

OnePath and OptiMix Diversified Funds – updated disclosure for Alternative Assets

27 May 2013

Product Update and Continuous Disclosure Notice

This document contains important information for investors for the following investment funds ('the Funds') offered through OneAnswer Investment Portfolio and OneAnswer Frontier Investment Portfolio:

- OptiMix Conservative
- OptiMix Moderate
- OptiMix Balanced
- OptiMix Growth
- OptiMix High Growths
- OnePath Capital Stable (only available in OneAnswer Investment Portfolio)
- OnePath Conservative (only available in OneAnswer Frontier Investment Portfolio)
- OnePath Balanced
- OnePath Active Growth
- OnePath Managed Growth
- OnePath High Growth

Each of these Funds are offered through the OneAnswer Investment Portfolio PDS dated 27 February 2012 and OneAnswer Frontier Investment Portfolio PDS dated 27 February 2012. Each Fund has a level of exposure to Alternative Assets which is achieved through underlying swap arrangements. From 31 May 2013, these underlying swap arrangements will be changing.

What are Alternative Assets?

Alternative Assets are assets that behave differently to traditional asset classes such as shares, listed property, fixed interest, bonds and cash.

Generally, the Alternative Assets category may include commodities such as precious metals and gold, hedge funds, derivatives (including swaps which provide economic exposure to underlying assets), exchange traded funds, private equity, currencies and other newer asset classes.

What is the current swap arrangement for the Funds?

The Fund's current swap arrangement provides exposure to Alternative Assets through fully funded swaps provided by a major Australian bank. The fully funded swaps are derivative contracts where we pay an upfront fee to the swap counterparty in return for the swap counterparty paying us the investment return on an underlying 'basket' of Alternative Assets.

What is changing?

Recently, we conducted a review of the current swap arrangement. Following this review, and effective from 31 May 2013, we will be transitioning the current swap arrangement to a new swap arrangement. The new swap arrangement will provide exposure to Alternative Assets through fully funded swaps provided by ANZ Wealth Alternative Investments Management Pty Limited, a related body corporate. We expect the new swap arrangement to take full effect by 1 July 2013 at which point the existing swap arrangement will cease.

Any questions?

If you have any questions or require further information, please:

- call Customer Services on 133 665, weekdays between 8.30am to 6.30 pm (AEST)
- email customer@onepath.com.au
- speak with your financial adviser.

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