

Product Update and Continuous Disclosure Notice: Changes to OneAnswer's OnePath Alternatives Growth fund

25 SEPTEMBER 2015

Due to GMO – the underlying fund manager – no longer accepting additional money, we are pleased to announce that we will be adding two new underlying fund managers to manage the assets of the OnePath Alternatives Growth fund ('the Fund') offered through OneAnswer.

Addition of new investments to complement the GMO strategy

ANZ's internal investment research team regularly reviews and monitors the underlying investment managers of the investment funds offered through OneAnswer. Regular reviews ensure the investment funds continue to meet the needs of our current and future members. This change follows a recent review.

Who are the new underlying fund managers?

The Fund is currently wholly invested in the GMO Systematic Global Macro Fund (the 'GMO Fund'). We will be adding the two funds noted below in order to complement the existing GMO Fund and create a multi-manager alternatives fund:

- AQR Wholesale Managed Futures Fund ('AQR Fund'); and
- Man AHL Alpha (AUD) Fund ('Man AHL Fund').

Both funds implement strategies which seek to identify and exploit upward or downward trends across a broad selection of global developed and emerging markets. The funds are well rated by external research houses and have solid long-term performance track records.

What are the benefits of this change?

- We can continue to receive new money into the Fund
- Access to a more diversified portfolio of highly rated fund managers and strategies, reducing single investment manager risk; and
- Broader exposure to the investment opportunities available in global developed and emerging markets, and sectors including equities, bonds, credit, currencies and commodities.

How will the Fund be managed going forward?

Fund assets will be diversified across the three underlying Funds according to what we believe is the appropriate blend. Please refer to the Additional Information below for more details.

When will this change occur?

This change will take effect on, or around, 25 September 2015.

Which OneAnswer products are impacted?

The changes outlined in this Product Update are relevant to the following:

- the OnePath Alternatives Growth Trust (ARSN 121 982 796) offered through OneAnswer Investment Portfolio (Including Frontier).
- OnePath Alternatives Growth offered as an investment option on the investment menu of OneAnswer Personal Super and Pension (including Frontier).

Which Product Disclosure Statement (PDS) documents are impacted?

This Product Update provides updated information about the OnePath Alternatives Growth fund offered through the following Product Disclosure Statements (PDSs):

- OneAnswer Personal Super and Pension PDS
- OneAnswer Frontier Personal Super and Pension PDS
- OneAnswer Investment Portfolio PDS
- OneAnswer Frontier Investment Portfolio PDS.

Does this impact existing investors in OneAnswer?

Yes, the changes impact existing investors of the Fund. Please refer to the additional information provided below regarding the changes.

Any questions?

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

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

Additional information for existing members in the Fund

What will the transition mean for existing investors?

- The underlying investments will automatically be transitioned from a full investment into the GMO Fund to a spread of investments across the GMO Fund and the two new funds.
- Investors will see no change in the number of units they hold, nor will they see a transaction appear in their accounts. The unit prices of the Fund will continue post transition, i.e. unit prices are not restarted or reset.
- The Fund remains open to all transactions throughout the transition period.
- Until the transition date, the underlying assets will continue to be held in the GMO Fund. From the transition date, assets will be held across GMO Fund, AQR Fund and Man AHL Fund.
- Investors will benefit from the diversification offered as a result of the Man AHL and AQR managed future strategies being added to the Fund to complement the strategy of the existing GMO Fund.

Are there any costs associated with transitioning investments to the two new funds?

One of the new underlying funds has a sell spread which will be factored in to the unit price of the Fund at the time of the transition. The cost of this sell spread to the Fund is likely to represent less than 0.03% of the Fund's assets under management.

Are there any tax implications as a result of the transition?

Investment Portfolio only:

There will be a realisation of approximately half of the Fund's current assets at the time of the transition. Currently the Fund is in a capital loss position and therefore we don't believe any capital gains will be passed on to members at the end of the next financial year as a result of the transition. Please note this is subject to change depending on the performance of investment markets.

Additional information about how the investments of the Fund will be managed and applicable fees

Fees

Are there any changes to ongoing fees?

There will be no change to the ongoing fees.

Are there any changes to performance based fees?

The Fund does not pay performance fees directly. However, performance fees may be payable from the underlying investment funds to the underlying fund managers.

The following table shows the performance fees of the underlying funds:

Underlying Fund	Performance Fee (applicable to the outperformance above the benchmark)
GMO Systematic Global Macro Fund	20.055%
AQR Wholesale Managed Futures Fund	20%
Man AHL Alpha Fund	25%

Are there any changes to the buy/sell spreads?

The buy/sell spread costs will be updated to reflect the costs of the new underlying investments.

OnePath Fund	Current buy/sell spread	New buy/sell spread after the transition
OnePath Alternatives Growth	0% / 0%	0% buy / 0.03% sell

Revised fund profile

Investment objective – unchanged

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

Description – unchanged

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 – new

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 underlying fund investments are managed by leading alternative investment managers that undertake Global Macro and Managed Futures strategies offering broadly diversified exposure to developed and emerging equity, bond, credit, currency and commodity markets. The multi-manager portfolio is designed to deliver more consistent returns with less risk than would be achieved if investing with a single manager. The underlying funds are:

- GMO Systematic Global Macro Trust (Global Macro)
- AQR Wholesale Managed Futures Fund (Managed Futures)
- Man AHL Alpha (AUD) Fund (Managed Futures).

Minimum time horizon – unchanged

5 years

Distribution frequency – unchanged

Quarterly (**Investment Portfolio only**)

Standard Risk Measure – unchanged

5 – Medium to high

Asset allocation - new

From the transition date, OnePath will allocate across the GMO Fund, AQR Fund, Man AHL Fund and Cash. Investors will continue to hold the same asset class exposure (alternative investments) and OnePath will continually review the composition of the portfolio to ensure that it remains robust and meets the investment objective.

Asset class	Benchmark (%)	Range (%)
Alternative assets*	100	95-100
Cash	0	0-5

*Underlying funds may hold cash inside their portfolios.

Further information about the new underlying funds as they are considered to be Hedge Funds

The responsible entity of each of the new underlying funds is required to provide enhanced disclosure as their fund is considered to be a Hedge Fund. (This disclosure is provided in response to ASIC's regulatory requirements). Details of where the enhanced disclosure can be found are shown below:

Responsible entity of underlying externally managed wholesale hedge fund	Where is enhanced hedge fund disclosure material located?	Website link#
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 24 December 2014	http://www.gmo.com/websitecontent/product/Australia/pds_sgm.pdf
Perpetual Trust Services Limited as responsible entity of the AQR Wholesale Managed Futures Fund (ARSN 147 951 791)	AQR Wholesale Managed Futures Fund Product Disclosure Statement dated 31 January 2014	https://australia.aqr.com/wholesale-managed-futures-fund
Man AHL Alpha (AUD) Fund (ARSN 138 643 768)	Man AHL Alpha (AUD) Product Disclosure Statement dated 1 July 2015	http://app.maninvestments.com.au/manahlalpha/?r_id=&a_id=

Information other than enhanced hedge fund disclosure information referenced in the above table is not relevant to investors of the Fund and should not be relied upon. Investors should continue to refer to the relevant PDS noted on page 1 of this document.

This information is current at September 2015 but may be subject to change. This information is issued by OnePath Custodians Pty Limited (ABN12 008 508 496, AFSL 238346) and OnePath Funds Management Limited (ABN 21 003 002 800, AFSL 238342).