

IMPORTANT INFORMATION AND UPDATES

1. INVESTMENT FUND CHANGES

We're committed to helping you achieve your financial goals by regularly reviewing the investment menu of OneAnswer, making sure you have access to market-leading investment funds. The following section outlines changes that have been made over the past financial year.

1.1 NEW INVESTMENT MANAGERS

The underlying investment manager for the following six investment funds has been replaced. The table below provides details of the new investment managers. We believe the newly appointed underlying investment managers are better suited and more specialised to manage the following investment funds.

Investment manager changes

Investment funds	Previous investment manager	New investment manager	Effective
OnePath Australian Shares	UBS Asset Management (Australia) Ltd	Alphinity Investment Management Pty Limited	August 2018
OnePath Select Leaders	UBS Asset Management (Australia) Ltd	Alphinity Investment Management Pty Limited	August 2018
OnePath Sustainable Investments – Australian Shares	UBS Asset Management (Australia) Ltd	Alphinity Investment Management Pty Limited	August 2018
OnePath Blue Chip Imputation	UBS Asset Management (Australia) Ltd	Nikko AM Limited	August 2018
OnePath Tax Effective Income*	Australian shares: UBS Asset Management (Australia) Ltd Property Securities: UBS Asset Management (Australia) Ltd	Australian shares: Nikko AM Limited Property Securities: Renaissance Property Securities Pty Ltd	March 2019
OptiMix Global Smaller Companies Shares	Multi-manager	Arrowstreet Capital^	March 2019

* UBS will continue to manage the cash and fixed interest strategies of the fund.

^ The investment strategy has changed to invest predominately in a portfolio of global smaller companies shares, which is in accordance with the investment process of the underlying manager.

WHO ARE THE INVESTMENT MANAGERS?

Alphinity Investment Management Pty Limited

ABN 12 140 833 709

Established 2010

Funds under management \$9.1 billion (as at 30 June 2018)

Alphinity Investment Management Pty Limited (Alphinity) is a boutique, active equity manager with dedicated teams managing Australian equity and Global equity strategies.

Alphinity aims to deliver consistent outperformance for its clients by investing in quality, undervalued companies with underestimated forward earnings expectations. Companies are identified through a unique partnership between detailed analyst driven fundamental research and specific targeted quantitative inputs. Alphinity maintains a consistent and disciplined process which is implemented across all its investment strategies.

Alphinity was founded in 2010 by Johan Carlberg, Andrew Martin, Bruce Smith and Stephane Andre who are still Portfolio Managers on the Australian equity strategies. The boutique structure of Alphinity creates a powerful alignment between fund managers and the objectives of their investors. Alphinity partners with Fidante Partners which allows the investment professionals to focus on investing while Fidante provides widespread support.

Nikko AM Limited

ABN 99 003 376 252

Established 1989

Funds under management \$7.5 billion (as at 31 December 2018 by their Australian Equities business)

Part of the Nikko AM Group, Nikko offers investors the benefits of extensive global resources combined with the local expertise and long-standing experience of their Sydney based investment teams, with a history dating back to 1989.

Nikko AM Group is one of Asia's largest asset managers.

Renaissance Property Securities Pty Ltd

ABN 19 104 218 484

Established 2003

Funds under management \$777 million (as at 31 December 2018)

Renaissance Property Securities Pty Ltd ('Renaissance') is a privately owned boutique Australian investment manager which specialises in the management of portfolios of properties securities listed on the Australian Stock Exchange. Renaissance is 100% owned by AREIT directors, Carlos Cocaro and Damien Barrack, who founded the firm in 2003.

Renaissance is an active, intrinsic value style AREIT manager. The Renaissance investment philosophy is that each security has an underlying or intrinsic value and that securities become mispriced relative to this value and they seek to exploit such market inefficiencies. Through dedicated in-depth research and disciplined investing, Renaissance seeks to profit over time via incremental trading in securities that have become mispriced relative to their underlying value.

Arrowstreet Capital, Limited Partnership

ABN 27 145 692 173

Established 1999

Funds under management \$126 billion (as at 31 December 2018)

Arrowstreet Capital is an investment firm that manages global equity portfolios for institutional investors around the world. We have approximately \$126 billion under management and over 200 client relationships in North America, UK, Europe, and Asia-Pacific. Founded in June 1999, we are structured as a private partnership. Our investment process seeks to outperform broad equity benchmarks through a risk-controlled core approach. We combine sound investment intuition and research with quantitative tools to identify mispriced stocks around the world. We believe that the key to generating sustainable alpha involves evaluating the prospects of a security considering both the characteristics of the company itself as well as the characteristics of other related companies.

1.2 INVESTMENT FUND NAME CHANGES

The following investment funds changed their name, effective 26 November 2018. There are no changes to your investment objective, strategy or distribution frequency as a result of this change.

Previous fund name	New fund name	Reason for name change
OnePath Diversified High Yield	OnePath Diversified Credit	The new fund name is more reflective of the investment objective of the fund and the nature of the assets held within the fund.
BlackRock Balanced*	BlackRock Tactical Growth*	BlackRock Balanced fund changed its name to BlackRock Tactical Growth fund, the change is in line with the name change of the underlying fund into which it invests.
BT Core Australian Shares	Pendal Australian Shares	The underlying fund manager changed the company name from BT Investment Management Limited to Pendal Group Limited. In line with this change, the funds also changed their name.
BT Monthly Income Plus	Pendal Monthly Income Plus	As above.
BT Core Hedged Global Shares	Pendal Core Hedged Global Shares	As above.
BT Smaller Companies	Pendal Smaller Companies	As above.

* Not available in ANZ OneAnswer.

1.3 INVESTMENT FUND PROFILE CHANGES

For the following investment funds, changes were made to their investment profiles and/or benchmark asset allocations, effective April 2019.

Arrowstreet Global Equity (Hedged)

The following has been added to the existing Arrowstreet Global Equity (Hedged) fund investment strategy.

The Arrowstreet Global Equity (Hedged) Fund will not invest in 'tobacco' or 'controversial weapon' securities[^].

[^] 'Tobacco' securities as defined by Global Industry Classification Standards and 'controversial weapon' securities as defined by MSCI, Inc.

BlackRock Scientific Australian Equity

Investment Objective

Previous

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 3-year periods, while maintaining a similar level of investment risk to that Index.

New

The fund aims to achieve superior investment performance through providing returns that exceed those of the S&P/ASX 300 Total Return Index by 2.20% p.a., after underlying fund fees, over rolling 3-year periods.

Description

Previous

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.

New

The fund is suitable for investors who:

- seek broad exposure to the Australian equity market;
- seek a fund that uses a proven, risk-controlled scientific process, to maximise its potential to deliver competitive returns to investors; and
- have a long-term investment horizon.

Investment strategy

Previous

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.

New

The highly risk-controlled strategy employs a scientific process to identify mis-priced stocks using a range of fundamental investment insights.

These insights are the result of ongoing research by BlackRock's global team of investment professionals. The insights are broadly categorised as:

- Earnings Direction – anticipate changes in future earnings direction, which affects stock prices;
- Relative Valuation – analyse multiple measures of underlying fundamental value;
- Earnings Quality – assess the quality and sustainability of earnings;
- Market – focus on market and management behaviour that can influence stock prices; and
- Timing – consider theme and sector timing.

BlackRock Scientific Diversified Growth

Investment Objective

Previous

The fund aims to achieve superior investment performance through providing returns (before fees) that exceed those of the neutral portfolio benchmark over rolling 3-year periods.

New

The fund aims to achieve superior investment performance through providing returns that exceed those of the neutral portfolio benchmark by 1.30% p.a., after underlying fund fees, over rolling 3-year periods.

Description

Previous

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

New

The fund is suitable for investors who seek a risk controlled active diversified fund with an emphasis on growth assets and aim to add value through active security selection and diversified alpha strategies.

Investment strategy

Note, only part of the strategy has changed as detailed below.

Previous

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 funds, each of which utilises a disciplined active approach to investment management that aims to add value and control active risk.

New

The fund invests in Australian and international shares and bonds, listed property, global listed infrastructure and cash. While the cash, global bond and infrastructure exposures are through BlackRock indexed funds, the strategy gains its exposure to the other asset classes via BlackRock active funds. Ultimately, the strategy implements a portfolio that combines strategic asset allocation with active management in order to achieve the funds objective.

Asset allocation	Previous		New	
Asset class	Previous benchmark (%)	Previous range (%)	Benchmark (%)	New range (%)
Cash	10	0-20	5	0-20
Australian fixed interest	10	0-25	14	0-25
International credit	3	0-25	3	0-20
Developed markets fixed interest	4	0-20	3	
Emerging markets fixed interest	3	0-20	3	
Australian shares	36	25-45	30	25-45
International developed markets shares (unhedged)	12	10-35	21	10-35
International developed markets shares (hedged)	11	10-35	6	
Emerging markets shares	3	0-10	5	0-10
Global listed infrastructure (unhedged)	3	0-10	5	0-10
Global real estate (REITS)	5	0-10	5	0-10

BlackRock Scientific International Equity

Investment Objective

Previous	New
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 3-year periods while maintaining a similar level of investment risk to the Index.	The fund aims to outperform the MSCI World ex-Australia Net TR Index (unhedged in AUD) by 2% p.a., after underlying fund fees, over rolling 3-year periods.

Description

Previous	New
The fund is suitable for investors seeking broad exposure to international shares and who are prepared to accept higher variability of returns.	The fund is suitable for investors seeking broad exposure to international shares and who seek a fund that blends well with most other active managers because its risk-controlled strategy of taking small active tilts across a large number of stocks tends to produce smaller, but steadier, excess returns on a greater number of stocks over a long term investment horizon.

Investment strategy

Previous	New
<p>The funds 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.</p> <p>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.</p>	<p>The strategy seeks to add value from stock and industry selection, by using BlackRock's scientific process that uses local and global investment insights or themes to look for mispriced stocks and industries.</p> <p>The investment themes used as part of BlackRock's stock-selection process are grouped under:</p> <ul style="list-style-type: none"> analyst expectations which anticipate changes in investor expectations about earnings relative value which looks at multiple measures of underlying fundamental value; earnings quality which assesses the quality and sustainability of earnings market information which focuses on sentiment factors and information revealed by management decisions. <p>BlackRock's industry-selection models alter exposure to industries using insights that focus on fundamental, economic and technical conditions.</p>

BlackRock Tactical Growth**^

Asset allocation			New		
Asset class	Benchmark (%)	Range (%)	Asset class	Benchmark (%)	Range (%)
Cash	5	n/a	Cash	5	n/a
Australian fixed income	15	n/a	Australian fixed interest	14	n/a
International fixed income	6	n/a	Developed markets fixed interest	3	n/a
Emerging markets USD bonds	3	n/a	International credit	3	n/a
International listed infrastructure	3	n/a	Emerging markets fixed interest	3	n/a
International listed property	6	n/a	Global listed infrastructure	5	n/a
Australian property	0	n/a	Global real estate (REITS)	5	n/a
Australian shares	30	n/a	Australian shares	30	n/a
International shares	29	n/a	International developed market shares (hedged)	6	n/a
Emerging markets shares	3	n/a	International developed market shares (unhedged)	21	n/a
			Emerging market shares	5	n/a

* Not available in ANZ OneAnswer.

^ Previously named BlackRock Balanced, this fund changed its name in December 2018.

Perpetual Balanced Growth

The following has been added to the existing Perpetual Balanced Growth fund investment objective.

- The fund aims to outperform CPI + 5.0% p.a. (before fees and taxes) over at least five-year periods.

The currency management strategy detailed in the investment strategy has been amended as follows.

Investment strategy

Note, only part of the strategy has changed as detailed below.

Previous

Currency hedges may be used from time to time.

New

Currency is managed at the Fund level, taking into account currency exposure arising from underlying investments. Currency management is used to either hedge currency for an existing position or create an exposure to a foreign currency. Exposure to foreign currency will be limited to 50% of the gross asset value of the fund.

Asset allocation			New	
Asset class	Benchmark (%)	Range (%)	Benchmark (%)	Range (%)
Cash and enhanced cash	7	0-30	2	0-30
Fixed income	15	0-35	21	0-45
Property	5.5	0-15	6	0-15
Australian shares	30	10-50	31	10-50
International shares	27	10-50	28	10-50
Alternative assets	15.5	0-30	12	0-30

Perpetual Conservative Growth

The following has been added to the Perpetual Conservative Growth fund investment objective.

- The fund aims to outperform CPI + 3.5% p.a. (before fees and taxes) over at least two-year periods.

The currency management strategy detailed in the investment strategy has been amended as follows.

Investment strategy

Note, only part of the strategy has changed as detailed below.

Previous

Currency hedges may be used from time to time.

New

Currency is managed at the Fund level, taking into account currency exposure arising from underlying investments. Currency management is used to either hedge currency for an existing position or create an exposure to a foreign currency. Exposure to foreign currency will be limited to 50% of the gross asset value of the fund.

Asset allocation	Previous		New	
Asset class	Benchmark (%)	Range (%)	Benchmark (%)	Range (%)
Cash and enhanced cash	21	15-55	7	5-55
Fixed income*	40	15-55	56	15-65
Property	5.5	0-10	4	0-10
Australian shares	13	0-25	11	0-25
International shares	9	0-20	10	0-20
Alternative assets	11.5	0-30	12	0-30

* This fund may invest in fixed income funds that allow gearing.

Schroder Fixed Income

Investment Objective

Previous

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.

New

The fund aims to obtain exposure to a diversified range of domestic and international fixed income securities with the principal aim of outperforming the Bloomberg AusBond Composite 0+Yr Index over the medium term.

Investment strategy

Previous

Schroder's believes an active 'Core Plus' approach can deliver stable absolute returns to investors over time. Schroder's 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. Schroder's also put a lot of emphasis on the management of tail risk which is critical especially in the current credit environment.

New

Schroder's broad fixed income philosophy is underpinned by three key ideas:

- Fixed income is typically held for defensive purposes. These include liquidity, capital preservation, liability management and to diversify equity risk.
- Investors should utilise the breadth of the fixed income universe to improve risk/return outcomes (as opposed to closely tracking arbitrary benchmarks).
- Volatility is not risk; Schroder's view losing money and not delivering on objectives as its core risk.

These key investment beliefs are encapsulated in our Schroder's Fixed Income Fund, a Core-Plus strategy which combines a low active risk 'Core' and 'Plus' strategies where opportunities to add value is present.

The fund utilises the breadth of the opportunity set and combines asset allocation, country selection, credit risk management, stock selection, and duration/yield curve management in a combination that aims to outperform the benchmark Bloomberg AusBond Composite 0+Yr Index over the medium term whilst ensuring it remains a true defensive strategy.

Asset allocation	Previous		New		
Asset class	Benchmark (%)	Range (%)	Asset class	Benchmark (%)	Range (%)
Australian bonds	50	20-100	Australian investment grade	n/a	20-100
International bonds	25	0-50	Global investment grade*	n/a	0-50
Australian hybrids	10	0-20	Australian high yield [^]	n/a	0-20
Emerging markets bonds	5	0-15	Global high yield* [^]	n/a	0-20
Asian bonds (ex Japan)	5	0-15	Cash and equivalents	n/a	0-50
Cash	5	0-50			

* Maximum aggregate global exposure will not exceed 50%.

[^] Maximum aggregate exposure to high yield will not exceed 20%.

UBS Balanced

Investment Objective

Previous

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.

New

This fund aims to outperform (after management costs) the Benchmark over rolling five year periods. The Benchmark is based on the return of the market indices based on the Neutral Allocation to the asset classes listed under Asset Allocation. The Neutral Allocation represents the likely expected long term average exposure of the portfolio to these various asset classes in order to meet its investment objective over a full investment cycle.

Description

Previous

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.

New

The fund is best suited to investors who seek to achieve returns from a mix of growth, income and alternative assets. Due to the inherent volatility of markets, investment returns will fluctuate and may be negative in some periods.

Investment strategy

Previous

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 funds and third-party funds 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.

New

UBS's portfolio management team will build a diversified portfolio by allocating to differing asset classes anywhere within the allowable ranges, by normally investing in other UBS managed funds, third-party funds and through a range of instruments.

Asset allocation	Previous		New	
	Benchmark (%)	Range (%)	Benchmark (%)	Range (%)
Cash	5	0-30	5	0-30
Australian bonds	5	0-60	10	0-60
International bonds	10	0-60	10	0-60
Total income assets	20	0-70	25	0-70
Property securities/REITS	5	0-30	5	0-30
Australian shares	30	0-60	30	0-60
International shares	35	0-60	30	0-60
Total growth assets	70	20-95	65	20-95
Alternative strategies	10	0-20	10	0-20
Foreign currency exposure	n/a	n/a	30	0-95

UBS Defensive

Investment Objective

Previous

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.

New

This fund aims to outperform (after management costs) the Benchmark over rolling five year periods. The Benchmark is based on the return of the market indices based on the Neutral Allocation to the asset classes listed under Asset Allocation. The Neutral Allocation represents the likely expected long term average exposure of the portfolio to these various asset classes in order to meet its investment objective over a full investment cycle.

Description

Previous

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.

New

The fund is best suited to investors who seek to achieve returns from a mix of growth, income and alternative assets. Due to the inherent volatility of markets, investment returns will fluctuate and may be negative in some periods.

Investment strategy

Previous

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 funds and third-party funds 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.

New

UBS's portfolio management team will build a diversified portfolio by allocating to differing asset classes anywhere within the allowable ranges, by normally investing in other UBS managed funds, third-party funds and through a range of instruments.

Asset allocation	Previous		New	
	Benchmark (%)	Range (%)	Benchmark (%)	Range (%)
Cash	5	0-50	5	0-50
Australian bonds	25	0-80	25	0-80
International bonds	30	0-80	30	0-80
Total income assets	60	30-90	60	30-90
Property securities/REITS	5	0-20	5	0-20
Australian shares	15	0-40	15	0-40
International shares	10	0-40	10	0-40
Total growth assets	30	0-50	30	0-50
Alternative strategies	10	0-20	10	0-20
Foreign currency exposure	-	-	10	0-40

UBS Diversified Fixed Income

Investment Objective

Previous

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 3-year periods.

New

The fund aims to outperform (after management costs) the Benchmark (50% Bloomberg Barclays Global Aggregate Index (A\$ hedged), 50% Bloomberg AusBond Composite 0+ Yr Index) over rolling 3-year periods.

Description

Previous

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.

New

The fund is best suited to investors who seek to diversify their fixed income exposure through investment in a mix of Australian and international securities across the fixed income asset class.

Investment strategy

Previous

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 funds 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.

New

The strategy is managed by employing both top-down macroeconomic research and bottom-up security specific analysis to build a portfolio with the core defensive characteristics of the fixed interest asset class. Whilst the fund seeks to be fully hedged to Australian dollars, we may invest in strategic foreign currency exposures that will not exceed 10% of the total portfolio.

Asset allocation	Previous		New	
Asset class	Benchmark (%)	Range (%)	Benchmark (%)	Range (%)
Australian bonds and cash	50	20-80	50	n/a
International bonds and cash	50	20-80	50	n/a

Walter Scott Global Equity (Hedged)*

The following has been added to the existing Walter Scott Global Equity (Hedged) fund investment strategy.

The Walter Scott Global Equity Fund (Hedged) will not invest in 'tobacco' or 'controversial weapon' securities[^].

* Not available in ANZ OneAnswer.

[^] 'Tobacco' securities as defined by Global Industry Classification Standards and 'controversial weapon' securities as defined by MSCI, Inc.

1.4 JANUS HENDERSON AUSTRALIAN EQUITY FUND* - CLOSURE AND TERMINATION

The Janus Henderson Australian Equity Fund ('the Fund') offered through the OneAnswer product suite was closed in June 2019.

For super and pension members, the balance of the investment in the Fund was switched into the Fidelity Australian Equities Fund in June 2019.

For Investment Portfolio, the balance of the investment in the Fund was returned to investors in June 2019.

* Not available in ANZ OneAnswer.

1.5 STANDARD RISK MEASURE

The Standard Risk Measure is based on 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 any 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).

How to read an Investment profile

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

Updated Standard Risk Measures

Fund name	Risk band	Risk Label	Change
Bennelong Australian Equities*	7	Very high	↑
Bentham Global Income	5	Medium to high	↓
BlackRock Scientific Australian Equity	7	Very high	↑
Colonial First State Imputation	7	Very high	↑
Fidelity Australian Equities	7	Very high	↑
Greencape Broadcap	7	Very high	↑
Investors Mutual Australian Shares	7	Very high	↑
Merlon Australian Share Income	7	Very high	↑
OnePath Australian Shares	7	Very high	↑
OnePath Blue Chip Imputation	7	Very high	↑
OnePath Capital Stable	6	High	↑
OnePath Income [^]	6	High	↑
OnePath Select Leaders	7	Very high	↑
OnePath Sustainable Investments - Australian Shares	7	Very high	↑
OptiMix Australian Shares	7	Very high	↑
Pendal Australian Shares	7	Very high	↑
Pendal Monthly Income Plus	5	Medium to high	↑
Perennial Value Shares	7	Very high	↑
Schroder Australian Equity	7	Very high	↑
Stewart Investors Worldwide Sustainability	7	Very high	↑
T.Rowe Price Global Equity	7	Very high	↑
Vanguard Australian Shares Index	7	Very high	↑
Vanguard Balanced Index	6	High	↑
Vanguard Conservative Index [#]	5	Medium to high	↑
Vanguard Diversified Bond Index	5	Medium to high	↑
Vanguard International Shares Index	7	Very high	↑
Vanguard International Shares Index (Hedged)	7	Very high	↑
Walter Scott Global Equity (Hedged)*	7	Very high	↑
AMP Capital Equity (closed option)*	7	Very high	↑
OptiMix Enhanced Cash (closed option)	3	Low to medium	↓

* Not available in ANZ OneAnswer.

[^] Not available in OneAnswer.

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.

2. FEES AND COSTS

2.1 CHANGES TO TRANSACTION AND INDIRECT COSTS

Transaction and indirect costs for each investment fund offered through OneAnswer for the year ending 30 June 2018 may have changed from those that applied in the previous year. Personal Super and Pension members can view the indirect costs that apply to their investment in the Fees, Deductions and Investment Returns Summary section of their Annual Statement. For the latest indirect costs applicable to OneAnswer Investment Portfolio refer to the Product Updates section of onepath.com.au or for ANZ OneAnswer Investment Portfolio refer to anz.com > personal > investing & super > superannuation > member centre > resources

2.2 ADVISER PAYMENT ARRANGEMENTS*

Recently, the Financial Services Royal Commission recommended that 'grandfathered' commission currently paid to financial advisers, cease being paid. Although this recommendation is yet to be legislated, it is expected to be.

Where you have an ongoing relationship with your adviser, we recommend that you speak to them to agree the appropriate way for you to continue to benefit from their services.

You can advise us directly to cease paying future commission immediately in relation to your account. You are not required to notify your financial adviser in order for us to cease paying commission.

What are 'grandfathered' commissions?

Financial services regulatory changes such as the Future of Financial Advice (FOFA) reforms in 2013, resulted in changes to the way financial advisers can be paid. Generally, prior to these changes, remuneration to advisers was paid by product providers as commission.

The FOFA reforms changed this so that from 1 July 2013, for new pension accounts advisers could only be paid a fee for the service they provide for financial advice. These arrangements are required to be agreed between advisers and their clients and reviewed every two years. The reforms allowed pre 1 July 2013 commission arrangements to remain in place and these are referred to as 'grandfathered' commissions.

* Not applicable for ANZ OneAnswer.

2.3 REDUCED INPUT TAX CREDIT FOR ADVISER SERVICE FEES

The Reduced Input Tax Credit (RITC) is a tax credit provided by the Australian Taxation Office to offset Goods and Services Tax (GST) paid on Adviser Service Fees (ASFs). Following the recent transfer of your super and pension products from the OnePath MasterFund to the Retirement Portfolio Service superannuation fund, the RITC of 75% of the GST charged on ASFs can now be claimed under the Retirement Portfolio Service and passed onto you. This was not previously available within the OnePath MasterFund.

What does this mean for you?

If you agree to have an ASF deducted from your super or pension account, the amount deducted is inclusive of any applicable GST. Retirement Portfolio Service is now able to claim a RITC of 75% of the GST charged on these fees and pass this amount back to you. Meaning, your fees will be reduced.

If you are impacted, you will see your ASF has reduced in your Annual Statement.

3. REGULATORY

3.1 PROTECTING YOUR SUPER MEASURES INTRODUCED FROM 1 JULY 2019

The Federal Government's Protecting Your Super package came into effect on 1 July 2019. The new package is designed to protect super account balances from unnecessary erosion by fees and insurance costs.

Changes affecting insurance cover

- If your super account is classified as inactive, that is, an amount is not received in your account for a continuous 16 month period, the insurance cover on your superannuation account will be cancelled.
- If this is the case, you will be notified in writing that your cover is at risk of being cancelled. You must complete and return an Opt-in nomination form if you want to retain your insurance cover, even if you are not contributing to your account.
- If your insurance cover is cancelled due to having an inactive superannuation account, you may have the option to reinstate your cover under the conditions detailed in the letter advising you of the cancellation.

Before making a decision about your insurance cover, we encourage you to speak to your financial adviser to determine if your insurance cover is still appropriate for you.

Note, cancellations as a result of these regulatory changes will occur on or after 1 July, so your annual statement will still show an insured benefit as at 30 June even if your insurance cover is subsequently cancelled after that date.

Changes to fees and costs

- Super accounts with small balances (less than \$6,000) will now have their administration and investment fees capped at no more than 3% of the account balance per annum. This means that if your account balance is less than \$6,000 at the end of the next financial year, and the total investment and administration fees (less fee rebates) charged to your account exceeds 3% of that balance, then the excess above 3% will be refunded. This also applies to accounts of less than \$6,000 that are closed during the year.
- Exit fees, including fees for full and partial withdrawals are no longer applicable to OneAnswer accounts. This change was implemented on 13 April 2019.

Transfer of inactive low-balance accounts to the Australian Taxation Office

- If your account was or becomes inactive for 16 months and the balance is less than \$6,000, we are required to transfer your account to the Australian Taxation Office (ATO).
- The ATO will then try to transfer the money into an active superannuation account, if you have one.

There are a few ways that you can prevent your account from becoming an inactive low-balance account, including:

- make a contribution or have your employer contribute to your account
- change your insurance, check your details and advise us of any changes
- nominate a valid beneficiary, or
- combine your super accounts so your balance is \$6,000 or more.

3.2 INSURANCE IN SUPER: VOLUNTARY CODE OF PRACTICE

We want to help you better understand and manage the insurance cover available to you through your super. That's why we were one of the first Retail superannuation funds to opt-in to the Insurance in Superannuation Voluntary Code of Practice (the Code), which started on 1 July 2018. The Code will fully come into force by 30 June 2021.

The Code aims to provide greater understanding, transparency and consistency in the delivery of members' benefits and insurance cover. The new standards will also provide members with better information in relation to their insurance arrangement through simplified disclosure and improved member communications. Importantly, the Code aims to ensure that insurance fees do not unnecessarily erode retirement savings.

4. GENERAL - SUPER AND PENSION ONLY

4.1 YOUR 2019 ANNUAL REPORT

In line with our ongoing commitment to reducing our impact on the environment, your 2019 Annual Report will be available online in December.

For OneAnswer products, the Annual Report will be available at onepath.com.au. If you would like to receive a hard copy (free of charge) please contact Customer Services on 133 665.

For ANZ OneAnswer products, the Annual Report will be available at anz.com. If you would like to receive a hard copy (free of charge) please contact Customer Services on 13 38 63.

4.2 SUCCESSOR FUND TRANSFER FROM ONEPATH MASTERFUND

On 13 April 2019, all members and assets were transferred from the OnePath MasterFund (OPMF) to the Retirement Portfolio Service (RPS) superannuation fund through a Successor Fund Transfer (SFT). The RPS is a superannuation fund that allows members to make contributions while they are saving for retirement, as well as being a fund that pays members an income when they retire. The transfer was approved as it satisfied that it was in the members' best interests and members are provided with equivalent rights to benefits in RPS.

This change simplifies our superannuation business by reducing the number of superannuation funds we offer, and enabled the sale of ANZ's life insurance business (OnePath Life Limited) to Zurich Financial Services Australia Limited (Zurich) which occurred on 31 May 2019.

The key features of your account remain the same, with no changes to investments, insurance cover, service or fees. Any instructions you have provided to us have been transferred to the new fund.

4.3 CHANGES TO YOUR PERSONAL CIRCUMSTANCES AND INSURANCE

Let us know when your personal circumstances change to ensure you're still insured.

Even if you continue to pay your insurance fees, a change in your personal circumstances, such as if you permanently depart from Australia, could mean that you're no longer covered. It is important to keep us informed of any changes to your personal or working circumstances to ensure you're paying the right insurance fees for your cover.

To advise us of any changes to your personal circumstances, call Customer Services.

- For OneAnswer products on 133 665, or
- ANZ OneAnswer products on 13 38 63.

4.4 ARE YOUR CONTACT DETAILS UP TO DATE?

If you are under age 65 and we do not have contact details for you, or you have not contacted us during the last 12 months, we may be required to close your account and pay it to the Australian Taxation Office (ATO), if your balance is under the legislated threshold, which is \$6,000. Once this happens, you will lose any insurance associated with the account, and will need to contact the ATO about payment options. Although you can request the monies be redirected to OnePath, this would generally require a new account to be set up, which is not available for all products, and would have pre-existing conditions limitations on any insurance. Because we don't have your contact details, you will not be provided with prior notification of this happening or confirmation from us that it has happened. However, you will be able to see the amount as Unclaimed Monies by logging on to the MyGov website, my.gov.au

If you have not provided your phone number or email address, you can do so via Investor Access, or by calling or emailing us.

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Contact us

OneAnswer
133 665
customer@onepath.com.au

ANZ OneAnswer
13 38 63
customer@onepath.com.au

This information is current as at July 2019 but may be subject to change. You should read the relevant Financial Services Guide (FSG), Product Disclosure Statement (PDS), Fees Guide, Additional Information Guide (AIG), Investment Funds Guide (IFG), OneAnswer Hedge Funds Guide, Buy-Sell Spread Guide and product and other updates available online and consider whether the product is right for you before making a decision to acquire, or to continue to hold the product. Alternatively you can request a copy of this information free of charge by calling Customer Services. Taxation law is complex and this information has been prepared as a guide only and does not represent taxation advice. Please see your tax adviser for independent taxation advice. Any investment is subject to investment risk, including possible repayment delays and loss of income and principal invested. Returns can go up and down. Past performance is not indicative of future performance.

The information provided is of a general nature and does not take into account your personal needs, financial circumstances or objectives. Before acting on this information, you should consider the appropriateness of the information, having regard to your needs, financial circumstances or objectives.