed 20% of the NAV of the fund.

Platinum International*

Investment objective

The fund aims to provide capital growth over the long term by investing in undervalued companies from around the world.

Description

The fund is suitable for investors seeking exposure to international shares and who are prepared to accept higher variability of returns.

Investment strategy

The fund primarily invests in the listed securities. The fund will ideally consist of 70–140 securities that Platinum believes to be undervalued by the market. Cash may be held when undervalued securities cannot be found. Platinum may short sell securities that it considers overvalued. The fund will typically have 50% or more net equity exposure. Derivatives may be used for risk management purposes and to take opportunities to increase returns. The underlying value of Derivatives may not exceed 100% of the Net Asset Value (NAV) of the fund and the underlying value of long stock positions and Derivatives will not exceed 150% of the NAV of the fund. The fund's currency exposures are actively managed.

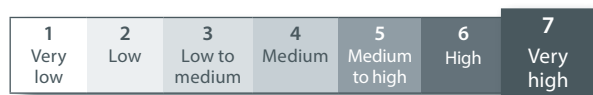
Minimum time horizon

5+ years

Distribution frequency

Yearly (Investment Portfolio only)

Standard Risk Measure



For more information on Risk Profile, see the Standard Risk Measure on page 20.

Asset allocation

Asset class [#]	Benchmark (%)	Range (%)
Cash ⁺	n/a	0–100
International shares	n/a	0–100

Underlying fund: Platinum International Fund

* This fund is classified as a Hedge Fund and detailed information about the underlying investments can be found on pages 11–14.

+ Cash and cash equivalents typically represents less than 40% of a fund's NAV.

The fund may invest in bullion and other physical commodities, but the total value of such investments at the time of acquisition will not exceed 20% of the NAV of the fund.

Stewart Investors WorldWide Sustainability

Investment objective

The fund aims to achieve long term capital growth by investing in the shares of those companies which are particularly well positioned to benefit from, and contribute to the sustainable development of the countries in which they operate. The fund aims to exceed the MSCI All Country World Index over rolling five year periods before fees and taxes.

Description

The fund is suitable for investors seeking exposure to a diverse portfolio of international equity securities within a capital preservation and sustainable development focused investment framework and who are prepared to accept higher variability of returns.

Investment strategy

The fund will seek to invest in a diverse portfolio of equity securities which are listed, traded or dealt in on any of the regulated markets worldwide. The portfolio construction process does not take into account the constituents of the benchmark. The fund may have exposure to developed or emerging markets whilst maintaining its geographic diversity. The investment process will take account of sustainability themes and issues and requires positive engagement with companies in respect of these. The fund does not hedge currency risk.⁺

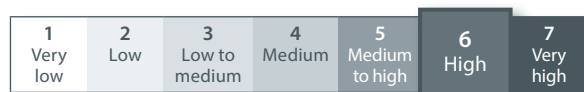
Minimum time horizon

7 years

Distribution frequency

Half-yearly (Investment Portfolio only)

Standard Risk Measure



For more information on Risk Profile, see the Standard Risk Measure on page 20.

Asset allocation

Asset class	Benchmark (%)	Range (%)
Cash	0	0–10
International shares	100	90–100

Underlying fund: Stewart Investors WorldWide Sustainability Fund – Class A.

+ Refer to page 83 to 86 of this guide for more information about the sustainable investment process.

T. Rowe Price Global Equity

Investment objective

The fund's objective is to provide long term capital appreciation by investing primarily in a portfolio of securities of companies which are traded, listed or due to be listed, on recognised exchanges and/or markets throughout the world. The portfolio may include investments in the securities of companies traded, listed or due to be listed, on recognised exchanges and/or markets, of developing countries.

Description

The fund is suitable for investors seeking exposure to a portfolio of developed and emerging market shares, exhibiting growth characteristics and who are prepared to accept higher variability of returns.

Investment strategy

The portfolio manager applies his judgement to construct a global portfolio of the highest-conviction investment ideas by:

- leveraging the T. Rowe Price network of more than 100 equity investment professionals to identify highly recommended companies, and
- engaging equity investment professionals to identify superior investment ideas, assess opportunities in a global sector context, overlay macroeconomic and local market factors to refine industry and company analysis, and select what they believe to be investments with the most attractive risk-reward characteristics.

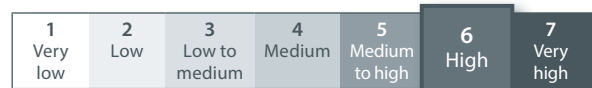
Minimum time horizon

5–7 years

Distribution frequency

Yearly (Investment Portfolio only)

Standard Risk Measure



For more information on Risk Profile, see the Standard Risk Measure on page 20.

Asset allocation

Asset class	Benchmark (%)	Range (%)
Cash	0	0–10
International shares	100	90–100

Underlying fund: T. Rowe Price Global Equity Fund

Effective from 1 July 2015, the fund may hedge currency of up to 10% of the fund. Note that currency hedging will not be used as a primary source of generating returns.

Vanguard® International Shares Index

Investment objective

The fund seeks to track the returns (income and capital appreciation) of the MSCI World ex-Australia (with net dividends reinvested) in Australian dollars Index, before taking into account fees, expenses, and tax.

Description

The fund is suitable for investors seeking long term capital growth, some income and international diversification through passive exposure to international shares. The fund is suitable for investors who are prepared to accept higher variability of returns.

Investment strategy

The fund seeks to track the return (income and capital appreciation) of the MSCI World ex-Australia Index (with net dividends reinvested) in Australian dollars before taking into account fees, expenses, and tax. The MSCI World ex-Australia Index comprises approximately 1,600 securities (shares) listed on the exchanges of approximately 23 of the world's major developed economies. The fund will hold most of the securities in the index, allowing for individual security weightings to vary marginally from the index from time to time. The fund may invest in securities that have been removed from or are expected to be included in the index. The fund will be fully exposed to the fluctuating values of foreign currencies, as there will not be any hedging of foreign currencies to the Australian dollar.

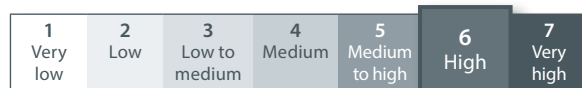
Minimum time horizon

7 years

Distribution frequency

Quarterly (Investment Portfolio only)

Standard Risk Measure



For more information on Risk Profile, see the Standard Risk Measure on page 20.

Asset allocation

Asset class	Benchmark (%)	Range (%)
International shares	100	n/a

Underlying investments are managed by Vanguard

For the latest investment returns for OneAnswer go to onepath.com.au

Vanguard® International Shares Index (Hedged)

Investment objective

The fund seeks to track the returns (income and capital appreciation) of the MSCI World ex-Australia (with net dividends reinvested) hedged into Australian dollars Index, before taking into account fees, expenses, and tax.

Description

The fund is suitable for investors seeking long term capital growth, some income and international diversification through passive exposure to international shares. The fund is suitable for investors who are prepared to accept higher variability of returns.

Investment strategy

The fund seeks to track the return (income and capital appreciation) of the MSCI World ex-Australia Index (with net dividends reinvested) hedged into Australian dollars before taking into account fees, expenses, and tax. The MSCI World ex-Australia Index comprises approximately 1,600 securities (shares) listed on the exchanges of approximately 23 of the world's major developed economies. The fund meets its investment strategy by investing in underlying fund's and/or direct securities and forward foreign exchange contracts.

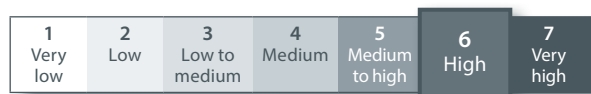
Minimum time horizon

7 years

Distribution frequency

Quarterly (Investment Portfolio only)

Standard Risk Measure



For more information on Risk Profile, see the Standard Risk Measure on page 20.

Asset allocation

Asset class	Benchmark (%)	Range (%)
International shares	100	n/a

Underlying investments are managed by Vanguard

Walter Scott Global Equity (Hedged)

Investment objective

The fund seeks to achieve a long term total return (before fees and expenses) that exceeds the MSCI World ex Australia Index, in \$A hedged with net dividends reinvested.

Description

The fund is suitable for investors seeking the potential for long term compound returns, with a focus on high quality businesses, which offer high earnings growth, reduced exposure to foreign currency movements through currency hedging; and who are prepared to accept higher variability of returns.

Investment strategy

The fund provides exposure to a concentrated portfolio of international shares by investing in securities which, in Walter Scott's opinion, offer strong and sustained earnings growth.

The fund is actively managed using a benchmark unaware, fundamental, bottom-up and research-driven approach.

The portfolio is constructed with a primary focus on stock-based analysis and a bias towards strong growth companies, which Walter Scott believes, are capable of generating high earnings growth.

Walter Scott expects that on average, and based on long term experience, 15 to 25 per cent or less of the stocks in the portfolio will be turned over each year, which reflects their long term 'buy and hold' approach. The fund may be exposed to derivatives to either obtain or reduce market exposures. It may also use foreign exchange spot contracts to facilitate settlement of stock purposes.

The fund's exposure to international assets is hedged by Macquarie Investment Management Global Limited back to Australian dollars.

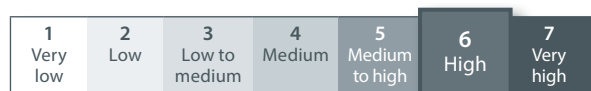
Minimum time horizon

7 years

Distribution frequency

Yearly (Investment Portfolio only)

Standard Risk Measure



For more information on Risk Profile, see the Standard Risk Measure on page 20.

Asset allocation

Asset class	Benchmark (%)	Range (%)
Cash	n/a	0–10
International shares	n/a	90–100

Underlying fund: Walter Scott Global Equity Fund (Hedged)

Investor Profile 5 – High growth – Multi-sector

Vanguard® High Growth Index

Investment objective

The fund seeks to track the weighted average return of the various indices of the underlying funds, in which the fund invests, in proportion to the strategic asset allocation (SAA) for the fund, before taking into account fees, expenses, and tax.

Description

The fund is suitable for investors seeking long term capital growth through passive exposure to a diversified portfolio of growth assets and who are prepared to accept higher variability of returns.

Investment strategy

The fund holds units in a range of underlying funds, and/or direct assets to achieve the mix of assets shown in the Asset Allocation table below.

The portfolio targets a 10% allocation to income asset classes (cash and fixed interest securities) and a 90% allocation to growth asset classes (property securities and shares).

Actual allocations are permitted to deviate from the strategic asset allocations provided they remain within the ranges in the table below. The strategic asset allocation benchmarks and asset allocation ranges may be varied, and new asset classes may be introduced from time to time.

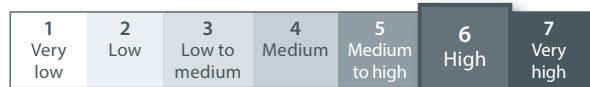
Minimum time horizon

7 years

Distribution frequency

Quarterly (Investment Portfolio only)

Standard Risk Measure



For more information on Risk Profile, see the Standard Risk Measure on page 20.

Asset allocation

Asset class	Benchmark (%)	Range (%)
Australian cash	0	0–2
Australian fixed interest	3	1–5
International fixed interest (hedged)	7	5–9
Australian shares	36	34–38
International shares	26.5	24.5–28.5
International shares (hedged)	16	14–18
International small companies	6.5	4.5–8.5
Emerging markets shares	5	3–7

Underlying investments are managed by Vanguard

Investor Profile 5 – High growth – Infrastructure

Colonial First State Global Listed Infrastructure

Investment objective

The fund aims to deliver capital growth and inflation protected income by investing in a globally diversified portfolio of infrastructure securities. The fund aims to outperform the FTSE Global Core Infrastructure 50/50 hedge AUD index over rolling three year periods before fees and taxes.

Description

The fund is suitable for investors seeking exposure to a globally diversified portfolio of infrastructure securities and who are prepared to accept a higher variability of returns.

Investment strategy

The fund invests in shares of infrastructure companies around the world. The infrastructure sector includes operating assets from the transport, utilities, energy and communications sectors. The assets held by these companies typically offer high barriers to entry, pricing power, and structural growth. The strategy is based on active, bottom-up security selection which seeks to identify mispricing. The fund seeks to minimise risk through on-the-ground research, focus on quality and sensible portfolio construction. This fund aims to hedge its currency exposure.

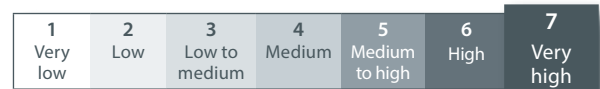
Minimum time horizon

7 years

Distribution frequency

Half-yearly (Investment Portfolio Only)

Standard Risk Measure



For more information on Risk Profile, see the Standard Risk Measure on page 20.

Asset allocation

Asset class	Benchmark (%)	Range (%)
Cash	0	0–10
Infrastructure Securities	100	90–100

Underlying fund: Colonial First State Global Listed Infrastructure Securities Fund – Class A.

RARE Infrastructure Value

Investment objective

The fund aims to provide investors with regular and stable income, comprised of dividends, distributions and interest plus capital growth from a portfolio of global infrastructure securities. The fund targets an absolute annual return of 5.5% above the OECD G7 Inflation rate.

Description

The fund is suitable for investors seeking regular and stable income and capital growth from a portfolio of global listed infrastructure securities. The fund is suitable for investors who are prepared to accept higher variability of returns.

Investment strategy

RARE intends to invest the assets of the fund in securities which offer positive absolute returns, rather than selecting securities because they are included in a particular industry standard index. The portfolio is comprised of 30–60 stocks drawn from an investment universe of over 200 stocks under research by our team. The assets of the companies in which we invest are predominately located in developed markets, but we can invest up to 25% of the portfolio in infrastructure securities in developing markets.

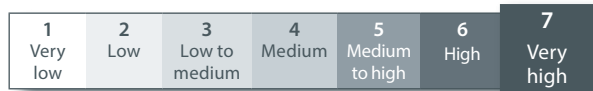
Minimum time horizon

5 years

Distribution frequency

Generally quarterly (Investment Portfolio only)

Standard Risk Measure



For more information on Risk Profile, see the Standard Risk Measure on page 20.

Asset allocation

Asset class	Benchmark (%)	Range (%)
Cash	n/a	0–20
Global listed infrastructure securities	n/a	80–100
Unlisted infrastructure	n/a	n/a

Underlying fund: RARE Infrastructure Value Fund – Hedged. Legg Mason Asset Management Australia Limited, as responsible entity of the underlying fund, has appointed RARE Infrastructure Limited as the investment manager of the underlying fund. In limited circumstances, the fund, may invest in securities which are not yet listed on a securities exchange but are expected to be listed within the next 12 months.

For the latest investment returns for
OneAnswer go to onepath.com.au

OTHER INFORMATION

ANZ TERM DEPOSITS THROUGH ONEANSWER

The following information applies to the ANZ Term Deposit options available through OneAnswer. There are a number of special features and conditions that apply to each option. You should read the following information carefully before investing and speak to your financial adviser.

What is the minimum investment?	<p>A minimum of \$1,000 applies to each option in ANZ Term Deposits.</p> <p>When investing in an ANZ Term Deposit option, you will be required to also be invested in another OneAnswer fund other than an ANZ Term Deposit. We suggest that a maximum of 70% of the total account balance in OneAnswer is invested in ANZ Term Deposits.</p> <p>Holding another investment fund will ensure that there are sufficient fund's outside of ANZ Term Deposits to pay for deductions that may be applicable to your OneAnswer account. For example, these may include adviser service fees, other fees and charges, insurance premiums, pension payments or taxes.</p> <p>This suggested maximum will help you manage your ANZ Term Deposits to avoid early withdrawals. Refer to the section 'Early Withdrawal Adjustment' on page 80 of this guide.</p>
How do I invest and switch in?	<p>Investing in ANZ Term Deposits can be done by selecting from one of the six available terms in the relevant OneAnswer Application Form.</p> <p>Existing investors in OneAnswer can invest by completing an Additional Investment Form* or by selecting from one of the six available terms in the OneAnswer Switch Request Form.</p> <p>If you commence a OneAnswer Personal Super account with multiple transfers/rollovers and intend to invest in one or more ANZ Term Deposits as part of the initial investment, the following will apply:</p> <ul style="list-style-type: none">• The proportion of the initial investment that is to be invested in an ANZ Term Deposit option will be automatically invested in ANZ Cash Advantage until all investments are received. Each transfer/rollover will be invested proportionately across ANZ Cash Advantage and the remaining investment fund's as requested on the application form.• Once all transfers/rollovers are received by us, we will switch the requested amount from ANZ Cash Advantage to the ANZ Term Deposit option indicated in the application form. The interest rate that applies to the ANZ Term Deposit will set on the date of the switch transaction. <p>If a switch or additional investment is made into an ANZ Term Deposit for the same term as an existing ANZ Term Deposit then a new ANZ Term Deposit will be established. The prevailing interest rate at the time of the switch or investment will apply.</p> <p>Details of the interest rate and maturity date applicable to your term deposit investment will be available online via Account Access at onepath.com.au Current interest rates are available online at onepath.com.au > performance & updates > Current interest rates or by contacting Customer Services.</p>
How is interest calculated?	<p>Interest is payable at maturity for the 3, 6 and 12 month ANZ Term Deposit options. For terms greater than 12 months interest is paid annually on the anniversary start date of the ANZ Term Deposit and at maturity. Interest is calculated daily on your ANZ Term Deposit using the following formula:</p> $\text{Interest} = \text{Deposit balance} \times \text{Interest rate (p.a.)} \times (\text{Term in days} \div 365).$ <p>'Term in days' is calculated including the day you start your ANZ Term Deposit but excluding the day your term deposit matures.</p> <p>For OneAnswer Personal Super, interest earned will be determined after taking into account tax payable by superannuation fund's, currently up to 15%.</p> <p>For OneAnswer Investment Portfolio interest will be paid after the deduction of withholding tax if you have not supplied a TFN or ABN or are a non-resident.</p>

* Pension investors cannot make additional investments.

How is interest paid?	<p>All interest payments at maturity and annually will be automatically deposited into the ANZ Cash Advantage fund offered through OneAnswer. We will automatically establish this investment fund for you at the time interest is paid. By investing in ANZ Term Deposits, you authorise us to establish a holding in ANZ Cash Advantage to permit payments of earned interest and, where applicable, principal.</p> <p>As the terms and conditions of the ANZ Cash Advantage fund differ from those of the ANZ Term Deposit options you should refer to the information on ANZ Cash Advantage contained in the PDS and incorporated material.</p> <p>Once interest has been paid to ANZ Cash Advantage you can then access your interest through a normal switch or withdrawal process or leave it invested in ANZ Cash Advantage.</p>
How is the maturity date calculated?	<p>The maturity date is calculated from the date of the initial investment plus the term selected (in months). For example, if a 3 month ANZ Term Deposit commenced on 12 September 2013, the maturity date will be 12 December 2013.</p>
What happens to my ANZ Term Deposit at maturity?	<p>We will send you a Maturity Reminder letter approximately one month prior to your term deposit's maturity date unless you have already requested the term deposit to be paid into ANZ Cash Advantage at maturity. At this time you will be required to advise us of your maturity instructions. There are two options available to you:</p> <ul style="list-style-type: none"> • Reinvest the principal into a new ANZ Term Deposit, with the same investment term. This will result in the commencement of a new term deposit. The prevailing interest rate on the date of maturity* will apply. If we do not receive a response to the Maturity Reminder letter before the date of maturity, you instruct us to reinvest the principal of the proceeds of the ANZ Term Deposit that has reached maturity in this way. The interest will be paid to the ANZ Cash Advantage fund. • Switch the principal out of the ANZ Term Deposit. The principal and final interest payment will be paid into ANZ Cash Advantage within OneAnswer. You can then access your principal and interest through a normal switch or withdrawal process or leave the investment in ANZ Cash Advantage. <p>We can accept maturity instructions on your ANZ Term Deposit until 12 noon (AEST) at least two business days prior to the maturity date.</p> <p>* The interest rates applicable to your new ANZ Term Deposit may vary from the interest rate that applied to your matured ANZ Term Deposit. Current interest rates are available by contacting Customer Services.</p>
What happens if I withdraw prior to maturity?	<p>To access monies invested in the ANZ Term Deposit prior to maturity, the entire deposit must be withdrawn. An Early Withdrawal Adjustment will apply to deposits withdrawn prior to maturity. Refer to 'Early Withdrawal Adjustment' on page 80 of this guide. In the event of an early withdrawal, proceeds from your ANZ Term Deposit will be invested in the ANZ Cash Advantage fund within OneAnswer. You can access your principal and paid interest through a normal switch or withdrawal process or leave the investment in ANZ Cash Advantage.</p> <p>A withdrawal of your ANZ Term Deposit can be done by completing an ANZ Term Deposit Break Form which is available by contacting your financial adviser or by contacting Customer Services.</p>
What interest rate will apply?	<p>The interest rate that applies to your investment in an ANZ Term Deposit will be determined by the date we receive your correctly completed Application Form, Additional Investment Form or Switch Request Form. Where an amount is automatically reinvested upon the maturity of an ANZ Term Deposit, the interest rate applied to the new ANZ Term Deposit will be that prevailing on the date the previous ANZ Term Deposit matured.</p> <p>A request received prior to 12 noon (AEST) on a business day (excluding weekends and public holidays) will receive the rate applicable for that day. Current interest rates are available at onepath.com.au > performance & updates > Current interest rates or by contacting Customer Services.</p> <p>For OneAnswer Personal Super, interest earned will be determined after taking into account tax payable by superannuation fund's, currently up to 15%.</p>
How are pension payments made? (applicable to OneAnswer Pension only)	<p>Pension payments are not able to be made from ANZ Term Deposits. It is important that you ensure that there will be sufficient fund's to meet your pension payments from other investment fund's otherwise we may need to break your ANZ Term Deposit early and an Early Withdrawal Adjustment will apply.</p>
What happens if I transfer my investments between OneAnswer Personal Super and OneAnswer Pension accounts? (not applicable to OneAnswer Investment Portfolio)	<p>If you transfer the full balance of an investment in an ANZ Term Deposit option from OneAnswer Personal Super to OneAnswer Pension, the term deposit will transfer over to the new account retaining the interest rate and maturity date without an Early Withdrawal Adjustment being applied. This means the commencement date for the term deposit will be carried over for transfers between OneAnswer Personal Super and Pension accounts.</p> <p>At the point of transfer, any accrued earnings tax that applies to your investment in OneAnswer Personal Super will be calculated and deducted from the other investment fund's held prior to transferring to OneAnswer Pension.</p> <p>A partial transfer of an ANZ Term Deposit option is not possible and will result in an Early Withdrawal Adjustment.</p>

Managing your account and investments in ANZ Term Deposits

Due to the fixed terms that apply to ANZ Term Deposits, there are some OneAnswer features which will be restricted to avoid withdrawals prior to maturity.

Furthermore, any fees (including fees for advice), charges, insurance premiums and pension payments (if applicable) must be paid from the other investment fund's held in your OneAnswer account. By investing in ANZ Term Deposits, **you instruct us to break your ANZ Term Deposits as required** to pay any fees and charges payable by you, including a request for payment from the Australian Taxation Office, if there are insufficient fund's in your non-ANZ Term Deposit investment fund's to meet these payments and deductions. We will advise you when the allocation to ANZ Term Deposits within your OneAnswer account is greater than 85%.

The following functionality that is currently offered for OneAnswer cannot be used in relation to ANZ Term Deposits:

- Auto Rebalancing.
- Dollar Cost Averaging.
- Regular Draw down Plan (not applicable to OneAnswer Personal Super or Pension).
- Regular Investment Plan (not applicable to OneAnswer Pension).

Other information (applicable to OneAnswer Investment Portfolio only)

ANZ Term Deposits will not operate like other funds through OneAnswer where monies are pooled together and you receive income in proportion to your holding in the overall fund. In ANZ Term Deposits, you will have complete beneficial interest to your ANZ Term Deposit investment and you will receive income and pay tax as if you held the term deposit directly with ANZ. Please speak to your adviser about your tax obligations.

EARLY WITHDRAWAL OF YOUR ANZ TERM DEPOSIT

If you withdraw your investment in an ANZ Term Deposit option prior to maturity, the interest payable will be reduced. We refer to this reduction as an 'Early Withdrawal Adjustment'. We will not adjust the interest payable if an early withdrawal is requested in the event of death of the investor.

Early Withdrawal Adjustment

The interest reduction will depend on the percentage of the original term that has elapsed, as outlined in the table below:

Percentage of term elapsed	Interest reduction
0 to less than 20%	90%
20% to less than 40%	80%
40% to less than 60%	60%
60% to less than 80%	40%
80% to less than 100%	20%

For OneAnswer Personal Super investors a tax deduction is generally available for any Early Withdrawal Adjustment that may be charged on a break of a Term Deposit. You may receive the benefit of any applicable tax deduction that is available in your account balance.

If you transfer your ANZ Term Deposit from OneAnswer Personal Super to OneAnswer Pension, and then request an early withdrawal from that ANZ Term Deposit, any tax deduction associated with the Early Withdrawal Adjustment may be retained by OnePath Life.

Withdrawal proceeds

For early withdrawals from an ANZ Term Deposit with terms less than 12 months, the amount you receive will be equal to:

- your principal on deposit, plus
- interest that has accrued to the date of your withdrawal, less
- the amount calculated as an Early Withdrawal Adjustment.

Example: \$10,000 investment into a 12 month ANZ Term Deposit offering 5% interest p.a.

You deposit \$10,000 in an ANZ Term Deposit with a 12 month investment term in OneAnswer Personal Super. The fixed interest rate is 5% p.a. Assuming you hold the full deposit to maturity, the total interest payable to your ANZ Cash Advantage is \$500 ($\$10,000 \times 5\%$).

If your ANZ Term Deposit is withdrawn after 6 months, the percentage of the term elapsed is 50%, therefore, a reduction of 60% is applied in this case; and

- Interest accrued for time invested is \$250.68 or $(\$10,000 \times 5\%) \times 183 \div 365$; and
- Early Withdrawal Adjustment after the 15% tax deduction is \$127.85 or $(\$250.68 \times 60\% \times 0.85)$

Therefore, the total interest paid is \$122.83 or $(\$250.68 - \$127.85)$.

The total withdrawal proceeds are \$10,122.83 or $(\$10,000 + \$250.68 - \$127.85)$ before earnings tax.

Note: This example is illustrative only and is not indicative of future performance.

For 2, 3 and 5 year ANZ Term Deposit options, if the deposit is broken after an annual interest payment has been credited but before maturity, the following amounts will be compared:

- a) interest earned taking into account the Early Withdrawal Adjustment for the period (from the start date of the term deposit until the date your term deposit is broken), and
- b) the interest payments already credited to ANZ Cash Advantage on the anniversary.

If a) is less than b), the difference will be deducted from the principal.

If a) is greater than b), the difference will be paid in addition to the principal.

Where the Early Withdrawal Adjustment is greater than any accrued interest, the net amount will be deducted from your initial principal invested.

The full withdrawal of your ANZ Term Deposit prior to maturity will be confirmed in a Switch Confirmation letter that will be sent to you.

Example: \$100,000 investment into a 2 year ANZ Term Deposit offering 5.5% p.a.

You deposit \$100,000 in an ANZ Term Deposit with a 2 year investment term in OneAnswer Pension. The fixed interest rate is 5.5% p.a. Assuming you hold the full deposit to maturity, the total interest payable to your ANZ Cash Advantage fund is \$11,000 ($\$100,000 \times 5.5\% \times 2\text{yrs}$).

If your ANZ Term Deposit is withdrawn after 13 months, the percentage of the term elapsed is 54%, therefore a reduction of 60% is applied.

- Interest paid in first year is \$5,500 or ($\$100,000 \times 5.5\%$)
- Interest accrued in 2nd year is \$467.12 or ($(\$100,000 \times 5.5\%) \times (31/365)$)
- Early Withdrawal Adjustment is \$3,580.27 or ($(\$5,500 + \$467.12) \times 60\%$)

Therefore, the total withdrawal proceeds are **\$96,886.85** or ($\$100,000 + \$467.12 - \$3,580.27$)

Including the \$5,500 of interest earned in the first year, the total amount returned on the \$100,000 investment is **\$102,386.85**

Note: This example is illustrative only and not indicative of future performance.

ONEPATH GEARED AUSTRALIAN SHARES INDEX

OnePath Geared Australian Shares Index invests in an underlying fund that utilises a gearing strategy to increase its exposure to Australian shares.

What is gearing?

Gearing is the process of borrowing money to purchase more assets. Gearing can increase gains in a rising market but can also increase losses in a declining market.

Underlying investment

The fund invests into OnePath Wholesale Geared Australian Shares Index Trust (Wholesale Trust). The Wholesale Trust borrows money and then invests capital and borrowings in Australian shares according to the Wholesale Trust's investment strategy.

Benefits

The benefits of investing in OnePath Geared Australian Shares Index include:

- magnified returns (less any interest and other borrowing costs)
- borrowing at favourable institutional interest rates compared to interest rates available to individuals
- potential for increased franking credits as a result of higher investment in Australian shares
- gearing level is managed by professionals
- access to gearing for superannuation investors.

Managing the gearing level of the Wholesale Trust

The Wholesale Trust aims to magnify returns through gearing. An important objective is to limit gearing to the level supported by expected dividends and borrowing costs. The aim is to set the gearing ratio from time to time so that income earned from the Wholesale Trust covers interest payments. As a result, the gearing ratio is impacted by the relationship between dividend yields and average borrowing rates. For example, when interest rates are high, relative to dividend yields, the gearing ratio may be relatively low, and vice-versa.

The Wholesale Trust has a targeted gearing ratio of 50%. This means that for every \$1 invested, the Wholesale Trust borrows another \$1 to increase the investment to \$2. Due to market volatility, the gearing ratio may change and may exceed the targeted gearing ratio.

Lending Arrangements

The gearing of the Wholesale Trust is currently implemented through a loan facility provided by a related entity of the responsible entity of the Wholesale Trust, which is also a related entity of the Trustee. The responsible entity of the Wholesale Trust may from time to time, use other methods to raise additional funds for investment. The lender will receive interest payments and other fees appropriate for providing such facilities. These amounts will be paid by the Wholesale Trust, and this will be reflected in the Wholesale Trust's returns, and ultimately, the returns of OnePath Geared Australian Shares Index.

The costs of borrowing are determined by a reference rate (margin above) the Bank Bill Swap Rate (BBSW) for the relevant interest period. Fluctuations in the BBSW result in fluctuations in the cost of borrowing for the Wholesale Trust. These costs are offset against income earned by the Fund. Instead of receiving a management fee, the responsible entity of the Wholesale Trust can receive units in the Wholesale Trust.

Risks

Gearing involves a number of risks. While a gearing strategy can magnify potential gains, it can also magnify potential losses as it increases the volatility of returns.

The following examples illustrate the way in which gearing can affect investment gains and losses in comparison to a fund that is not geared. The examples are for illustrative purposes only and are not intended to be indicative of the actual performance of the fund.

As the examples show, a 10% rise (or fall) in the market value of assets in an ungeared fund could translate into a 20% rise (or fall) in the value of the same portfolio in a geared fund with a gearing level of 50%. The examples exclude any borrowing costs or fund management costs, which would have the effect of reducing returns, whether positive or negative.

	Geared	Ungeared
Initial Investment	\$5,000	\$5,000
Fund gearing level	50%	0%
Amount borrowed by fund	\$5,000	\$0
Amount invested in market	\$10,000	\$5,000
If the value of the fund's assets rises by 10%		
Rise in the value of fund's assets	\$1,000	\$500
Value of fund's assets	\$11,000	\$5,500
Outstanding loan	\$5,000	\$0
Value of Investment (net of loan)	\$6,000	\$5,500
Gain on Investment	\$1,000	\$500
Return %	20%	10%
If the value of the fund's assets falls by 10%		
Fall in the value of fund's assets	-\$1,000	-\$500
Value of fund's assets	\$9,000	\$4,500
Outstanding loan	\$5,000	\$0
Value of Investment	\$4,000	\$4,500
Loss on Investment	-\$1,000	-\$500
Return %	-20%	-10%

For more information about the risks involved in a gearing strategy, please refer to page 7 of this guide.

OTHER FUNDS WHICH EMPLOY GEARING

Other funds such as (but not limited to) the OptiMix Global Shares fund and OptiMix Australian Shares fund may undertake forms of gearing through employing long/short fund managers.

INVESTMENT FUNDS THAT INVEST VIA UNDERLYING SWAPS

OptiMix and OnePath investment funds – alternative asset exposure

The investment funds listed below (referred to in this section as the Funds) have an exposure to alternative assets through underlying fully funded total return swap (Swap) arrangements:

- OptiMix Balanced
- OptiMix Conservative
- OptiMix Growth
- OptiMix High Growth
- OptiMix Moderate
- OnePath Conservative
- OnePath Balanced
- OnePath Active Growth
- OnePath High Growth
- OnePath Capital Stable
- OnePath Managed Growth.

The objective of the alternative asset exposure is to provide three key benefits, being: increased diversification, improved performance and reduced correlation to traditional assets such as world stock markets. This means that when other markets are falling these assets may provide a hedge within the portfolio.

The counterparty to these underlying Swaps is our related body corporate, ANZ Wealth Alternative Investments Management Pty Limited (Counterparty). Like us, the Counterparty is a wholly owned subsidiary of ANZ Group.

Each of the Funds achieves its alternative asset exposure by investing into one or more funds (referred to in this section as Alternative Investment Funds), for which we act as trustee (referred to in this section as Alternative Investment Funds Trustee). As Alternative Investment Funds Trustee, we then enter into the Swaps with the Counterparty.

Swap arrangements

A fully funded total return swap is a derivative contract where one party (in this case the Alternative Investment Funds Trustee) makes a lump sum payment to another person (in this case the Counterparty) in return for the Counterparty paying the investment return on an underlying 'basket' or portfolio of assets.

The Swaps are described as 'fully funded' total return swaps because we pay an upfront amount to the Counterparty. In return, the Counterparty makes payments to the trustee of the Alternative Investment Funds that reflect the returns (if any) on the alternative assets 'referenced' by the Swaps.

Like any contract, the Swaps are subject to certain early termination events, including:

- failure to make payments when they become due
- insolvency of either party to the Swap
- the occurrence of an event that makes part of the Swap agreement unable to be performed due to causes that are outside the control of the parties, such as natural disasters or
- where a change in law renders the Swaps ineffective or illegal.

The Counterparty will physically invest in the basket or portfolio of alternative assets 'referenced' by the Swaps in order to manage the risk that it becomes unable to meet its payment obligations under the Swaps.

OPTIMIX GLOBAL EMERGING MARKETS SHARES AND GLOBAL SHARES FUNDS

The OptiMix Global Emerging Markets Shares and OptiMix Global Shares Funds may invest in Equity Swaps.

What is an Equity Swap?

An Equity Swap is a derivative contract between two parties that allows each party to exchange future cash flows based on movements in value of different underlying assets.

Investment in the swaps aims to hedge the volatility from certain equity market exposures within each of the funds. In this instance both funds will have access to the expected outperformance of selected country or regional fund managers while at the same time limiting the normal risk associated with these markets.

The risks associated with the equity swap are counterparty risk and currency risk. Counterparty risk is the risk the counterparty will not be able to pay the profit due to OnePath under the swap contract. OnePath has selected a suitable counterparty. Currency risk is the risk that currency movements of either side of the swap will adversely affect the return in Australian dollars.

The swaps are usually entered into with an investment bank as an unsecured creditor. Therefore, a small proportion of the fund (amounting to the unrealised profit in the swap) may be exposed to the risk that the counterparty defaults.

Counterparty risk is assessed by evaluating the quality of the counterparty, including their financial position and performance.

In addition, OnePath has in place appropriate risk management procedures for monitoring the swap's operation.

All fees associated with the Swap such as the Swap fee, administration charges and any transaction charges, are included as an expense within the Swap. This means that investment returns produced from the Swap are net of fees and expenses.

ONEPATH CAPITAL STABLE

OnePath Capital Stable offered through OneAnswer Personal Super offers a guarantee.

For units held for at least three years, the unit price used to calculate the withdrawal amount is guaranteed by us not to be less than the highest unit price on any day between the date units were issued and three years before the date of withdrawal. If units are held for less than three years, this guarantee will be 80% of the price at which the units were issued. If units withdrawn are comprised of units issued both more and less than three years before the date of withdrawal, the calculation of the guarantee will take into account the age of the units to be withdrawn.

Except to the extent that has been stated:

- an investment in OneAnswer is not guaranteed
- the value of your investment can rise and fall.

WHAT STANDARDS DO WE ADHERE TO WHEN INVESTING?

OnePath Funds Management does not take into account labour standards, environmental, social or ethical considerations for the purpose of selecting, retaining or realising investments. Such factors are also not considered when selecting fund managers and the investment funds to be made available through this product.

Environmental, social and governance considerations

With the exception of OnePath Sustainable Investments – Australian Shares (managed on behalf of OnePath by UBS Asset Management (Australia) Ltd), labour standards and environmental, social and ethical considerations are generally not a consideration, and there are many other factors that OnePath, OptiMix and the other underlying managers take into account when deciding whether to select, retain or realise an investment.

ONEPATH SUSTAINABLE INVESTMENTS – AUSTRALIAN SHARES

UBS Asset Management (Australia) Ltd became a signatory to the United Nations Principles for Responsible Investment (UNPRI) in April 2009. This is a global investor initiative that is designed to provide a framework for better integration of environmental, social and governance (ESG) issues into mainstream investment practice. The approach to ESG issues necessarily varies across the firm and, to some extent, across countries/regions according to local market customs and client needs.

Sustainability factors which may be considered when identifying investments for the OnePath Sustainable Investments – Australian Shares can be grouped into four key categories:

- environment factors, such as environmental strategy and planning, environmental risk assessment systems, and industry specific items
- human capital, such as labour relations, health and safety, and workplace practices
- stakeholder capital, such as relations with regulators, suppliers, customers and local communities
- strategic governance, including traditional governance concerns such as board composition and independence, and corporate social responsibility strategy.

These factors are combined with a rigorous process that includes financial analysis, portfolio construction and integrity checking of included data.

PERPETUAL ETHICAL SRI

Environmental, social and ethical factors and labour standards

Perpetual is a signatory to the United Nations-supported Principles for Responsible Investment (PRI). PRI signatories undertake to consider environmental, social (including labour standards) and corporate governance (ESG) factors in their investment decision-making and ownership practices.

Perpetual Ethical SRI fund

Perpetual evaluates companies that meet the investment approach on a range of environmental, social and ethical issues to determine their suitability for inclusion/retention in, or divestment from, this Fund's portfolio. We seek to invest in quality companies that have satisfied our range of ethical, environmental and socially responsible investment criteria.

There are two main steps to the process, namely ethical exclusions and socially responsible investments (SRI) screening, utilising research from external specialists.

Ethical exclusions

We don't invest in companies that derive a material proportion of their revenue from the manufacture or sale of alcohol or tobacco, the operation of gambling facilities or the manufacture of gambling equipment, coal seam gas or uranium extraction or the manufacture of weapons or armaments.

SRI screening

Companies remaining after the ethical exclusions are then subject to an SRI screening to evaluate how their business practices impact society and the environment. The SRI screening involves three steps:

1. **Negative scoring:** Companies are rated on their negative environmental or social impacts and practices in relation to a number of criteria including human rights, labour standards, the environment, corporate governance, animal rights and genetically modified organisms.
2. **Positive scoring:** Companies are rated on their positive environmental or social impacts and practices in relation to a number of criteria including renewable energy, waste, ethics, environmental improvement and charity commitment.
3. **Universe inclusion:** Scores from all negative and positive screens are then combined. Companies with negative total scores are excluded while other companies become allowable investments. The Fund's investments are regularly reviewed to determine whether they continue to pass the ethical SRI screening process when updated information is received. If we become aware that the Fund is invested in a company that no longer passes the ethical SRI screening process, the investment will be sold as soon as practical, in an orderly, price-sensitive manner.

Where a company is not covered by our research provider we may invest in the stock (following preliminary internal analysis) until coverage is initiated. Should the stock fail the screening process when coverage commences the stock will be sold as described above.

In rare circumstances where an issue that has caused an exclusion deemed to be minor we may override the exclusion for that issue, or for a period of time while the company rectifies the issue. These decisions are made independently of the Fund's portfolio manager to ensure conflicts of interest do not occur.

Emerging issues are monitored to ensure that the screening criteria remains relevant and in the spirit of the Fund. From time to time, and with the advice of our research provider, we may alter the screening criteria to take account of these emerging issues. We may engage with companies that are at risk from emerging issues to encourage them to consider the issue and improve their practices. We can modify the screening process for Perpetual Ethical SRI fund at any time.

STEWART INVESTORS WORLDWIDE SUSTAINABILITY

At Stewart Investors we have a strong conviction that the sustainable development positioning of companies is playing an increasingly important role in determining long-term shareholder returns for all companies in both developed and developing markets. By launching dedicated sustainable development funds we are able to offer investors distinctive investment opportunities with an explicit focus on this theme. In order to tackle the challenge of sustainable development, both developed and developing countries will have to shift from a resource-intensive, consumption-driven, debt-dependant model of development and growth towards a more sustainable one. This means using natural and financial resources wisely and in a way that promotes long-term economic, social and personal well-being.

When we say that sustainable development is a driver of our investment philosophy, we mean we take a bottom up approach (primarily assessing individual companies rather than an industry when making an investment decision) to finding and investing in good quality companies that are well positioned to contribute to, and benefit from, sustainable development in the countries in which they operate, be they developed or developing. We have a strong conviction that such companies face fewer risks and are better placed to deliver positive long-term, risk-adjusted returns (an investment's return taking into account how much risk, as defined as the possibility of losing money, is involved in producing that return) to shareholders.

All Stewart Investors funds are guided by the same investment philosophy. At the heart of this philosophy is the principle of stewardship. Our sustainable funds group applies this philosophy with an added emphasis on sustainable development considerations. There is a considerable overlap between the companies held by the sustainable funds and those held across other portfolios at Stewart Investors. The main difference is that the sustainable funds group takes the consideration of ESG (environmental, social and governance) risks a step further by focusing on long term sustainability themes as key drivers of long-term investment performance. We aim to dig deeper and pull out from our list of favourite companies those with the very best long-term sustainability positioning. We have been running the sustainable funds for over ten years and believe the approach to be a way to enhance a rigorous proven investment philosophy.

Sustainability factors are fully integrated as key component within the Stewart Investors World Sustainability Fund's investment process, and viewed as a driver of returns in common with consideration of other investment elements.

There are four key stages:

Step 1: Company Classification

The first part of our investment process could be described as starting with a blank sheet of paper and trying to find high quality companies in which to invest. Our search for quality companies is heavily influenced by our thinking on the sustainable development challenge outlined above. We are not looking to 'cover' the 60-odd thousand companies in our investment universe, rather just looking to find 30-70 attractive long-term investment ideas for each of our clients' portfolios. We do not have sector or country analysts; we are all generalists and we are all charged with identifying good quality companies to invest in. We find it useful as a first step to classify potential investment opportunities into one of the three following categories:

1. Sustainable goods and services
2. Responsible finance
3. Required infrastructure

Step 2: Quality Assessment

Perhaps the single most important step in our investment process is to assess the overall quality of each company. We aim to identify and invest in those companies most likely to fulfil their long-term sustainable development potential and avoid those companies most likely to fall by the wayside over time. Many companies that appear to be well positioned in terms of their sustainable development positioning can struggle to fulfil their potential over time because they are fundamentally poor quality businesses or are run by poor quality management teams.

We are looking to identify 30-70 good quality companies to which we can allocate our clients' capital for the long-term. We assess three aspects of quality and analyse both qualitative and quantitative factors in order to build a comprehensive picture of a company's overall quality:

- Quality of management
- Quality of the franchise
- Quality of the financials

Companies that meet our criteria are included on our quality list. Typically there are 300 companies on our quality lists at any point in time, and the list evolves continually as we refine our views on companies and build conviction.

Step 3. Valuation and Portfolio Construction

- Valuation

We analyse a broad range of valuation metrics to come up with a sensible estimate of what a share is worth over time to us as long-term investors. ESG issues are factored into our assessment of overall quality and growth, which in turn drives our valuation methodology in terms of earnings forecasts and the price we are prepared to pay for any given stream of cash flows. We undertake a range of different valuation techniques based on earnings, cash flows, book value, replacement cost and physical metrics.

For many companies there is no price at which we are prepared to allocate our clients' capital. No matter how cheap a company's stock is, the downside is always one hundred per cent. For companies facing stiff sustainable development headwinds, or specific ESG challenges, earnings and cash flows can disappear very quickly. For companies that pass our quality criteria, we set our own fair market values (the price we would be willing to pay for a share in a company) based on both qualitative and quantitative analysis. We have no proprietary valuation methodologies.

Once we purchase a share in a business on behalf of our clients (which often will include our team members as they are unit holders of some of the funds which we manage), we spend a significant amount of time engaging with the management team of the company. The most difficult challenge for us as stock pickers is not identifying what a share is worth, but rather making the difficult decision to sell our favourite companies if they reach our fair market value. Given the volatility of stock markets, we face this challenge more often than we would like.

- Portfolio construction

We aim to invest in sensibly priced, high quality companies that can deliver sustainable earnings per share growth. We believe selecting companies that display these features is the most important factor in producing consistent, attractive long-term performance for our investors. As our portfolios are constructed using a bottom-up approach (primarily assessing individual companies rather than an industry when making an investment decision), we expect the majority of our performance to come from stock selection. With the exception of the limitations imposed by our portfolio construction parameters, our allocations to countries, currencies and sectors are a residual of our underlying stock selection process.

We manage conviction-based portfolios (every company is hand selected to be in the portfolio, we do not follow a benchmark or index when purchasing or selling companies within a portfolio), so it is usual for the top ten investments to account for 30-40% of the portfolio. Our stock allocations reflect the relative risk/reward of each of our companies, subject to liquidity and risk all our portfolios are constructed with a long-term investment horizon.

Step 4. Invest, monitor and engage

- External portfolio verification

Every six months our sustainable fund portfolios are assessed by an external service provider to ensure that each company we hold meets the global norms for best business practices. These are internationally agreed standards for business, including the UN Human Rights Norms for Businesses and the UN Global Compact Principles. Companies are flagged using a traffic light system – green, amber (monitor/potential issue) and red (engage/exit).

Given our rigorous investment process with its emphasis on quality, and the external verification process described above, we would be extremely disappointed if more than a very small number of stocks in our portfolios were ever to be flagged amber or red. We would not necessarily treat this as an automatic trigger to sell our holding, but would consider the particular issue and the extent to which it undermined the investment case.

- Monitor

While we are long-term in our approach, we continually monitor the companies we own to understand any changes to their strategies, relevant sector or market related changes and impacts, and movements in their share prices. We do this by meeting companies, visiting their offices and doing a periodic Retesting of the Investment Case Exercise (RICE). When we do a RICE we analyse the financials, check for changes in management and governance and ensure there have been no material changes to the strategy. We also review our ten year Fair Market Value estimate (the price we would be willing to pay for a share in a company on a ten year view) and our company engagement roadmap.

- Engagement

We devote a significant amount of time to engaging with the management teams of the companies in which we invest. We set out the key things we would like to achieve and see change, and how we intend to try and influence change, in our company engagement roadmaps. We engage on a wide range of issues including strategy, governance, alignment of interests and reputation. We engage for two primary reasons.

First, we believe that the purchase of a share in a business comes with both rights and responsibilities. Should one of our companies fail to meet international best practices on the environment, human rights or social issues, we believe we have a responsibility, as part owners of the business, to engage with senior management to persuade them to address the issue, rather than divest immediately. Withdrawing capital is a last resort.

Second, we see governance issues as investment issues. Positive engagement on governance issues becomes a powerful tool in driving shareholder value and protecting and enhancing the value of our portfolios.

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WHAT INVESTMENT FUNDS ARE OFFERED THROUGH ONEANSWER?

Multi-manager investment funds

Investment fund	Page
Investor Profile 2 – Conservative	
OnePath Capital Stable (OnePath Stable in OneAnswer Pension) [†] (not available through OneAnswer Frontier)	26
OnePath Conservative*	26
OptiMix Australian Fixed Interest	27
OptiMix Conservative	27
Investor Profile 3 – Moderate	
OnePath Balanced	28
OptiMix Moderate	28
Investor Profile 4 – Growth	
OnePath Active Growth	29
OnePath Managed Growth	29
OptiMix Balanced	30
OptiMix Growth	30
Investor Profile 5 – High growth	
Property	
OptiMix Property Securities	31
Australian shares	
OptiMix Australian Shares	31
Global shares	
OptiMix Global Emerging Markets Shares	32
OptiMix Global Shares	32
OptiMix Global Smaller Companies Shares	33
Multi-sector	
OnePath High Growth	33
OptiMix High Growth	34

Single manager investment funds

Investment fund	Page
Investor Profile 1 – Defensive	
ANZ Cash Advantage	41
ANZ Prime Cash Management Account (OneAnswer Pension only)	41
ANZ Term Deposits	42
Investor Profile 2 – Conservative	
BT Monthly Income Plus	42
Kapstream Absolute Return Income	43
OnePath Diversified Fixed Interest	43
Perpetual Conservative Growth	44
Schroder Fixed Income	44
UBS Diversified Fixed Income	45
Vanguard Conservative Index	45
Vanguard Diversified Bond Index	46
Investor Profile 3 – Moderate	
Colonial First State Global Credit Income	46
Janus Henderson Global Fixed Interest Total Return	47
Schroder Real Return	47
T. Rowe Price Dynamic Global Bond	48
UBS Defensive	48
Vanguard Balanced Index	49
Investor Profile 4 – Growth	
Bentham Global Income	49
BlackRock Balanced [†]	50
BlackRock Scientific Diversified Growth	51
OnePath Alternatives Growth	51
OnePath Diversified High Yield	52
OnePath Tax Effective Income	52
Perpetual Balanced Growth	53
Schroder Balanced	53
UBS Balanced	54
Vanguard Growth Index	54

Single manager investment funds – continued

Investment fund	Page
Investor Profile 5 – High growth	
Property	
OnePath Global Property Securities Index	55
OnePath Property Securities	55
Vanguard Australian Property Securities Index	56
Australian shares	
Ausbil Australian Emerging Leaders	56
Bennelong Australian Equities [†]	57
BlackRock Scientific Australian Equity	57
BT Core Australian Shares	58
BT Smaller Companies	58
Colonial First State Imputation	59
Fidelity Australian Equities	59
Greencape Broadcap	60
Investors Mutual Australian Shares	60
Janus Henderson Australian Equity [†]	61
Merlon Australian Share Income	61
Nikko AM Australian Shares	62
OnePath Australian Shares	62
OnePath Blue Chip Imputation	63
OnePath Emerging Companies [†]	63
OnePath Geared Australian Shares Index	64
OnePath Select Leaders	64
OnePath Sustainable Investments – Australian Shares	65
Perennial Value Shares	65
Perpetual Australian Shares	66
Perpetual Ethical SRI	66
Schroder Australian Equity	67
Vanguard Australian Shares Index	67

Investment fund	Page
Investor Profile 5 – High growth	
Global shares	
Altrinsic Global Equities [†]	68
Antipodes Global (Long only)	68
Arrowstreet Global Equity (Hedged)	69
BlackRock Scientific International Equity	69
BT Core Hedged Global Shares	70
Magellan Global	70
MFS Global Equity	71
OnePath Global Emerging Markets Shares	71
OnePath Global Shares	72
Platinum Asia [†]	72
Platinum International	73
Stewart Investors WorldWide Sustainability	73
T. Rowe Price Global Equity	74
Vanguard International Shares Index	74
Vanguard International Shares Index (Hedged)	75
Walter Scott Global Equity (Hedged) [†]	75
Multi-sector	
Vanguard High Growth Index	76
Infrastructure	
Colonial First State Global Listed Infrastructure	76
RARE Infrastructure Value [†]	77

[†] These investment funds are not available through ANZ OneAnswer.

* This investment fund is only available through OneAnswer Frontier and ANZ OneAnswer.

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