

ONEPATH  
ALTERNATIVES  
GROWTH FUND

Product Disclosure Statement

12 December 2023

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### IMPORTANT INFORMATION

This Product Disclosure Statement (PDS) is issued by OnePath Funds Management Limited (ABN 21 003 002 800, AFSL 238342) and is a summary of significant information relating to the OnePath Alternatives Growth Fund (ARSN 121 982 796, APIR MMF1471 AU) (Fund). You should read the PDS before making a decision about the Fund. You may request a copy of the PDS at any time by calling Customer Services (or the provider of your master trust or wrap service).

Information provided in this PDS is general information only and does not take into account your investment objectives, personal financial situation or needs. This PDS explains the main features of the OnePath Alternatives Growth Fund and should not be used as a substitute for financial advice. You should read the PDS carefully to assess whether the information is appropriate, having regard to your objectives, financial situation and needs, and speak to a financial adviser before making an investment decision. You should obtain financial advice tailored to your personal circumstances. The invitation to invest in the OnePath Alternatives Growth Fund is only available to persons receiving this PDS in Australia.

**Updated information:** Information in this PDS may be updated from time to time. If the change contains no materially adverse information, we will publish the updated information at [onepathsuperinvest.com.au](http://onepathsuperinvest.com.au). Please ensure you have the most up-to-date information by visiting this website regularly. You may also request a copy of the PDS or any updated information at any time by calling Customer Services (or the provider of your master trust or wrap service).



## 1. ABOUT ONEPATH FUNDS MANAGEMENT LIMITED

OnePath Funds Management Limited (OnePath Funds Management, we, us, our) is the responsible entity of the OnePath Alternatives Growth Fund (the Fund) and is the issuer of this PDS.

As responsible entity of the Fund, we are responsible for ensuring that the Fund operates in accordance with the Fund's constitution, the *Corporations Act 2001* (Corporations Act) and other relevant laws.

OnePath Funds Management is part of the Insignia Financial group of Companies, comprising Insignia Financial Ltd (ABN 49 100 103 722) and its related bodies corporate (Insignia Financial Group). Neither the issuer, nor any other related or associated company, guarantee the repayment of capital, the performance of, or any rate of return of the investment. The investment is subject to investment risks and other risks. This could involve delays in the repayment of principal and loss of income or principal invested.

## 2. HEDGE FUND DISCLOSURES

### RG240

The Australian Securities and Investments Commission (ASIC) requires responsible entities of hedge funds and funds which invest into hedge funds to provide enhanced disclosure, as set out in ASIC's *Regulatory Guide 240 Hedge funds: Improving disclosure (RG240)*.

The purpose of RG240 is to help investors understand and assess hedge funds so that they can make more informed investment decisions. The information that must be disclosed includes:

- Benchmarks, which address fund valuation and reporting
- Disclosure Principles, which address the key features of a fund such as investment strategy and fund structure.

This PDS addresses the disclosure requirements of RG240 in relation to the Fund.

### The Fund

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 multi-manager portfolio is designed with the intention of delivering more consistent, and diversified sources of returns than could be achieved if investing with a single manager.

The Fund may invest substantially or wholly in underlying funds (referred to as 'Underlying Funds' in this PDS) or Cash and equivalents.

Please see Section 3.1 for details of the Underlying Funds the Fund is currently invested in.

### Investment risks

Hedge funds can pose more complex risks for investors than traditional managed investment schemes due to their diverse investment strategies, use of leverage and complex offshore structures.

Before you make an investment decision it is important to identify your investment objectives and the level of risk you are prepared to accept.

Investments in this Fund and Underlying Funds have specific risks which you should consider before making an investment decision. These risks are described or referenced in the relevant sections of this PDS.

General risks associated with hedge funds are described in section 5 of this PDS.

### More information

- **RG240:** Go to [asic.gov.au](http://asic.gov.au)

## 2.1 BENCHMARKS AND DISCLOSURE PRINCIPLES

Table 1 summarises the type of information about “hedge funds” and “fund of hedge funds” that must be provided to investors under RG240.

**Table 1**

Benchmark	What information must be provided?
1. Valuation of assets	This benchmark addresses whether valuations of the hedge fund’s non-exchange traded assets are provided by an independent administrator or an independent valuation service provider.
2. Periodic reporting	This benchmark addresses whether the responsible entity of the hedge fund will provide periodic disclosure of certain key information on an annual and monthly basis.
Disclosure Principle	What information must be provided?
1. Investment strategy	Details of the investment strategy for the hedge fund, including the type of strategy, how it works in practice and how risks are managed.
2. Investment manager	Information about the people responsible for managing the hedge fund’s investments, such as their qualifications and relevant commercial experience and the proportion of their time devoted to the hedge fund, and the relevant arrangement between the responsible entity and the investment manager, if any.
3. Fund structure	An explanation of the investment structures involved, the relationships between entities in the structure, fees and other costs payable to the responsible entity and the investment manager, the jurisdictions involved (if these involve parties offshore), the due diligence performed on underlying funds and related party relationships within the structure.
4. Valuation, location and custody of assets	Disclosure of the types of assets held, where they are located, how they are valued and the custodial arrangements.
5. Liquidity	Disclosure of the hedge fund’s ability to realise its assets in a timely manner and the risks of illiquid classes of assets.
6. Leverage	Disclosure of the maximum anticipated level of leverage of the hedge fund (including leverage embedded in the assets of the hedge fund).
7. Derivatives	Disclosure of the purpose and types of derivatives used by the responsible entity or investment manager, and associated risks.
8. Short-selling	How short-selling may be used as part of the investment strategy, and the associated risks and costs of short-selling.
9. Withdrawals	Disclosure of the circumstances in which the responsible entity of the hedge fund allows withdrawals and how this might change.

# BENCHMARKS

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## 1. Valuation of assets

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## 2. Periodic reporting

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### 1. Valuation of assets

**This benchmark requires us to have and implement a policy that requires the valuation of the Fund's assets that are not exchange traded to be provided by an independent administrator or an independent valuation service provider.**

This benchmark is not met by us, but instead is met by each of the Underlying Funds. This is considered appropriate because the only assets of the Fund (excluding Cash) are units or shares in the Underlying Funds.

We value the interests of the Fund based on valuation information provided by the managers of each Underlying Fund, each of which uses an independent administrator or valuer.

Each Underlying Fund is independent of us. We have a policy on the use of independent fund administrators or valuation service providers by Underlying Funds. We limit the risk of any lack of independence and any related party conflicts in the valuation of non-exchange traded assets by monitoring the valuation of the Fund's assets.

Unit and share prices provided by the Underlying Funds are monitored by us. For more information, refer to section 3.4 of this PDS.

### 2. Periodic reporting

**This benchmark requires us to have and implement a policy to report on specific information on an annual or monthly basis.**

#### Annual reporting

We will provide the following information at least annually, either in the annual report of the Fund, on our website under performance reporting, or in our periodic statements:

- the actual allocation to each Underlying Fund held by the Fund
- the maturity profile of the Fund's liabilities as at the end of the year
- the annual investment returns of the Fund over the previous five-year period
- changes to key service providers of the Fund and any changes to their related party status
- the liquidity profile of the Fund's assets as at the end of the year
- the leverage ratio (if any) of the Fund at the end of the year
- the derivatives counterparties (if any) engaged by us in managing the Fund

Annual reports containing information relevant to the Fund can be obtained online at [onepathsuperinvest.com.au/forms-and-brochures](http://onepathsuperinvest.com.au/forms-and-brochures) or by contacting Customer Services.

#### Monthly reporting

The following information is provided in the monthly Fund summaries available on our website:

- the current total net asset value of the Fund and the withdrawal value of a unit in the Fund as at the date the net asset value was calculated in accordance with the method described in section 3.4 of the PDS
- changes to key service providers of the Fund and any changes in their related party status
- for each of the following matters since the last report on those matters;
  - the net return on the Fund's assets after fees, costs and taxes;
  - any material changes in the Fund's risk profile;
  - any material changes in the Fund's investment strategy; and
  - any change in the individuals playing a key role in investment decisions for the Fund.

An investment returns booklet showing the Fund's net returns is available at [onepathsuperinvest.com.au](http://onepathsuperinvest.com.au)

## DISCLOSURE PRINCIPLES

1. Investment strategy
2. Investment manager
3. Fund structure
4. Valuation, location and custody of assets
5. Liquidity
6. Leverage
7. Derivatives
8. Short-selling
9. Withdrawals

### 1. Investment strategy

The investment strategy describes how the Fund aims to achieve its investment objective. The Fund aims to achieve its investment objectives by investing substantially or wholly in the Underlying Funds (and Cash) which themselves are hedge funds, other than the Bentham Syndicated Loan Fund and MCP Wholesale Investments Trust.

The Fund offers exposure to non-traditional sources of return, targeting lower volatility of returns with less downside risk than traditional asset classes. We believe that the investment strategy of each Underlying Fund complements those of the other Underlying Funds held by the Fund. By combining these complementary investment strategies of institutional quality managers, the Fund offers investors a diversified liquid alternatives portfolio, which can be blended with core equity and fixed income investments within a diversified, multi-asset portfolio.

Each Underlying Fund is considered by OnePath Funds Management to help achieve the Fund's investment objectives.

The criteria and due diligence process for selecting the Underlying Funds, is set out in section 3 "Fund structure" of the Disclosure Principles section.

#### Key dependencies and assumptions

There are key dependencies and assumptions underpinning the Fund's ability to achieve its investment objectives, which include:

- legislators and regulators continuing to consider regulatory reforms and other measures to stabilise markets and encourage growth in global financial markets;
- the asset allocation process underpinning the Fund's investments remaining robust and relevant;
- each Underlying Fund achieving its investment objectives; and
- our due diligence process identifying appropriate Underlying Funds, and the ongoing monitoring of these investments.

#### Risk management

The OnePath Funds Management Board has adopted a Risk Management Strategy (RMS) which includes, but is not limited to,

risks associated with investments. The Fund and each Underlying Fund is monitored and assessed on an ongoing basis as part of OnePath Funds Management's RMS.

For internal funds, asset exposures are constantly monitored to ensure they remain within permitted investment parameters and their trading and investment activities remain within assigned limits. Where such limits are exceeded, the OnePath Funds Management Board is alerted to such occurrences which are then dealt with in accordance with internally documented policies.

For Underlying Funds that OnePath Funds Management invests into, we are reliant on the external manager ensuring compliance with their investment guidelines, however we have processes in place to monitor manager compliance as appropriate.

The RMS is reviewed on an annual basis or whenever there is a material change in the OnePath Funds Management business, and a review of the risks set out in the RMS is conducted at least annually.

#### Diversification guidelines and limits

The Fund is either wholly or substantially invested in the Underlying Funds. The OnePath Alternatives Growth Fund, being a multi-manager fund, maintains relevant diversification guidelines which provide allowable ranges of exposure to sub-strategies such as global macro, managed futures, multi-strategy and alternative credit.

#### Changes to investment strategy

The investment objective, investment strategy, asset allocation and other information in this section may change at any time.

Any changes will be considered in light of the potential negative or positive impact on investors. We will notify investors in the Fund as soon as practicable after any changes have been implemented. Notification will be through regular investor communications and/or as an update on our website.

## 2. Investment manager

We (OnePath Funds Management) act as investment manager of the Fund. The implementation of investment strategies for the Fund is a core capability of OnePath Funds Management.

For the Underlying Funds, our investment team continuously researches, assesses and monitors the Underlying Funds with input from our preferred external research consultants as appropriate. We may add, remove or reduce allocations to any Underlying Fund at any time.

### Key personnel

As at the date of this PDS the key individuals involved in the investment decisions for the Fund are Gareth Abley and Jehan Sukhla. Gareth and Jehan devote a significant proportion of their time to managing the investment strategy underpinning the Fund. They are responsible for the selection and allocations of the asset classes and strategies included in the Fund. There have been no adverse regulatory findings against OnePath Funds Management or any staff involved in investment decisions.

#### Gareth Abley B.Sc (Hons), CFA

From 1998 to 2002, Gareth was a manager research analyst with Skandia UK focusing on equities, fixed interest and diversified portfolios. In 2002, he joined MLC as an asset consultant and in 2007 became Head of Asset Consulting. In this role he led a team which was responsible for advising a diverse range of institutional clients (including super funds, charities, endowments and health insurers) on their investment strategies. Since 2010, he has been Head of Alternative Strategies, where he is responsible for evolving MLC/Insignia's alternatives capabilities and is Co-Portfolio Manager of the Insurance Related Investments Strategy, MLC Opportunistic Growth Strategy, and since June 2022 the OnePath Alternatives Growth Fund.

#### Jehan Sukhla B. Acc, CFA, GAICD

Jehan has been actively engaged in investment management since 2001, coordinating manager research and portfolio construction of multi-manager portfolios across several asset classes. From 2001 to 2003, Jehan was a Graduate at BT Funds Management. He joined MLC Investment Management in 2003 as a Research Analyst focusing on fixed income and currency portfolios. In 2005 his responsibilities expanded to include coverage of alternative strategies and commodities, overseeing total assets/overlays of A\$30bn. Since 2010 he has focused exclusively on MLC's Alternative Strategies, and is Co-Portfolio Manager for the Insurance Related Investment Strategy and MLC Opportunistic Growth Strategy and since June 2022 the OnePath Alternatives Growth Fund.

## 3. Fund structure

The Fund is a unit trust (an Australian registered managed investment scheme) which invests into one or more externally managed Underlying Funds.

The diagram below shows the investment structure applicable to the Fund.

### Underlying Fund selection and monitoring

As responsible entity for the Fund, we have formal agreements in place with the managers of each Underlying Fund which address the agreed commercial terms associated with our investment.

Before selecting an Underlying Fund, we undertake a due diligence process to ensure the manager of the Underlying Fund meets our investment selection criteria, which includes:

- the views of our internal Investment Management team;
- consideration of external research ratings, where appropriate, including OnePath Funds Management's primary investment consultants;
- the experience and stability of the investment team managing the Underlying Fund's assets;
- the strength of the fund's management organisation behind the Underlying Fund;
- the investment philosophy and investment process followed by the investment manager of the Underlying Fund;
- the risks inherent in the Underlying Fund's investment strategy and the Underlying Fund's suitability and complementarity with the Fund's broader portfolio;
- adequacy of the Underlying Fund's portfolio diversification;
- competitiveness of the fee structure, and its alignment with investors' interests;
- liquidity of the Underlying Fund and its underlying assets;
- short-term and long-term performance of the Underlying Fund relative to its investment objectives and peers; and
- assets under management in the Underlying Fund, and any capacity issues or constraints.

Our selection criteria also considers the service providers used by an Underlying Fund. Consideration of such service providers is limited to the extent that it considers whether those service providers are reputable and independent from the Underlying Funds. We do not otherwise conduct due diligence process on those service providers.

### Investment structure applicable to the Fund





### Payments and performance fees

We may receive payments from managers of Underlying funds and/or related parties. Please refer to page 18 for more information.

Performance fees may apply to one or more of the Underlying Funds. Please refer to page 17 for more information.

### Service providers

We act as the administrator for the Fund. From time to time, we engage external service providers in respect of the Fund. Key service providers are:

- Auditor – KPMG is the auditor for the Fund
- Manager selection – where appropriate, we may use external research houses for input into manager selection.

### Monitoring of service providers

We have a compliance plan in place to ensure that the appointment of service providers such as auditors is responsibly conducted, and that their performance is appropriately monitored. The compliance plan is audited by KPMG. The audit report is lodged with ASIC annually.

Under the procedures for appointing and monitoring an outsource arrangement, appropriate due diligence investigations are conducted on a third party prior to their appointment.

Written contracts with the third party provider are reviewed and executed in accordance with the procedure for the execution of documents.

The performance of the third party service and outsource providers may be monitored through some or a combination of regular meetings, obtaining audit reports, obtaining compliance reports and service level reporting. Issues reported by outsource service providers are treated as incidents and managed in accordance with our Incident Management Process.

## 4. Valuation, location and custody of assets

### Valuation of Assets

As responsible entity of the Fund, we hold the assets of the Fund in the form of units or shares, as applicable, in each Underlying Fund.

The Fund's assets are normally valued at their most recent market value, based on unit or share prices received from independent sources.

For further information about the valuation of assets and the calculation of unit prices of the Fund, refer to section 3 of this PDS.

### Location and custody of assets

The Underlying Funds and their independent service providers (such as administrators and custodians) may be located in Australia or overseas, and the currency denomination of the Fund's interests in the Underlying Funds may vary but are typically denominated in Australian dollars.

There are risks involved when investing in overseas jurisdictions. For more information on these and other risks associated with investing in the Fund, please refer to Section 5 'Risks to consider'.

The cash holdings of the Fund will generally be denominated in Australian dollars and held in bank accounts with Australian authorised deposit-taking institutions, or through cash funds managed by a member of the Insignia Financial Group ('Cash Funds').

The Fund does not have a custodian. The Fund's interests in Underlying Funds, Cash or Cash Funds are held in the name of OnePath Funds Management Limited as responsible entity of the Fund.

## 5. Liquidity

The Fund invests substantially all of its assets in Underlying Funds, each of which has varying liquidity parameters.

Liquidity of the Underlying Funds is considered as part of the manager selection process. As a responsible entity OnePath Funds Management maintains a Liquidity Management Plan ('LMP') which outlines the approach for managing and monitoring liquidity risk for a range of registered and unregistered managed investment schemes for which we are responsible, including the Fund.

The objective of the LMP is to outline liquidity management governance, ongoing liquidity measurement and management, liquidity stress scenarios, and liquidity events and crisis management planning. The following procedures are in place for monitoring and managing liquidity on an ongoing basis: daily cash flow monitoring and liquidity monitoring; maintenance and monitoring of adequate levels of liquid securities; management of illiquid assets; compliance monitoring of liquidity ranges; management of significant redemptions from a single investor; forecasting liquidity requirements during market dislocations; and stress testing annually.

While the Fund allows for transactions each business day, certain Underlying Funds in which the Fund is invested allow for investor (note, the Fund is the investor in the Underlying Funds) transactions at frequencies other than each business day, and/or the aggregate number of days from the Fund giving the required number of days' notice of a redemption transaction through to the subsequent receipt of the cash proceeds is expected to be longer than 10 days.

Therefore, should the need arise, under normal market conditions we will be unable to realise at least 80% of the assets of the Fund within 10 days of any given dealing date of the Fund, being each business day. However, should the need arise, under normal market conditions we reasonably expect to be able to realise at least 80% of the assets of the Fund within approximately 20 days of any dealing date of the Fund.

Notwithstanding the RG240 liquidity threshold described above which is predicated on a significant single day redemption 'stress' scenario for the Fund, based on our ongoing assessment of Fund liquidity, during normal market conditions we reasonably expect to be able to appropriately manage the portfolio to enable us to continue to meet the individual withdrawal requests of investors from the Fund on each business day. However, during

abnormal or extreme market conditions the external manager of each Underlying Fund may decide to restrict withdrawals, hence impacting our ability to meet individual investor withdrawal requests from the Fund on each business day.

Under these circumstances, we may need to suspend or restrict withdrawals from the Fund. We may also terminate the Fund, which could result in a delay in the repayment of capital to investors.

## 6. Leverage

Leverage is not part of the investment strategy for the Fund but may be used in certain circumstances as a short-term measure, for example where needed to allow for a large number of withdrawals to be processed at the same time.

Certain Underlying Funds may use leverage as part of their investment strategy. The Fund does not set a limit on the level of gross leverage permitted across its portfolio or permitted to be held by an Underlying Fund. Although we do not specifically consider the types and level of leverage used by the Underlying Funds, these factors are taken into consideration as part of the overall risk assessment analysis carried out by us when selecting an Underlying Fund and constructing the overall portfolio of the Fund.

At the date of this PDS, we estimate the weighted average maximum gross leverage of the Fund (on a look-through basis) to be approximately 475% of its net asset value. This value is based on the Fund's strategic asset allocation to each Underlying Fund as at the date of this PDS and is subject to change. Refer to section 5 of this PDS for information about the risks associated with leverage.

## 7. Derivatives

Derivatives are not used by us in the Fund. However, certain Underlying Funds may use derivatives as part of their investment strategy. Although we do not specifically set limits on the types of derivatives used by the Underlying Funds and on the Fund's exposure to those instruments (exchange-traded or over-the-counter) via an Underlying Fund, these factors are taken into consideration as part of the overall risk assessment analysis carried out by us when selecting an Underlying Fund and constructing the overall portfolio of the Fund.

Refer to section 5 for information about the risks associated with derivatives.

## 8. Short selling

Short selling is not used by us in the Fund. However, certain Underlying Funds may use short selling as part of their investment strategy. Although we do not specifically set limits on the level of short selling permitted in each Underlying Fund, these factors are taken into consideration as part of the overall risk assessment analysis carried out by us when selecting an Underlying Fund.

Refer to section 5 for information about the risks associated with short selling.

## 9. Withdrawals

Requests to withdraw from the Fund may be made at any time, and can be made by contacting Customer Services or completing a 'Withdrawal Form'.

Under normal market conditions, withdrawals from the Fund will generally be able to be processed each Business Day. In the unlikely event that the Fund ceases to be liquid (that is, sufficient assets cannot reasonably be expected to be realised and converted into cash to satisfy a withdrawal request within the period specified in the Fund's constitution), different withdrawal procedures, as specified in the Corporations Act, will apply.

In exceptional circumstances, applications and withdrawals may be suspended. For example, if significant market volatility and/or significant internal or external events result in an inability to value an investment fund. This may affect the ability of investors to withdraw from the Fund.

If there are any material changes to withdrawal rights (e.g. restrictions on an investor's ability to withdraw from the Fund), the changes will be considered in light of the potential negative or positive impact on investors. We will notify investors in the Fund as soon as practicable after any changes have been implemented. Notification will be made through regular investor communications and/or as updates on our website.

Information about withdrawals is provided in this PDS.

Refer to section 5 for information about the risks associated with the liquidity of a fund.

## RISKS OF INVESTING

Risks of investing specific to the Fund and general risks associated with investing in hedge funds are described in section 5 of this PDS.

## 3. HOW THE FUND WORKS

### 3.1 FUND STRUCTURE

The Fund is a managed investment scheme registered with ASIC.

The Fund is structured as a 'fund of hedge funds' in accordance with RG240 and invests in a number of Underlying Funds, some of which are classified as hedge funds. The Fund is currently invested in the following Underlying Funds:

#### Underlying Funds

Underlying fund	Domicile	Strategy	Investment manager	RG240 Hedge Fund (Y?N)
Keynes Dynamic Beta Strategy (Offshore Fund)	Cayman Islands	Global Macro	PGIM Wadhvani LLP ('PGIM')	Y
One River Systematic Trend SP	Cayman Islands	Trend Following	One River Asset Management ('One River')	Y
One River Systematic Alternative Markets Trend SP	Cayman Islands	Trend Following	One River Asset Management ('One River')	Y
Fulcrum Diversified Absolute Return Fund	Australia	Multi-Strategy/Multi-Asset	Fulcrum Asset Management LLP ('Fulcrum')	Y
Janus Henderson Global Multi-Strategy Fund	Australia	Multi-Strategy	Janus Henderson Investors ('Janus Henderson')	Y
MCP Wholesale Investments Trust	Australia	Private Debt	Metrics Credit Partners ('Metrics')	N
Bentham Syndicated Loan Fund	Australia	Alternative Credit	Bentham Asset Management ('Bentham')	N

The **One River Systematic Trend SP** strategy seeks to exploit medium to long term trends frequently observed in various equities, rates, FX, and commodity markets to generate returns. This systematic strategy employs a proprietary model which uses a combination of moving averages, breakouts, and stops to determine when to enter and exit the positions. The manager seeks to manage risk through diversification, stop loss, regular rebalancing, and position sizing.

The **One River Systematic Alternative Markets Trend SP** strategy seeks to exploit medium to long term trends frequently observed in various alternative equity, credit, rates, FX, and commodity markets to generate returns. This systematic strategy employs a similar investment approach to One River's Systematic Trend SP strategy, but focuses on a different set of alternative markets – markets that are typically more challenging to model and trade, and that are generally less liquid.

The **Keynes Dynamic Beta Strategy (Offshore) Fund** strategy applies a systematic macroeconomic investment process which includes both directional (to average a 75% allocation over a full investment cycle) and relative value (25%) strategies, which seek to harvest risk premia in a non-linear fashion and emphasize drawdown avoidance. The strategy invests long and short across global equity, fixed income, currency and commodity markets, and utilises deep academic/theoretical input to generate signals, with a heavy focus on research and signal evolution. The strategy incorporates time-varying weights for macroeconomic, value, carry, sentiment, and intermarket linkages in a dynamic process, and employs advanced portfolio construction and risk management techniques seeking to protect client capital, focusing on downside volatility.

The **Fulcrum Diversified Absolute Return Fund** strategy seeks to achieve its aim of long-term absolute returns by investing globally and aims to hold a highly diversified portfolio, typically consisting of exposures to equities, fixed income, commodities, alternatives and cash. Investments may be made through collective investment schemes (including index funds such as exchange traded funds (ETFs) and actively managed funds managed by Fulcrum Asset Management LLP but not actively managed funds managed by third party investment managers). The strategy will use derivatives for investment purposes and for efficient portfolio management. The Fulcrum Diversified Absolute Return Fund will use hedging strategies to reduce risk over the short term without materially altering its risk profile. The strategy is managed without reference to a benchmark and aims to be managed with a forward-looking volatility cap of 12%.

The **Janus Henderson Global Multi-Strategy Fund** strategy seeks to provide positive absolute returns with low to moderate volatility and low correlation to both traditional and alternative asset classes. The strategy invests in a diversified set of strategies at a bottom-up level, including convertible arbitrage, event-driven, price pressure, risk transfer, equity market neutral and fixed income, currency and commodity relative value, combined with a top-down portfolio protection strategy. The strategy seeks to achieve a positive (absolute) return, regardless of market conditions, and to outperform the Bloomberg AusBond Bank Bill Index by 7% per annum (before fees) over rolling three-year periods.

The **MCP Wholesale Investments Trust** is a multi-strategy fund currently invested in wholesale funds managed by Metrics Credit Partners (Metrics), specifically the Metrics Credit Partners Diversified Australian Senior Loan Fund, the MCP Secured Private

Debt Fund II and the MCP Real Estate Debt Fund (Wholesale Funds). From time to time and subject to ASX listing rules, the fund may hold units in the Metrics Master Income Trust (ASX: MXT) which are traded on the ASX. The strategy seeks to provide investors with monthly cash income, low risk of capital loss and portfolio diversification, through direct investments and its investment in the wholesale funds, by gaining exposure to actively managed diversified loan portfolios across a range of industries, borrowers and credit quality and participating in Australia's bank-dominated corporate loan market. Metrics seeks to implement active strategies designed to balance MCP Wholesale Investment Trust's objective in delivering its target return (RBA Cash Rate plus 325 bps pa net) ('Target Return') while seeking to preserve investor capital. Net income is distributed monthly.

The **Bentham Syndicated Loan Fund** strategy is actively managed and focused on generating stable investment income. The strategy aims to provide investors with exposure to high-yielding investments primarily through the US syndicated loan market, with an active allocation to investments in different industries, issuers and geographies. The strategy seeks to add value through loan selection and industry rotation, while maintaining a highly diversified portfolio.

The Fund will also allocate cash, as appropriate, to a Cash fund managed by a member of the Insignia Financial Group. All transactions are conducted by OnePath Funds Management on arm's length terms, with any conflict of interest or potential conflict of interest being managed in accordance with our conflict management policy.

### Rationale for inclusion in the Fund portfolio

The Fund offers exposure to non-traditional sources of return, targeting lower volatility of returns with less downside risk than traditional asset class classes. We believe that the investment strategy of each Underlying Fund complements those of the other Underlying Funds held by the Fund. By combining these complementary investment strategies of institutional quality managers, the Fund offers investors a diversified liquid alternatives portfolio, which can be blended with core equity and fixed income investments within a diversified, multi-asset portfolio. The Fund can allocate 10% or more of its net asset value to each of the Underlying Funds, however the actual allocation to each Underlying Fund can vary based on market conditions or portfolio construction decisions.

## 3.2 INVESTING IN THE FUND

Investments in the Fund may be made by investors (indirect investors) who wish to invest in, or via an Investor Directed Portfolio Service (IDPS), IDPS-like scheme, nominee or custody service or other portfolio service (together referred to as a master trust or wrap service).

We have consented to the use of this PDS by operators (Service Operators) of master trust or wrap services.

As an indirect investor, you do not acquire units in the Fund. Instead, your Service Operator acquires the units on your behalf.

Accordingly, you may not have the same rights as a direct investor in the Fund.

Any minimum transaction amounts are determined by your Service Operator. You will need to complete the relevant application or additional application form available from your Service Operator. When your Service Operator arranges to make an initial or additional investment on your behalf, we will apply the unit price available on the day we receive your Service Operator's application (or the following business day if we receive the application after 12pm or on a day that is not a business day). Please refer to section 3.4 of this PDS for more information about unit pricing. Transaction costs may be incurred when your Service Operator acquires units on your behalf. Please refer to 'Transaction costs' in section 7 of this PDS for more information.

Application money is placed in an interest-bearing bank account until we process your Service Operator's application. Where processing is delayed, any interest earned on the account during this period will be retained by us and used to meet bank fees and other bank administrative costs we incur in operating the bank account.

### 3.2.1 Cooling-off period

Your Service Operator will advise you of any cooling-off rights you may have.

## 3.3 WITHDRAWALS FROM THE FUND

To withdraw from the Fund, you will need to complete the relevant form available from your Service Operator who will in turn make the request on your behalf. Withdrawal requests will normally be paid to your Service Operator within a specified time determined by us and your Service Operator.

When your Service Operator withdraws from the Fund on your behalf, we will apply the unit price available on the day we receive your Service Operator's request (or the following business day if we receive the request after 12pm or on a day that is not a business day). Transaction costs may also be incurred. Please refer to 'Transaction costs' in section 7 of this PDS for more information.

### 3.3.1 Suspensions and when the Fund becomes 'not liquid'

In certain circumstances, withdrawals from the Fund may be restricted. These circumstances include:

- where we are unable or it is impracticable for us to determine the value of units in the Fund because of certain events, including the closure of, or trading restrictions on, stock or securities exchanges, an emergency or other state of affairs
- where we believe that it would be in the best interests of the Fund's members to suspend withdrawals; or
- as permitted by relevant law.

In the rare event that the Fund becomes 'not liquid' (as that term is defined in the Corporations Act), your Service Operator may only withdraw from the Fund if we make a withdrawal offer in accordance with the procedures set out in the Corporations Act.

We are not required to make such an offer. Any offer to withdraw will be made to your Service Operator.

We will notify your Service Operator of any decision to suspend the Fund or if the Fund becomes 'not liquid'.

Please refer to section 9.2 of this PDS for more information of our continuous disclosure notice requirements.

### 3.4 UNIT PRICING

Each unit has a unit price that is equal to the value of the proportion of all of the assets less liabilities (including fees) and provisions of the Fund, or attributable to each unit class, divided by the number of units held by investors in each unit class.

The unit price is generally calculated by us on each 'business day', being any day other than a Saturday or Sunday or public holiday in Sydney on which trading banks in Sydney are open for business. Generally, as the value of the Fund's assets rises and falls, so too does the unit price, and therefore the value of your investment.

The constitution for the Fund provides the basis upon which the Fund's assets are valued. The Fund's assets consist of units or shares, as applicable, in Underlying Funds, and Cash or Cash Funds. We value the units in the Fund based on information provided by the manager of each Underlying Fund in which the Fund invests.

#### Unit Pricing Permitted Discretions Policy

We have a unit pricing permitted discretions policy. It sets out how we will exercise discretions in relation to unit pricing. If we exercise a discretion that is not currently documented, or in a way that involves a departure from the documented policy that is current at the time of exercising the discretion, then we will prepare and record a written explanation as to how that discretion was exercised and why it was reasonable. You can obtain a copy of the current unit pricing permitted discretions policy free of charge by contacting Customer Services.

#### Accuracy of Unit Prices

We have processes in place to check the accuracy of unit prices. There may be occasions where unit prices may be found to be incorrect because of errors made in determining one or more components of the unit price. If your Service Operator transacted on an incorrect unit price, your account may require a correction.

We will provide compensation where the error causes a variance in the unit price which is greater than our predetermined threshold. The threshold varies depending on the asset class. Where the compensation amount is less than an amount determined by us (currently \$20) and the investor entitled to the compensation has fully withdrawn from the Fund, the compensation will be contributed into the relevant Fund for the benefit of existing investors rather than paid to the exited investor.

### 3.5 DISTRIBUTIONS

The Fund may receive distributions, interest and gains from the Underlying Funds. The Fund generally distributes quarterly after the end of March, June, September and December each year. The amount (if any) distributed to your Service Operator will be based on the number of units held at the end of each distribution period. Distributions may be comprised of income and/or capital and will normally be paid within 14 days after the end of a distribution period and must be paid within 90 days of that date.

Any distribution amount will normally vary depending on factors like market conditions, asset class and investment performance. As a result of these factors, there may be times when distributions are not made.

The distribution allocation reduces the Fund's assets. Accordingly, unit prices may fall after the end of the distribution period.

Any distributions will be made to your Service Operator and your Service Operator may in turn pay distributions to you at times that may vary from the above.

## 4. BENEFITS OF INVESTING IN THE FUND

The Fund offers you a range of benefits and features including:

- Potential for capital growth and income to help you meet your investment needs;
- Exposure to non-traditional sources of return;
- Access to proven fund manager skill and expertise; and
- Lower volatility of returns with potentially less downside risk than traditional equities.

Information about your investment in the Fund will be provided by your Service Operator. We will also provide reports on the Fund to your Service Operator who may use these reports to provide you with their own regular reporting. Your Service Operator should be your first point of reference for any investor queries.

## 5. RISKS TO CONSIDER

Risk and return usually go hand-in-hand. When investing, you need to consider the opportunities and subsequent risks associated with each investment to create an investment profile that suits your needs and tolerance for risk.

Generally speaking, the higher the potential return from an investment, the higher the risk associated with it. The more volatile investment funds, such as share funds, potentially offer greater returns and higher growth potential, but generally carry a higher risk than investing in cash or fixed interest funds.

The less volatile investment funds, such as cash funds, generally provide more secure and stable returns because your capital is less susceptible to risk and you may receive interest payments. However, the returns on these investments are not guaranteed (just as the returns from other types of investments are not guaranteed). The returns also may not keep pace with inflation.

This section highlights the significant risks of the Fund, but other factors can adversely affect the Fund. You should seek professional advice on the appropriateness of an investment in the Fund, having regard to your particular circumstances and financial objectives.

**Market risk** – Markets can be volatile meaning the value of securities held by an Underlying Fund may rise, or lose value due to fluctuations in market prices caused by many potential factors such as changing economic conditions, regulations, sentiment, and geopolitical events. These fluctuations will affect the value of an Underlying Fund's investment portfolio, therefore impacting the unit price of the Fund.

**Interest rate risk** – The risk that the value of an interest rate security held by an Underlying Fund may be negatively impacted by fluctuations in interest rates. For example, as interest rates rise, the value of certain securities held by an Underlying Fund may decrease in value.

**Currency risk** – The risk that of an investment being negatively impacted by fluctuations in exchange rate between the Australian dollar and the currency of other investments held by the Fund, or the Underlying Funds. This risk can arise where an Underlying Fund in which the Fund is invested is denominated in a currency other than the Australian dollar, and/or an Underlying Fund holds securities which are denominated in currencies other than the Australian dollar.

**Inflation risk** – The risk that the purchasing power, or real value of an investment, asset or income stream may decrease over time due to unanticipated inflation.

**Business risk** – The risk that the value of an individual business an Underlying Fund has exposure to is negatively impacted by factors specific to that business and/or the sector it operates in. There are many factors which can negatively impact a business however some examples include poor management, lower consumer demand, and declining market share.

**Political or social risk** – The risk that changes in government policy, laws and/or regulations (whether in Australia, or in offshore jurisdictions) may adversely affect the value, and/or tax treatment of the Fund or the Underlying Funds, or the ability of Underlying Funds to implement certain investment strategies. This also includes the risk that political upheaval may adversely affect an investment an Underlying Fund has exposure to, although this is more likely to occur in relation to overseas investments (see also 'Foreign market risk').

**Liquidity risk** – The Underlying Funds may be exposed to securities which may be difficult to value or sell due to factors which may be specific to those securities, or due to prevailing broader market conditions. This has the potential to adversely impact the Underlying Fund's ability to realise that particular investment, which could then adversely affect its ability to meet withdrawal requests in a timely manner. This in turn could also adversely impact the Fund.

**Investment manager risk** – The risk that the investment manager of the Fund or an Underlying Fund will not achieve its performance objectives, produce positive returns, or perform favourably relative to other investment managers in the same asset class. Many factors can negatively impact an investment manager's ability to achieve its objectives, including for example the loss of key investment staff.

**Regulatory and legal risk** – Laws and regulatory policy affecting the Fund or the Underlying Funds in which it invests may change in the future and have an adverse impact on the Fund or the Underlying Funds.

**Securities lending** – Underlying Funds may engage in the lending of securities to third parties to generate fee income. A key risk of securities lending is that the lender is exposed to the borrower of the securities not able to return equivalent securities in accordance with the contractual terms, in which case the Underlying Fund could experience delays in recovering assets and in some cases may incur a capital loss. (See also 'Counterparty risk').

**Short-selling** – Underlying Funds may undertake 'short-selling', which essentially involves selling securities which the Underlying Fund does not hold, in anticipation of profiting from a fall in the market price of those securities. By having exposure to short positions, the Underlying Fund bears the risk of an increase in the market price of those securities it holds short, which could lead to substantial losses for the Underlying Fund. Unlike long positions where maximum loss is limited to the amount invested, losses on short positions are potentially unlimited as the market price of a security has no theoretical upper limit.

**Foreign market risk** – Underlying Funds may have exposure to investments in foreign jurisdictions. Global and country specific macroeconomic factors may adversely impact the investments that Underlying Funds have exposure to. Some countries may have different legal systems, taxation regimes, auditing and accounting standards, with less governmental regulation and transparency, or conversely government intervention. These risks may be higher when investing in emerging markets.



**Global pandemic risk** – Health pandemics could significantly affect specific businesses or industries Underlying Funds invest in, as well as the normal functioning of financial markets in which Underlying Funds invest.

**Counterparty risk** – This is the risk of loss resulting from a counterparty to a contract not meeting its contractual obligations. Substantial losses can be incurred by the Fund or an Underlying Fund if a counterparty is unable or unwilling to meet its contractual obligations due to insolvency, financial distress or bankruptcy, or other causes.

**Leverage risk** – The Underlying Funds may use leverage as part of their investment strategy. Leverage arises through taking investment positions which are larger in size than the net asset value of the Underlying Fund. Leverage can typically be achieved through an Underlying Fund borrowing money, or by using derivatives. means borrowing money in order to invest a greater amount. Leveraging involves additional investment risks, as it increases the volatility of returns. While it magnifies potential gains, it may also magnify potential losses. Leveraged investments may significantly under perform equivalent non-leveraged investments when the underlying assets experience negative returns or ‘bear’ markets. In extreme market declines all capital could be lost.

**Derivative risk** – The Underlying Funds may use derivatives (exchange traded or over the counter) as part of their investment strategy. The use of derivatives may expose an Underlying Fund, and in turn the Fund itself, to risks which can include counterparty default, legal and documentation risk, and also the potential effect of magnifying both gains and losses.

**Risks related to alternative investments** – The Fund invests in Underlying Funds which employ a range of alternative investment strategies that invest in asset classes and/or financial instruments which differ to more traditional long-only investments in equity and fixed income securities. These strategies may therefore display different performance characteristics and be exposed to different risks when compared with long-only investments in equities and fixed income.

## 6. HOW WE INVEST YOUR MONEY

### 6.1 THE FUND’S INVESTMENT STRATEGY

#### OnePath Alternatives Growth Fund – Fund information

##### Description

The Fund is suitable for investors seeking high total returns over a medium to long term period and who are prepared to accept higher variability of returns.

##### Investment objective

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

##### Investment strategy

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 multi-manager portfolio is designed to deliver more consistent, and diversified sources of returns than would be achieved if investing with a single manager.

##### Commencement date

September 2010

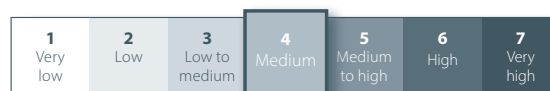
##### Minimum time horizon

5 years

##### Investor profile

High Growth – High growth funds are more likely to suit investors who seek to maximise long-term returns and accept the possibility of greater volatility and short-term negative returns.

##### Standard Risk Measure



Please refer to subsection 6.1.1 of this PDS for more information.

##### Asset allocation

Asset class	Benchmark (%)	Range (%)
Alternative assets*	100	80–100
Cash	0	0–20

Underlying funds are: Bentham Syndicated Loan Fund, Fulcrum Diversified Absolute Return Fund, Janus Henderson Global Multi-Strategy Fund, MCP Wholesale Investments Trust, Keynes Dynamic Beta Strategy (Offshore) Fund, One River Systematic Trend SP and One River Systematic Alternative Markets Trend SP.

\* Underlying Funds may hold cash inside their portfolios.

## 6.1.1 Standard Risk Measure

The Fund has a risk level attached to it. The Fund's risk level is 'High'. The risk level indicates historically the number of negative annual returns over any 20 year period. The seven risk levels are:

Risk	Band	Risk Label Estimated number of negative annual returns over any twenty (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

The Standard Risk Measure is based on industry guidance to allow investors to compare investment options that are expected to deliver a similar number of negative annual returns over a 20 year period.

The Standard Risk Measure is not a complete assessment of all forms of investment risk. For instance, it does not detail the potential size of a negative return or that the potential for a positive return may still be less than an investor may require in order to meet their obligations. Further, it does not take into account the impact of administration 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 the relevant Fund. For more information on Standard Risk Measure, please refer to [onepathsuperinvest.com.au](https://onepathsuperinvest.com.au)

## 6.2 INVESTMENT PROCESS

OnePath Funds Management adopts an active approach in the selection of the Underlying Funds on the basis of in-depth analysis and research. The OnePath Funds Management investment team consists of experienced investment personnel who are responsible for undertaking comprehensive ongoing research to assess the quality of the Underlying Funds selected for investment by the Fund. The team is responsible for assessing whether each manager is able to meet the particular requirement set for the Fund. In forming this view, the team relies on input from various sources, including the Fund's external consultant(s).

### 6.2.1 Our approach to responsible investment

We believe that responsible investment can improve investment outcomes for our investors.

By considering labour standards and Environmental, Social and Governance (ESG) factors in investment decisions, where possible, we believe that we can improve potential investment returns.

You can read our 'Responsible Investment' policy at <https://onepathsuperinvest.com.au/about-us/responsible-investment>

### What is responsible investment?

Responsible investment is the practice of considering ESG factors in the research, analysis, selection and management of investments and the implementation of good stewardship practices.

There are many ESG factors that may impact investments and some examples include:

Environmental (E)	Social (S)	Governance (G)
<ul style="list-style-type: none"> <li>Climate change initiatives like reduction in greenhouse gas emissions</li> <li>Waste management</li> <li>Energy efficiency</li> <li>Water supply</li> <li>Pollution</li> <li>Biodiversity</li> </ul>	<ul style="list-style-type: none"> <li>Human capital management</li> <li>Labour standards</li> <li>Modern slavery</li> <li>Diversity, Equity and Inclusion (DE&amp;I)</li> <li>Workplace health and safety</li> <li>Integration with local community and earning a social licence to operate</li> <li>Indigenous rights</li> <li>Employee engagement</li> </ul>	<ul style="list-style-type: none"> <li>Rights, responsibilities and expectations across all stakeholders</li> <li>Board structure, diversity and independence</li> <li>Executive remuneration (short- and long-term incentives)</li> <li>Bribery and corruption</li> <li>Anti-competitive behaviour</li> <li>Political lobbying and donations</li> <li>Shareholder rights</li> <li>Tax strategy</li> </ul>

### Responsible investment in our investment trusts

Investment management decisions for Fund is made by the asset management team of Insignia Financial Group and the investment managers they select. Each investment manager's approach to responsible investment is one of many factors we consider when selecting them.

The following responsible investment approaches are used (where possible for the asset class of the funds) to improve investment outcomes:

- Identify and consider relevant ESG factors in the investment decision making process (known as ESG integration). This allows them to recognise and act upon opportunities and risks related to ESG factors.
- Be active owners in the companies that money is invested in (where possible) by using ownership rights, such as proxy voting and engaging with these companies on a range of commercial, strategic and ESG factors (known as active ownership or active stewardship). This provides an opportunity to enhance and protect the long-term value of investments.

We monitor the application of ESG integration for each investment manager. We encourage investment managers to be active owners and vote on all resolutions, unless in circumstances where voting is either not possible or not in the best interests of the investor.

## 6.3 CHANGING INVESTMENTS

We may change the Fund's investments, strategies, the investment manager(s), asset allocation(s) and ranges (including by adding or removing asset classes) at any time without giving prior notice. We will notify your Service Operator of any changes we consider to be material in accordance with our continuous disclosure obligations. Please refer to section 9.2 of this PDS for more information about our continuous disclosure obligations.

There is only one investment option for the Fund. Switching is not available. However, as your investment needs change, you may wish to transfer to another fund.



## 7. FEES AND OTHER COSTS

### DID YOU KNOW?

Small differences in both investment performance and fees and costs can have a substantial impact on your long-term returns.

For example, total annual fees and costs of 2% of your account balance rather than 1% could reduce your final return by up to 20% over a 30-year period (for example reduce it from \$100,000 to \$80,000).

You should consider whether features such as superior investment performance or the provision of better member services justify higher fees and costs.

You may be able to negotiate to pay lower fees. Ask the fund or your financial adviser.

### TO FIND OUT MORE

If you would like to find out more, or see the impact of the fees based on your own circumstances, the **Australian Securities and Investments Commission (ASIC)** Moneysmart website ([www.moneysmart.gov.au](http://www.moneysmart.gov.au)) has a managed funds fee calculator to help you check out different fee options.

This section shows fees and other costs that you may be charged. These fees and costs may be deducted from your money, from the returns on your investment or from the assets of the managed investment scheme as a whole.

Taxes are set out in another part of this document.

You should read all the information about fees and costs because it is important to understand their impact on your investment.

### Fees and costs summary

OnePath Alternatives Growth Fund		
Type of fee or cost	Amount	How and When Paid
<b>Ongoing annual fees and costs</b>		
<b>Management Fees and Costs</b> The fees and costs for managing your investment	<b>Management fee<sup>*†‡^</sup></b> 1.30% p.a. of the value of your investment in the Fund plus <b>Other costs<sup>**</sup></b> Estimated to be 0.11% p.a. of the value of your investment in the Fund for the 12 months to 30 June 2023 plus <b>Expense recovery</b> 0.00% p.a. of the value of the Fund for the 12 months to 30 June 2023	This fee is accrued daily in the unit price and deducted from the assets of the Fund on a monthly basis.  Other costs are variable and are deducted from the underlying assets of the investment fund as and when they are incurred. They are reflected in the returns payable from the underlying investments and as such are included in the unit price.  If deducted during a 12 month period, expense recoveries are deducted from the assets of the Fund annually and reflected in the unit price.
<b>Performance Fees</b> Amounts deducted from your investment in relation to the performance of the product	5 year average performance fees for the period ending 30 June 2023 are estimated to be 0.33% p.a. <sup>**</sup>	Performance fees are deducted from the underlying assets of the investment fund when due and payable. They are typically accrued daily and paid to the fund managers at regular intervals, e.g. monthly, quarterly, half-yearly or annually.
<b>Transaction Costs</b> The costs incurred by the scheme when buying or selling assets	Estimated to be 0.32% p.a. for the 12 months to 30 June 2023 <sup>**</sup>	Transaction costs are variable and are deducted from the underlying assets of the investment fund as and when they are incurred.  Transaction costs are reflected in the returns payable from the underlying investments and as such are included in the unit price.
<b>Member activity related fees and costs (fees for services or when your money moves in and out of the scheme)<sup>1</sup></b>		
<b>Establishment Fee</b> The fee to open your investment	Nil	Not applicable
<b>Contribution Fee</b> The fee on each amount contributed to your investment	Nil	Not applicable

OnePath Alternatives Growth Fund		
Type of fee or cost	Amount	How and When Paid
<b>Buy-sell Spread</b> An amount deducted from your investment representing costs incurred in transactions by the scheme	The Buy spread is 0.02% and the Sell spread is 0.02%.	A Buy-sell spread is reflected in the daily unit prices for an investment option and is not charged separately to you. As your account is valued using the sell unit price, each investment into an investment option will also be reduced by approximately this amount at the time of the transaction.
<b>Withdrawal Fee</b> The fee on each amount you take out of your investment	Nil	Not applicable
<b>Exit Fee</b> The fee to close your investment	Nil	Not applicable
<b>Switching Fee*</b> The fee for changing investment options	Nil*	Not applicable

\* Buy-sell spreads may also be incurred when your Service Operator acquires units or withdraws from the Fund on your behalf.

† Your Service Operator may also charge additional fees and costs. Please refer to 'Payments to your Service Operator' in this PDS for more information.

‡ This fee may be negotiated. Please refer to 'Differential fees' in this PDS for more information.

^ The management fee for this Trust is an estimated fee for a complete financial year ending 30 June and may vary during the year.

\*\* Other costs and transaction costs set out above are reasonable estimates for the financial year ended 30 June 2023. Performance fees are reasonable estimates of the average performance fees of the underlying investments over the five financial years to 30 June 2023. Past costs are not a reliable indicator of future costs.

<sup>1</sup> Other service fees, such as advice fees may apply. Please refer to the 'Additional explanation of fees and costs' in this PDS for more information.

**All fees and costs disclosed in this PDS are shown inclusive of any applicable Goods and Services Tax (GST) less any entitlement to a reduced input tax credit (RITC) available to the Fund, unless stated otherwise.**

## Example of annual fees and costs for the OnePath Alternatives Growth Fund

This table gives an example of how the ongoing annual fees and costs in the OnePath Alternatives Growth Fund can affect your investment over a 1-year period. You should use this table to compare this product with other products offered by managed investment schemes.

EXAMPLE: OnePath Alternatives Growth Fund		Balance of \$50,000 with a contribution of \$5,000 during the year.
Contribution fees	Nil	For every additional \$5,000 you put in, you will be charged <b>\$0*</b>
<b>PLUS</b> Management fees and costs	1.30% p.a. <sup>†</sup> plus 0.11% p.a. estimated other costs** plus 0.00% p.a. expense recovery^^	<b>And</b> , for every \$50,000 you have in the OnePath Alternatives Growth Fund you will be charged or have deducted from your investment <b>\$705**‡§</b> each year
<b>PLUS</b> Performance fees	0.33% p.a.	<b>And</b> , you will be charged or have deducted from your investment <b>\$165</b> in performance fees each year
<b>PLUS</b> Transaction costs	0.32% p.a.	<b>And</b> , you will be charged or have deducted from your investment <b>\$160</b> in transaction costs
<b>EQUALS</b> Cost of OnePath Alternatives Growth Fund		If you had an investment of \$50,000 at the beginning of the year and you put in an additional \$5,000* during that year, you would be charged fees and costs of <b>\$1,030**‡§</b>  <b>What it costs you will depend on the investment option you choose and the fees you negotiate.</b>

\* Buy-sell spreads may also be incurred when your Service Operator acquires units in the Fund on your behalf. Please refer to 'Buy-sell spreads' in this PDS for more information.

† This fee is the estimated management fee for a complete financial year and may be negotiated. Please refer to 'Differential fees' for more information.

\*\* This estimate is for the 12 months to 30 June 2023 and includes expense recoveries and derivatives management costs advised by the underlying managers.

^^ No expense recovery was deducted for the 12 months to 30 June 2023. This amount is estimated to be 0% p.a. for the 12 months to 30 June 2024.

‡ Your Service Operator may also charge additional fees and costs. Please refer to 'Payments to your Service Operator' for more information.

§ We have assumed a constant value during the year. In addition, the calculation of the management costs in the example does not take into account the additional contribution of \$5,000 and is an estimate.

**Note:** The Example above is illustrative only. There is a calculator provided by ASIC on its MoneySmart website which can be used to calculate the effect of fees and costs on account balances. Go to [www.moneysmart.gov.au](http://www.moneysmart.gov.au)

## 7.1 ADDITIONAL EXPLANATION OF FEES AND COSTS

### Expense recovery

We are entitled to be reimbursed for expenses we incur in the proper performance of our duties as responsible entity. In addition to the management fee, we are entitled to recover certain day-to-day expenses out of the Fund. We may also recover certain other expenses out of the Fund which are related to costs we incur to implement regulatory reforms. If recovered, these expenses are deducted from the assets of the Fund annually and reflected in the Fund's unit price. The expense recovery for the 12 months to 30 June 2023 was 0% p.a. of the value of the Fund and is estimated to be 0% p.a. for the 12 months to 30 June 2024.

**Please note, past costs are not a reliable indicator of future costs.**

### Differential fees

We may negotiate and agree different fees as permitted by the Corporations Act and ASIC regulatory documents. For instance, we may agree to a reduced management fee for certain investors who qualify as 'wholesale investors' (including your Service Operator).

There is no set manner for negotiating these fees. Please contact your Service Operator for more information.

### Advice fees

Any fees you agree to pay to your financial adviser for financial services they provide to you are separate to any fees we charge in respect of your investment in the Fund.

### Financial adviser payments

Subject to the Corporations Act, we may make payments to dealer groups, financial advisers or other third parties including to your Service Operator based on commercial arrangements we have with these parties. These payments may in some cases be to related entities. The types of payments include payments for educational support and practice development services and payments to third parties to distribute our products. If these payments are made, they are made by us and are not charged directly or indirectly to you.

### Performance fees

We do not charge performance fees directly. However, performance fees may be payable from an Underlying Fund to the underlying manager(s) if the manager(s) outperforms the relevant investment benchmark.

The performance fee of 0.41% p.a. is a reasonable estimate of the average performance fees of the Underlying Funds over the previous five financial years to 30 June 2023. Past costs are not a reliable indicator of future costs. The performance fee payable may differ from year to year.

The method of applying a performance fee can vary from Underlying Fund to Underlying Fund. The mix of Underlying Funds can change at any time.

### Transaction costs

Transaction costs are costs incurred by the Fund that relate to the Fund's underlying investments (including the costs incurred by the Fund's underlying investment managers). The Transaction costs disclosed in the Fees and costs summary are shown net of any recovery received by the Fund from the Buy-sell spread charged to transacting unitholders. Transaction costs are an additional cost to you where it has not already been recovered by Buy-sell spreads charged to transacting unitholders.

Gross transaction costs of the Fund are funded both from the assets of the Fund and from the Buy-sell spread which is charged to individual investors when your Service Operator acquires units in, or withdraws from, the Fund. The Buy-sell spreads are retained by the Fund to partially offset the gross transaction costs incurred by the Fund. No part of the Buy-sell spread is paid to us or an underlying investment manager.

Gross transaction costs include, but are not limited to, the following:

- **Brokerage costs** – the amount paid to a broker when buying and selling underlying securities, e.g. shares and derivatives. For example, trading costs charged by brokers on purchases or sales of shares, stamp duty charged on security purchases etc. These costs are incurred when the underlying fund managers actively trade investments as part of the ongoing management of the investment.
- **Settlement costs (including custody fees)** – includes fees paid to a custodian to hold underlying assets and to manage transaction settlements.
- **Stamp duty** – a State/Territory based tax imposed on certain transactions (e.g. the transfer of certain assets or property).
- **Buy-sell spreads** – are incurred by underlying fund managers when buying or selling securities.

The following table lists the estimated transaction costs for the Fund. The Transaction costs are reasonable estimated costs for the financial year ended 30 June 2023. **It is important to remember that past costs are not a reliable indicator of future costs.**

Transaction costs		
(A) Estimated gross costs (% p.a.)	(B) Estimated costs recovered from buy-sell spread (% p.a.)	(C = A – B) Estimated costs affecting returns (% p.a.)
0.33	0.01	0.32

## Buy-Sell Spreads

The Buy-sell spreads for the Fund are set out in the table below. The Buy-sell spreads may change between the time you read this PDS and the day when your Service Operator acquires units or withdraws from the Fund on your behalf. **It is important to remember that past costs are not a reliable indicator of future costs.**

Buy-sell spreads	
Buy spread %	Sell spread %
0.02	0.02

## Fee changes

The constitution of the Fund provides that we can charge additional and higher fees as set out in the following table. We reserve the right to change any of our fees and charges from their present levels without your consent. We will give at least 30 days' notice before increasing fees and charges or introducing a new fee or charge. The fees contained in this PDS are up to date at the time of its preparation. Please refer to section 9 of this PDS for more information about our continuous disclosure obligations.

Maximum fees	
<b>Entry Fee</b>	5% for all investment funds.
<b>Withdrawal Fee</b>	5% for all investment funds.
<b>Exit Fee</b>	The greater of \$100* or 5% of withdrawal proceeds is payable upon closure of the account.
<b>Management Fee (p.a.)</b>	4% of investment fund's gross asset value.
<b>Switching Fee</b>	5% for all investment funds.
<b>Investor Fee (p.a.)</b>	\$130* for all investment funds.
<b>Dishonour Fee</b>	Actual cost incurred by us for the dishonour.

\* This does not include expenses and other liabilities that are payable or reimbursable out of the Fund.

## Payments to your Service Operator

Your Service Operator may also charge you a fee which will be described in the offer document the Service Operator gives you.

Subject to meeting the requirements of the Corporations Act, we may make product access payments to your Service Operator for offering the Fund on its investment menu. These payments are not an additional cost to you and are paid from the management fee we receive. We may also rebate up to 100% of the management fee to your Service Operator so that the management fee we receive is less than the amount charged to the Fund. Details of the payments will be set out in the documents you receive from your Service Operator.

## Payments from underlying fund managers and related parties

We or a related party may receive a fund manager payment from underlying fund managers based on funds under management. These amounts are already considered when we determine the fees and charges for each investment fund. These payments come from each fund manager's resources and are not an additional fee to you. These fund manager payments are up to a maximum of 0.75% p.a. of funds under management in the relevant underlying fund.

## OTHER FEES AND CHARGES

Other amounts, including standard bank charges, cheque dishonour fees, government taxes, duties and levies may also apply.

## Tax

To the extent expenses are claimed as a tax deduction by the Fund under relevant tax laws, these deductions are included in the Fund's taxable income calculation, in determining the amounts that will be attributed to you. Please refer to section 8 of this PDS for more information about tax.

## 8. TAX INFORMATION

The following information is a brief summary of some of the taxation issues relevant to Australian tax residents who are individual investors, based on current tax legislation effective as at the date of this PDS. Any future changes in tax legislation or administrative practices could affect the tax treatment of your investment. We recommend that you seek independent tax advice specific to your individual circumstances and note that any tax information is of a general nature and should not be viewed or relied upon as taxation advice. You should note that managed investment schemes do not pay tax on behalf of investors.

The summary below is based on the assumption that the terms of each investor's master trust or wrap service are such that those master trusts or wrap services are ignored for all income tax purposes. Your Service Provider can confirm this.

The Government enacted a regime for the taxation of eligible 'managed investment trusts' (MIT), known as the 'attribution managed investment trust' (AMIT) regime. We have made an election to treat the Fund as an AMIT from 1 July 2017.

An important aspect of the AMIT tax regime is that tax is based on attribution. The taxable income of an AMIT will flow through to investors based on the amount and character of which the responsible entity attributes to the investor, rather than being necessarily based on the share of the trust income to which the investor is presently entitled and is therefore distributed. Attribution to an investor from an AMIT can include amounts such as interest income, dividend income (franked and unfranked), net realised capital gains, other Australian income and foreign income (including tax offsets such as franking credits and foreign income tax offsets). Such an attribution is made on a fair and reasonable basis.

Another important aspect of the AMIT tax regime is that it enables upward tax cost base adjustments in the event that the amount distributed to an investor is lower than the taxable income that is attributed to that investor. In the event the amount distributed to an investor exceeds the taxable income attributed to the investor, such excess (the "non-assessable amount") will reduce the cost base/reduced cost base of an investor's units. To the extent that distributions of non-assessable amounts in respect of a unit exceed the cost base of that unit, the excess will be taxable to the investor as a capital gain.

It is no longer necessary to distribute all taxable income in order to ensure tax is not imposed on an AMIT, and therefore we may decide to accumulate income, in which case the income will not be distributed but will be reflected in the price of units. However, you will still be assessed on all taxable income attributed to you for the income year, even if you do not receive it in that income year.

In addition to distributions from the Fund, if you withdraw or transfer your units, this is considered a disposal of units for tax purposes requiring you to calculate a capital gain or loss (as applicable). If you held the units for 12 months or more before disposal, you may be entitled to a capital gains tax discount of 50% on any capital gain component if you are an Australian tax resident individual.

At the end of each year, we will issue to investors an AMIT Member Annual (AMMA) Statement. The AMMA Statement will set out the amounts of income attributed by each Fund, and any capital gains or losses from the disposal of units in the Fund to assist Australian tax resident individual investors with the preparation of their tax return.

Your Service Provider will provide you with the necessary tax information at year end. Investors that are not Australian tax resident individuals should seek their own independent tax advice in relation to their Australian tax return obligations.

There is a legislative process for investors to object to an attribution. Should this occur please contact us before lodging an objection with the Commissioner of Taxation.

### TAX FILE NUMBER (TFN) OR AUSTRALIAN BUSINESS NUMBER (ABN)

You are not required to supply us with your TFN and ABN. However, your Service Operator may ask you to supply your TFN or ABN. Please refer to the offer document the Service Operator has provided to you.

### Foreign Account Tax Compliance Act (FATCA) & Common Reporting Standards (CRS)

FATCA is United States (US) tax legislation that assists the US Internal Revenue Service (IRS) to identify and collect tax from US citizens or US residents for tax purposes that invest in certain financial accounts through non-US entities. If you are a US resident for tax purposes, you should note that OnePath Funds Management is a 'Foreign Financial Institution' under FATCA. We comply with our FATCA obligations, as determined by either the FATCA regulations or any inter-governmental agreement (IGA) entered into by Australia and the US for the purposes of implementing FATCA and any Australian laws and regulations relating to the IGA. Under these obligations, we will have to obtain and disclose information about certain clients to the Australian Taxation Office (ATO) or IRS. In order for us to comply with our obligations, we will also request that you provide certain information about yourself, including your US Taxpayer Identification Number (if applicable).

Since the introduction of FATCA and CRS, we must obtain and disclose information about certain investors to the ATO or IRS. Accordingly, all applicants will be required to answer certain FATCA and CRS questions as part of their application.

As part of your application, your adviser may request identification documents and complete the FATCA and CRS questions contained in the relevant FSC/FPA Identification Form for the type of account you are opening.

## 9. KEEPING YOU INFORMED

### 9.1 FUND INFORMATION

As an investor in the Fund, your Service Operator will receive:

- a Quarterly Transaction Statement
- an Annual Tax Statement
- a range of investor communications
- access to OnePath website, which includes education and information about the investment performance and legislative updates, as well as useful calculators and investment tools.

### 9.2 CONTINUOUS DISCLOSURE

As a disclosing entity, we are subject to ongoing reporting and disclosure obligations in relation to the Fund. Copies of documents lodged with ASIC in relation to the Fund and updates to this PDS may be obtained from our website at [onepathsuperinvest.com.au](http://onepathsuperinvest.com.au)

Documents include:

- the annual financial report most recently lodged with ASIC by the Fund;
- any half-yearly financial report lodged with ASIC by the Fund after the lodgement of that annual financial report and before the date of this PDS; and
- any continuous disclosure notices given by the Fund after the lodgement of that annual report and before the date of this PDS.

You should consult your Service Operator regularly to ensure you have all of the important information in relation to the Fund. You may also obtain a paper copy of the Fund's continuous disclosure information free of charge by contacting your Service Operator.

### 9.3 PRIVACY

In this section 'we', 'us' and 'our' refers to OnePath Funds Management Limited.

We are committed to ensuring the confidentiality and security of your personal information. Our Privacy Policy details how we manage your personal information and is available on request or may be downloaded from [onepathsuperinvest.com.au/about-us/privacy-policy](http://onepathsuperinvest.com.au/about-us/privacy-policy)

We collect your personal information (including, where authorised and required, sensitive information) from you in order to manage and administer our products and services. We may need to disclose it to certain third parties. Without your personal information, we may not be able to process your application/ contributions or provide you with the products or services you require.

Where you wish to authorise any other parties to act on your behalf, to receive information and/or undertake transactions please notify us in writing.

If you give us personal information about someone else, please ensure you have their permission and direct them to our Privacy Policy so that they may understand the manner in which their personal information may be used or disclosed by us in connection with your dealings with us.

### Providing your information to others

The parties to whom we may disclose your personal information (including, where authorised and required, sensitive information) include:

- an organisation that assists us and/or Insignia Financial to detect and protect against consumer fraud
- a related company of Insignia Financial which will use the information for the same purposes as Insignia Financial and will act under our Privacy Policy
- organisations, including those in an alliance with us, to distribute, manage and administer our products and services, carry out business functions and undertake analytics activities
- organisations performing administration and compliance functions in relation to the products and services we provide
- organisations providing medical or other services for the purpose of the assessment of any insurance claim you make with us (such as reinsurers)
- our solicitors or legal representatives
- organisations maintaining our information technology systems
- organisations providing mailing and printing services
- persons who you have authorised to act on your behalf (such as your agent or financial adviser)
- regulatory bodies, government agencies, law enforcement bodies and courts.

We may also disclose your personal information in circumstances where we are required by law to do so. For example, there are disclosure obligations under the *Anti-Money Laundering and Counter-Terrorism Financing Act 2006*.

### Information required by law

We may be required by relevant laws to collect certain information from you. Details of these laws and why they require us to collect this information are contained in our Privacy Policy at [onepathsuperinvest.com.au/about-us/privacy-policy](http://onepathsuperinvest.com.au/about-us/privacy-policy)

## Overseas recipients

We may disclose personal information to recipients (including service providers) which are (1) located outside Australia and/ or (2) not established in or do not carry on business in Australia. Any overseas disclosure does not affect our commitment to safeguarding your personal information and we will take reasonable steps to ensure any overseas recipient complies with Australian law. You can find details about the location of these recipients in our Privacy Policy at [onepathsuperinvest.com.au/about-us/privacy-policy](http://onepathsuperinvest.com.au/about-us/privacy-policy)

## Marketing and privacy

We may use your personal information to send you information about our financial products or services from time to time.

We may disclose your personal information to our related companies or organisations in an alliance with us to enable them to send information about their financial products or services.

If you do not want us to use and disclose your information for marketing purposes, please phone Customer Services on 1800 031 810.

## Privacy policy

Our Privacy policy contains information about:

- when we may collect personal information from a third party,
- how you may access and seek correction of the personal information we hold about you, and
- how you can raise concerns that we have breached the Privacy Act or an applicable code and how we will deal with those matters.

You can contact us about any privacy matter as follows:

### OnePath

**Phone** 1800 031 810

**Address** GPO Box 5367  
Sydney NSW 2001

**Email** [privacy.officer@insigniafinancial.com.au](mailto:privacy.officer@insigniafinancial.com.au)

If any of your personal information is incorrect or has changed, please let us know by contacting Customer Services on 1800 031 810. More information can be found in our Privacy Policy which can be obtained from our website at [onepathsuperinvest.com.au/about-us/privacy-policy](http://onepathsuperinvest.com.au/about-us/privacy-policy)

## 9.4 ENQUIRIES AND COMPLAINTS

If you have an enquiry or a complaint regarding your investment, you should contact your Service Operator. If you are unable to resolve this issue or remain unsatisfied then contact Customer Services on 1800 031 810 or email us at [wholesale.unitrust@onepathsuperinvest.com.au](mailto:wholesale.unitrust@onepathsuperinvest.com.au)

## Further Help – the Australian Financial Complaints Authority (AFCA)

You have the option to lodge a complaint with AFCA directly rather than lodging a complaint with us. You can also lodge a complaint with AFCA if you are not satisfied with our response or if your complaint has not been resolved within the maximum timeframe prescribed by RG165/RG271. AFCA provide a fair and independent financial services complaint resolution that is free to consumers.

**Website** [www.afca.org.au](http://www.afca.org.au)

**Email** [info@afca.org.au](mailto:info@afca.org.au)

**Phone** 1800 931 678 (free call)

**In writing** Australian Financial Complaints Authority  
GPO Box 3, Melbourne VIC 3001

Time limits may apply to complain to AFCA and so you should act promptly or otherwise consult the AFCA website to find out if or when the time limit relevant to your circumstances expires.

## 10. OTHER INFORMATION

### 10.1 OUR LEGAL RELATIONSHIP WITH UNITHOLDERS IN THE FUND

#### OnePath as responsible entity

As responsible entity of the Fund, we are responsible for operating the Fund in accordance with the Fund's constitution, the *Corporations Act 2001* (Cth) and other relevant laws.

#### The Constitution

The Fund is established by a constitution, as amended from time to time. The provisions of the constitution are binding on each investor in the Fund and persons claiming through them.

The constitution covers a number of matters, including:

- the nature of units
- how and when withdrawals are processed and any restrictions on the right of unitholders to withdraw
- unitholder meetings
- the circumstances in which we are and are not liable to you
- our indemnification out of the assets of the Fund for the proper performance of our duties in operating the Fund
- the circumstance in which we can terminate the Fund
- distributions; and
- when we can retire as responsible entity of the Fund.

A copy of the Fund's constitution is available on request from Customer Services.



## Investor liability

The Fund's constitution limits an investor's liability in relation to the Fund to the value of the units held by that investor. However, as the courts have not yet conclusively determined the liability of investors, we cannot state with certainty that liability is limited to an investor's investment in all circumstances.

## The compliance plan

The Fund has a formal compliance plan that sets out the procedures we must follow to ensure that we comply with the Fund's constitution and the Corporations Act. The compliance plan must be independently audited annually.

## 10.2 ANTI-MONEY LAUNDERING AND COUNTER-TERRORISM LEGISLATION

The *Anti-Money Laundering and Counter-Terrorism Financing Act 2006* (the AML/CTF Act) requires us to identify you and verify your identity before we can provide you with certain prescribed services.

Generally, your financial adviser will undertake these steps, but to enable them to do so you will need to provide certain documents (such as your passport or current driver's licence) for sighting and verification. If you are requesting these services without an adviser, you will need to include certified copies of these documents with your transaction request.

The OnePath Wholesale Application Form provides a full list of the types of documents that will satisfy these requirements.

If you do not provide identifying documents we will not be able to process your transaction.

We may also request further information from you. You must provide all information to us, which we reasonably require in order to manage our money-laundering, terrorism-financing or economic and trade sanctions risk, or to comply with any laws or regulations in Australia or any other country.

We may disclose information to any law enforcement, regulatory agency or court, as required by applicable laws and regulations.

We may delay, block or refuse to process any transaction without incurring any liability if we suspect that:

- the transaction may breach any laws or regulations in Australia or any other country
- the transaction involves any person (natural, corporate or governmental) that is sanctioned or is connected, directly or indirectly, to any person that is sanctioned under economic and trade sanctions imposed by the United States of America, the European Union or any other country
- the transaction may directly or indirectly involve the proceeds of, or be applied for the purposes of, conduct which is unlawful in Australia or any other country.

## Customer Services

### Contact details

**Phone** 1800 031 810 weekdays  
between 9.00am and 5.00pm (AEST/AEDT)

**Email** [wholesale.unittrust@onepathsuperinvest.com.au](mailto:wholesale.unittrust@onepathsuperinvest.com.au)

**Address** OnePath Funds Management Limited  
GPO Box 5306  
Sydney NSW 2001





#### Contact details

If you have any questions or would like more information about the Fund, please contact us at:

#### Customer Services

Ph: 1800 031 810 weekdays between 9.00am and 5.00pm (AEST/AEDT)

Email: [wholesale.unittrust@onepathsuperinvest.com.au](mailto:wholesale.unittrust@onepathsuperinvest.com.au)

#### Address

OnePath Funds Management Limited

GPO Box 5306

Sydney NSW 2001

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