

# Product Disclosure Statement Update and Continuous Disclosure Notice – Changes to strategic asset allocation for OneAnswer Vanguard diversified funds

## July 2017

This Product Disclosure Statement (PDS) Update and Continuous Disclosure Notice provides important information to OneAnswer Investment Portfolio members and updates the PDSs listed below in respect of the following OneAnswer Vanguard diversified funds (each a 'Fund' and collectively the 'Funds'):

- Vanguard Conservative Index
- Vanguard Balanced Index
- Vanguard Growth Index
- Vanguard High Growth Index
- Vanguard Index Diversified Bond

The Funds are offered under the following PDSs (each a PDS):

- OneAnswer Frontier Personal Super and Pension PDS dated 2 May 2016
- OneAnswer Frontier Investment Portfolio PDS dated 2 May 2016
- OneAnswer Investment Portfolio PDS dated 2 May 2016 (including //Select) (closed to new members)
- OneAnswer Personal Super and Pension PDS dated 2 May 2016 (closed to new members)

## WHAT ARE THE CHANGES?

The strategic asset allocation (SAA) for each Fund is changing from July 2017 as follows:

Where a Fund has exposure to equities,

- the allocation to international shares (including small companies and emerging markets) will increase,
- the allocation to listed property securities will be removed, and
- the currency exposure to international shares will be partially hedged.

Where a Fund has exposure to fixed income,

- the allocation to international fixed income will increase, and
- the diversification will be enhanced.

## WHY ARE THE CHANGES BEING IMPLEMENTED?

The changes will be implemented by 31 July 2017 to align each Fund's investment approach with the approach adopted by the underlying manager Vanguard Investments Australia Ltd (Vanguard) in managing its diversified funds.

Vanguard's global team of investment experts have analysed their diversified fund portfolios and identified SAA changes aimed at reducing concentration risk, while managing currency exposure.

Since we aim to replicate the Vanguard approach in terms of investment objective, investment strategy and asset allocation, we are adopting the same approach for the Funds.

## HOW WILL THE PDSS BE UPDATED?

Each PDS will be updated by replacing the current SAA for each Fund in the OneAnswer Investment Funds Guide with the new SAA, as outlined below.

Vanguard Conservative Index	Current		New effective July 2017	
	Asset class	Benchmark (%)	Range (%)	Benchmark (%)
Australian cash	10	8 – 12	10	8 – 12
Australian fixed interest	24	22 – 26	18	16 – 20
International fixed interest (hedged)	36	34 – 38	42	40 – 44
<b>Total Defensive</b>	<b>70</b>		<b>70</b>	
Australian property securities	2	0 – 4	0	0
International property securities (hedged)	2	0 – 4	0	0
Australian shares	13	11 – 15	12	10 – 14
International shares	10	8 – 12	8.5	6.5 – 10.5
International shares (hedged)	0	0	5.5	3.7 – 7.5
International small companies	1.5	0 – 3.5	2	0 – 4
Emerging Market shares	1.5	0 – 3.5	2	0 – 4
<b>Total Growth</b>	<b>30</b>		<b>30</b>	

Vanguard Balanced Index	Current		New effective July 2017	
	Asset class	Benchmark (%)	Range (%)	Benchmark (%)
Australian cash	0	0 – 2	0	0 – 2
Australian fixed interest	20	18 – 22	15	13 – 17
International fixed interest (hedged)	30	28 – 32	35	33 – 37
<b>Total Defensive</b>	<b>50</b>		<b>50</b>	
Australian property securities	3	1–5	0	0
International property securities (hedged)	3	1–5	0	0
Australian shares	22	20–24	20	18-22
International shares	17	15–19	14.5	12.5-16.5
International shares (hedged)	0	0	9	7-11
International small companies	2.5	0.5–4.5	3.5	1.5-5.5
Emerging Market shares	2.5	0.5–4.5	3	1-5
<b>Total Growth</b>	<b>50</b>		<b>50</b>	

Vanguard Growth Index	Current		New effective July 2017	
	Asset class	Benchmark (%)	Range (%)	Benchmark (%)
Australian cash	0	0 – 2	0	0 – 2
Australian fixed interest	12	10 – 14	9	7 – 11
International fixed interest (hedged)	18	16 – 20	21	19 – 23
<b>Total Defensive</b>	<b>30</b>		<b>30</b>	
Australian property securities	4	2–6	0	0
International property securities (hedged)	4	2–6	0	0
Australian shares	31	29–33	28	26-30
International shares	24	22–26	20.5	18.5-22.5
International shares (hedged)	0	0	12.5	10.5-14.5
International small companies	3.5	1.5–5.5	5	3-7
Emerging Market Shares	3.5	1.5–5.5	4	2-6
<b>Total Growth</b>	<b>70</b>		<b>70</b>	

Vanguard High Growth Index	Current		New effective July 2017	
	Asset class	Benchmark (%)	Range (%)	Benchmark (%)
Australian cash	0	0 – 2	0	0 – 2
Australian fixed interest	4	2 – 6	3	1 – 5
International fixed interest (hedged)	6	4 – 8	7	5 – 7
<b>Total Defensive</b>	<b>10</b>		<b>10</b>	
Australian property securities	5	3–7	0	0
International property securities (hedged)	5	3–7	0	0
Australian shares	40	38–42	36	34-38
International shares	31	29–33	26.5	24.5-28.5
International shares (hedged)	0	0	16	14-18
International small companies	4.5	2.5–6.5	6.5	4.5-8.5
Emerging Market Shares	4.5	2.5–6.5	5	5-7
<b>Total Growth</b>	<b>90</b>		<b>90</b>	

Vanguard Index Diversified Bond	Current		New effective July 2017	
	Asset class	Benchmark (%)	Range (%)	Benchmark (%)
Australian cash	0	0 – 2	0	0 – 2
Australian fixed interest	40	38 – 42	30	28 – 32
International fixed interest (hedged)	60	58 – 62	70	68 – 72

## 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](mailto:customer@onepath.com.au)

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