



**OnePath Retirement Portfolio Service**  
**OnePath Custodians Pty Limited ABN 12 008 508 496**  
**Trustee of the OnePath Retirement Portfolio Service (Fund)**

**Responses to member questions not answered during Annual Member Meeting**

**Important Information:**

The answers to member questions may contain general advice that does not take into account your objectives, financial situation or needs. Before you act on any general advice, you should consider whether it is appropriate to your individual circumstances. Before making any investment decision you should obtain and read the Fund's product disclosure statement which is available at <https://www.wrapinvest.com.au> or by calling 1800 913 118. Past performance is not an indicator of future performance.

**Governance questions**

1. ***Now we are part of a listed company isn't your primary duty for shareholders not for members?***

No. OnePath Custodians (the Trustee of your superannuation fund) is now part of Insignia Financial, which takes a member first approach and is committed to best practice in governance of superannuation trustees. The Trustee board comprise a majority of independent non-executive directors that are exclusively directors of the Trustee board and do not serve as directors of other Insignia Financial Group entities.

The Trustee board is supported by the Member Office. The Member Office is an independent function, comprising a dedicated group of superannuation and financial services professionals that reports directly to and supports the Trustee board. The Trustee board and the Member Office work together to ensure the Trustee board continues to act in your best interests, taking care of your superannuation and long-term needs.

2. ***Who is Insignia Financial and how does it relate to MLC, ANZ, OnePath, Rhythm, eXpand, Shadforth, Oasis and IOOF?***

As a group, Insignia Financial is made up of a number of businesses and products. IOOF Investment Management Limited (**IIML**) is the trustee of the IOOF Portfolio Service Superannuation Fund and the AvWrap Retirement Service. NULIS Nominees (Australia) Limited (**NULIS**) is trustee of MLC Super Fund, MLC Superannuation Fund, PremiumChoice Retirement Service and DPM Retirement Service. Oasis Fund Management Limited (**OFM**) is trustee of the Oasis Superannuation Master Trust. OnePath Custodians Pty Limited (**OPC**) is the trustee of the Retirement Portfolio Service. IIML, NULIS, OFM and OPC are members of the Insignia Financial group of companies, comprising Insignia Financial Ltd (formerly IOOF Holdings Ltd) and its related bodies corporate. The Australia and New Zealand Banking Group Limited (**ANZ**) brand is a trademark of ANZ and is used by OPC under licence from ANZ. ANZ and companies within the Insignia Financial group are not related bodies corporate. IIML, NULIS, OFM and OPC are related companies.

Insignia Financial has been helping Australians secure their financial future since 1846. During that time, we have grown substantially, most recently with the acquisition of MLC in 2021, to become one of the largest groups in the financial services industry.

Insignia Financial provides advisers and their clients with the following services:

- Platforms for advisers, their clients and hundreds of employers in Australia;
- Advice services via our extensive network of financial advisers; and
- Asset Management products that are designed to suit any investor's needs.

Insignia Financial is the corporate brand, and the organisation remains committed to a multi-brand strategy as we work towards our ambition of delivering financial wellbeing to all Australians.

### Investment questions

**3. *With interest rates likely to rise, what are your thoughts on investing in property and the first home super saver scheme?***

The first home super saver (**FHSS**) scheme can allow first home buyers to save faster using the concessional tax treatment of superannuation. However, everyone's situation is unique, so we'd recommend seeking professional, qualified financial advice before deciding on where to invest.

**4. *What's your opinion in investing in property over the next five years given all major banks are indicating interest rates will rise and property value will drop. I have the opposite opinion but am very interested in your view.***

As with all personal investment decisions we'd recommend seeking professional financial advice before deciding on where to invest. Broadly speaking, with rates likely to rise we may be entering into a period of consolidation in the residential property market with flat prices and declines possible.

**5. *Longevity of acquiring finance through superannuation that enables a member to use the future savings for potential investment in initial property as a start up?***

Our view is that superannuation investing should be focused on retirement. We also believe diversification is a key element of superannuation and are conscious of the risk of investors being overexposed to property in their retirement savings. That said, everyone's situation is unique, so we'd recommend seeking professional financial advice before deciding on where to invest.

**6. *What have we been doing to improve the investment menu of OneAnswer more broadly?***

We continue to review, close, terminate and restructure underperforming investment funds. In our OneAnswer platform, we have just changed the investment menu, lowering the Ongoing fee for 10 of our index investment options. In addition, we've also introduced a new low-cost Global Listed Infrastructure Index fund. As a result, investors can benefit from cost savings and increased investment options. Changes were made to the following funds to ensure a higher probability of meeting investment objectives:

- OnePath and OptiMix Diversified Funds - Review and adjustment of strategic asset allocation
- OptiMix Global Emerging Market - Changes to manager exposure
- OptiMix International Equity - Changes to manager exposure
- OnePath Alternative Growth – Portfolio enhancements
- OnePath Diversified Credit - Changes to manager exposure
- OnePath Diversified Fixed Interest – Multi-manager approach
- OnePath Global Emerging Market – Multi-manager approach

7. ***Most of the investment options available to members are actively managed funds rather than passive. With Vanguard entering the superannuation space bringing in low fees and passive investing strategies, how do you plan to retain members? Personally, being a big fan passive investing I am looking for a reason to stay with ANZ Super.***

We offer passively managed balanced funds in Smart Choice, these are the static diversified funds. In OneAnswer, we have a range of low-cost passive options. Despite a new fee structure that enables us to add an important layer of active management, fees still remain low for ANZ Smart Choice Super. In fact, ANZ Smart Choice Super's fees are in the lowest 25% of all super funds.

That said, passive funds typically have lower fees. Along with passive investments, we use carefully selected specialist investment managers who actively identify attractive investments across a wide variety of asset classes such as equity, fixed interest and property, and across a range of countries. Whilst these funds may have higher fees, we believe an active approach can create opportunities to capture higher returns through expert asset allocation and security selection. An active approach also aids risk-management, especially when a particular asset class is in a slump. Active management gives us more ability to exclude riskier, poor performing or poorly managed assets from our members' portfolios.

In the end, the choice between active and passive investment styles is one for the member and their adviser. Everyone's situation is unique, so we'd recommend seeking professional financial advice before deciding on where to invest

8. ***Is investment performance directly linked to current low housing interest rates in Australia and if so, will performance increase as a result?***

There's no doubt that the ultra-low interest rates of the past two years have greatly supported Australia's economic recovery from the pandemic-driven recession by enabling businesses to invest and helping households maintain very strong consumer demand. As the economy continues to recover it is appropriate that rates start to rise from very low levels. While this will likely dampen the pace of growth, we doubt rates will rise to a level over the next year or so that will markedly slow economic growth.

9. ***What are the best investments during the Covid-19 environment?***

Diversification is one of the cornerstones of our investment philosophy, there is no single 'best investment' and this lesson has never been more important since the emergence of COVID, which has seen sudden shifts between bear and bull market conditions.

Our asset allocation and levels of diversification are something we're continually looking at. We're always trying to get the risk-return balance right for members and enhancing diversification by adding new attractive asset classes, such as alternatives. As with all personal investment decisions we'd recommend seeking professional financial advice before deciding on where to invest.

10. ***Can the unit price for cash drop and why?***

A unit price is the total market value of the assets in each investment plan divided by the number of units held in that investment plan. Cash is usually considered a less volatile asset class, meaning its value doesn't fluctuate much, but its value can still move due to increases or decreases as interest rates change. So, this means the unit price can change.

## Product questions

11. ***Why is ANZ better than other platforms like NetWealth, which has much lower fees?***

We recently added an important layer of active management into our funds in search of added performance for members. Despite this, fees still remain low for ANZ Smart Choice Super. In fact, ANZ Smart Choice Super's fees are in the lowest 25% of all super funds.

12. ***Do you have to have a financial adviser to have your superannuation in Grow Wrap?***

Grow Wrap may only be invested in via a financial adviser. Existing members of Grow Wrap do not need to retain a financial adviser to continue to hold the product. However, due to the nature of the product, members without an attached financial adviser are restricted from some aspects of the product's functionality. Additionally, members may be restricted from acquiring and holding specific investments due to the distribution conditions on those investments imposed by the underlying investment manager. This relates to Design & Distribution Obligations legislation and any limitations in this respect are imposed by the investment manager, not the Trustee.

13. ***Why is it so expensive to change segments within the personal super portfolio?***

If this question is in reference to switching between investment options available within a superannuation product, then a buy-sell spread is incurred. The buy-sell spread represent the cost of buying and selling the investment option units you hold, which is much like brokerage for buying and selling shares.

During COVID-19, we saw higher volumes of members switching investment options to cash or conservative assets due to market volatility, then in some cases switch back again. This higher-than-average investment switching volume increased the transaction costs and consequently, the buy-sell spread required to recover this cost. Buy-sell spreads for many products were updated with increases as a result during 2020 and 2021.

14. ***Is there now or in the future going to be a low-fee fund available, based on the Federal Government's designated and mandated low-fee fund? How do you justify your management expenses for passive investing especially in light of below par performance?***

The current fees in ANZ Smart Choice Super are set so as to provide a range of member services, fund high quality investment management and make managing your super easier. On 1 December 2021, an annual Administration fee cap of \$125 per month was introduced. Our fees are in the lowest 25% of all super funds.

15. ***ANZ Smart Choice Super Conservative / ANZ Smart Choice Super Moderate performance seems relatively inconsistent and weak with no real visibility on daily unit prices. Therefore, can the superannuation online portal be expanded with more information and can you also get the online portal to function better (many times there is no access)?***

We apologise for the difficulty accessing the ANZ Smart Choice online portal, we had a period late last year with frequent outages. The technology team have worked hard and the service has resumed. If you are still experiencing difficulty logging in, please let us know so that we can assist you.

We don't publish daily unit prices for ANZ Smart Choice Super, but we have plans to enhance the online performance information in the future. To keep you informed about investment performance, all members receive the quarterly performance update by email. If we don't have your email, you can supply it online to keep up to date. Alternatively, you can view these reports and the performance of all the investments online at [anz.com.au/smartchoice](http://anz.com.au/smartchoice).

**16. Can the members be advised on what types of investments their super is being invested in? If the member is not satisfied with the current results from investments, can they transfer out and how?**

Without knowing which product you're in, this response will focus on ANZ Smart Choice Super, as this is the product the majority of our members are in. You can see the investment option(s) you are invested in in your annual statement or online any time when you log in. If you would like to change the way your super is invested, you can request an investment switch at any time online or by calling us on 13 12 87 during our business hours.

**17. What's the maximum age to buy life insurance with profit?**

Without knowing which product you're in, this response will focus on ANZ Smart Choice Super as this is the product most of our members are in. With ANZ Smart Choice Super, for members with standard insurance in ANZ Smart Choice Super for employers and their employees and ANZ Smart Choice Super and Pension products, the maximum application age for Death Total and Permanent Disability (TPD) or Income Protection (IP) cover is 64 (65 next birthday). TPD ceases at age 65 whilst Death cover continues to age 75. TPD and IP are not available in ANZ Smart Choice Pension. Some employers with tailored insurance arrangements in ANZ Smart Choice Super for employers and their employees may have slightly different maximum entry ages. You can find this information in your insurance guide. Conditions and eligibility requirements do apply, and cover is subject to acceptance by the insurer.

**18. Can we put our investments in precious metals and coin markets?**

These types of investments are not available in any of our products.

**19. Are the investment products in Smart Choice Super available to invest outside Super? If so, how/where to buy? If not, why not?**

The investment options in ANZ Smart Choice Super and Pension are not available outside superannuation. Insignia Financial does however have a wide range of investments available in our investment products outside of superannuation. You can find out more information at <https://www.anz.com.au/personal/investing-super/>

**20. Income Protection Insurance - how does it work?**

Income Protection provides replacement income to help cover your expenses if you are unable to work due to an injury or illness. You make a regular payment (called insurance fees or premiums) to an insurer for a particular benefit and if your claim is accepted, monthly payments are made to you. The options available across our products vary depending on the product you hold. The key benefit designs you may choose from are:

**Waiting periods** (how long you have to wait before your first payment):

- Generally 30 days, 60 days or 90 days

**Benefit periods** (how long you are paid a monthly payment for):

- Generally 2 years, 5 years or up to age 65

**Replacement value** (how much of your salary will be replaced by insurance):

- Most commonly 80%, 75% or 50%, but may vary and you may be able to choose the percentage yourself.

For example, you might elect to apply for Income Protection cover to replace 75% of your salary for 2 years, with a 60 day wait for your first payment.

You also need to consider the impact on fees of your benefit, the shorter the waiting period and the higher or longer the payment, the more you will pay in premiums. Applications for cover are subject to insurer acceptance and may be offset by other income you receive (such as WorkCover payments).

21. ***If you want to change the balance of the investment mix, I assume this will only change for future contributions and be listed as additional so my original investment balance will be based on the original investment?***

You have the option across all our products to change either the way future money is invested (future contribution strategy) or the way the money already in super is invested (current investment strategy). You can elect for them to be the same or different, the choice is yours.

22. ***Given the state of affairs globally (COVID and war in Europe), how do you reduce risk to protect our baseline, and how does the fund hedge for increasing national debt and uncertainty in the economics?***

The portfolios are managed relative to medium term assumptions, with younger members carrying higher risk in higher return portfolios and older members reducing risk as they approach retirement. Most portfolios are diversified to offset the risk of events that may arise and, if required, tilts to more defensive asset allocations can be applied. Further, those in our lifestage models now have exposure to alternative assets to help provide some offset to equity risk.

23. ***Which industries had highest returns during the pandemic?***

The initial market rally following the pandemic slump in March 2020 was primarily driven by technology stocks, which are usually classified as growth stocks, rather than value stocks. Since then, we've seen a shift back to value stocks. Although share markets will continue to be supported as economies recover, as always, some short-term setbacks are likely, particularly with the current market challenges, including rising inflation, Russia's actions in Ukraine and the risk of further COVID variants. A longer-term well-diversified strategy using different asset classes including cash, property and fixed income is usually the most prudent approach.

24. ***When will the online portal be updated for a better customer experience? At this stage it has a lot of outages and daily unit pricing for a given investment option should be added, including historical unit prices.***

We apologise for the difficulty gaining access to the ANZ Smart Choice online portal. We had a period late last year with frequent outages. The technology team have now resolved the issue. If you experience difficulty logging in, please let us know so we can assist you.

We don't currently publish daily unit prices for ANZ Smart Choice Super, but we do have plans to enhance the online performance information in the future. To keep informed about your investment performance, all members receive the quarterly performance update by email. If we don't have your email, you can supply it online to keep up to date. Alternatively, you can view these reports and the performance of all the investments online at [anz.com.au/smartchoice](http://anz.com.au/smartchoice).

25. ***Why were the annual member statements issued so late for last year? I received mine the week before Christmas and in past years it was during September.***

We do sincerely apologise about the delay in receiving your annual statements last year. While the majority of our statements were sent on time, we had an unexpected system error which required fixing. As a result, statements were delayed for a small subset of members.

26. ***Does OnePath intend to refund members for unauthorised fees charged as brought to light by the inquiry in financial institutions?***

OnePath Custodians takes matters such as these very seriously, including ensuring any instance is appropriately resolved. This includes refunding fees where applicable. OnePath takes a member-centric approach in remediating members.

## Sustainability

**27. *Does ANZ have any intention of providing members a no fossil fuel mix option for their portfolios?***

We offer ethical and sustainable funds on our super menu, including a sustainable Australian share fund through our Smart Choice super product (Alphinity Sustainable Share Fund), as well as four ethical options on our OneAnswer platform. We are currently reviewing our fund menus to ensure we are offering an appropriate variety of Socially Responsible Investment options.

**28. *Is the move to 'Green Investments' part of the OnePath plan and how do you see this playing out in the continued health of the OnePath returns to investors?***

As outlined in our Responsible Investment statement, sustainability themed investment will form part of our overall investment strategy. As Australia, along with the rest of the world moves towards a renewable energy economy, we can participate by investing in renewable technologies which we anticipate will provide sustainable returns for OnePath members into the future. As an example, within our investment portfolios, we have already made investments into wind turbine projects.

**29. *Is there any program for Bushland Restoration - planting of trees?***

Currently, we do not invest in any companies or investment funds that support reforestation, or tree planting projects within our superannuation funds. As mentioned at our Annual Member Meeting, we are currently reviewing our menu of sustainable and ESG investment options on our menu to ensure we have a good balance available for our members.

Our investment team is currently also looking at various agriculture strategies (amongst others) in our portfolios which include assets such as 'land banks' which are used for carbon credit capture. Our investment team needs to assess these strategies in more detail to ensure they will provide long-term sustainable value for members before they include them in the investment portfolio.

**30. *ESG - Don't you think looking at 2050 is behind the times, when the world view now looks at 2030 as the agenda?***

As mentioned at our Annual Member Meeting, our parent company Insignia Financial believes in the science supporting climate change and specifically the findings and recommendations from the latest round of Intergovernmental Panel on Climate Change (IPCC) reporting. As you rightly point out, these reports highlight the urgency of cutting emissions by at least 50% by 2030, in order to keep global warming as close to 1.5 degrees as possible and not exceeding 2 degrees as per the Paris Accord.

## Event questions

**31. *Are you taking still taking live questions or have these been selected prior?***

As a Trustee, we are required to treat all member questions equally, whether they've been submitted by members in advance of the Annual Member Meeting as part of the registration process or submitted live during the event, all members questions are answered.