



NEW UNDERLYING INVESTMENT MANAGERS FOR ONEPATH AUSTRALIAN SHARE FUNDS

CONTINUOUS DISCLOSURE NOTICE | 2 AUGUST 2018

This Continuous Disclosure Notice provides important information for investors of the investment funds listed in the table below, which are offered through ANZ OneAnswer Investment Portfolio, ANZ Master Trusts and ANZ Direct Managed Investments.

What are the changes?

UBS Asset Management (Australia) Ltd (UBS) was replaced on 1 August 2018 by the following investment managers for the following investment funds.

Investment fund name	New investment manager
OnePath Australian Shares	Alphinity Investment Management Pty Limited*
OnePath Select Leaders	Alphinity Investment Management Pty Limited*
OnePath Sustainable Investments – Australian Shares	Alphinity Investment Management Pty Limited*
OnePath Blue Chip Imputation	Nikko AM Limited^

*Referred to as Alphinity.

^Referred to as Nikko.

For additional information about the investment funds, refer to page 4 of this Update.

Why were the changes made?

The decision to replace UBS follows a detailed and thorough review conducted by our internal portfolio management team. This review involved the identification of high calibre investment managers who are highly rated based on the sustainability of their business model, experienced investment team and their investment processes.

We believe Alphinity and Nikko each have an investment philosophy that will be better suited to the investment strategy of the investment fund(s). We also expect each investment manager to deliver a better risk/return outcome for investors and improve the likelihood that the funds will meet their investment objectives.

Which products are affected by the changes?

The changes affect the investment funds offered through the below products.

- ANZ OneAnswer Investment Portfolio (including //Select)
- ANZ Master Trusts
- ANZ Direct Managed Investments.

When did the transition take place?

The transition was completed by 1 August 2018.

The transition process to replace UBS as the investment manager involved some trading activity within each investment fund, in accordance with the new investment manager's instructions so that each portfolio reflects their chosen portfolio composition.

Were there transition costs to investors?

The costs associated with selling and buying securities, such as brokerage costs and stamp duty, occurred at the time of transitioning each portfolio to the new investment manager. These costs were incurred within each investment fund and are reflected in their unit price.

Are there any tax implications?

The transition to the new investment managers involved the selling of securities held within each investment fund (as noted above) and as a result a realisation of capital gains on those securities occurred. Based on our analysis (prior to transition) we expected a small capital gain to be made (estimated at less than 5% of funds under management).

Given the transition is taking place early in the 2018/19 financial year and the capital gain amounts are expected to be small, these gains will be retained in the investment funds until after the financial year end.

What will not be changing?

The following remain the same despite the change to a new investment manager:

- the Ongoing Fees and Buy/Sell spreads
- the investment objective and investment strategy of the investment funds
- the standard risk measure
- distribution frequency, and
- strategic asset allocation and ranges.

Who are the new 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.

What is Alphinity's process for managing Sustainable Investments?

Alphinity's investment process seeks to identify sustainable companies that contribute towards the advancement of the United Nations Sustainable Development Goals (UNSDG), have strong Environmental, Social and Governance (ESG) characteristics and display appealing investment characteristics.

Alphinity employs negative screens* to exclude companies exposed to a relatively small number of specific activities and positive screens* to identify companies that contribute towards the advancement of the UNSDG agenda and rank well on ESG metrics.

* Negative and positive screens – to 'screen' a portfolio is to apply selection criteria in order to determine whether a company is suitable for investment.

Nikko AM Limited

ABN 99 003 376 252

Established 1989

Funds under management \$8.9 billion (as at 31 December 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 their Sydney based investment teams, with a history dating back to 1989. Today the company manages approximately \$8.9 billion in assets (as at 31 December 2017) for retail and institutional clients across Australia.

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

Any questions?

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

- speak with your financial planner
- call Customer Services on 13 38 63, weekdays between 8.30am and 6.30pm (AEST)
- email anz.investments@onepath.com.au

ADDITIONAL INFORMATION

Which investment funds are affected by the changes?

ANZ OneAnswer Investment Portfolio

Investment fund name	Trust name	ARSN
OnePath Australian Shares	ANZ OA OnePath Australian Share Trust	088 888 082
OnePath Select Leaders	ANZ OA OnePath Select Leaders Trust	096 670 030
OnePath Sustainable Investments – Australian Shares	ANZ OA OnePath Sustainable Investments - Australian Share Trust	104 468 895
OnePath Blue Chip Imputation	ANZ OA OnePath Blue Chip Imputation Trust	088 881 449

ANZ Master Trusts

The below funds are affected and are managed as per OnePath Australian Shares.

Investment fund name	ARSN
ANZ Equity Imputation Trust	093 218 761
ANZ Equity Trust No 1	093 218 636

ANZ Direct Managed Investments

The below fund is affected and is managed as per OnePath Blue Chip Imputation.

Investment fund name	ARSN
ANZ Direct Dividend Imputation Trust	088 881 449

This Continuous Disclosure Notice is issued by OnePath Funds Management Limited (ABN 21 003 002 800, AFSL 238342) as the issuer of the OneAnswer Investment Portfolio suite of products, ANZ Master Trusts and ANZ Direct Managed Investments. The information is of a general nature only and has been prepared without taking into account any investor's objectives, financial situation and needs. Before making a decision based on this information, you should consider the appropriateness of the information, having regard to your objectives, financial situation and needs.

OnePath Funds Management Limited (OPFM) is a subsidiary of Australia and New Zealand Banking Group Limited ABN 11 005 357 522 (ANZ), an authorised deposit taking institution (ADI) under the Banking Act 1959. OPFM is not an ADI. An investment in an investment fund is neither a deposit nor liability of ANZ or any other member of the ANZ Group. Neither ANZ or any member of the ANZ Group stands behind or guarantees OPFM or the capital or performance of the investment funds. An investment is subject to investment risk, including possibly delays in repayment and loss of income and principal invested. Past performance is not an indication of future performance.