Transition to a replacement fund

As you may be aware, BlackRock Investment Management (Australia) has now terminated the BlackRock Asset Allocation Alpha Fund (the ‘BlackRock Fund’). This is the underlying fund in which the OneAnswer BlackRock Asset Allocation Alpha Fund invests.

Following an extensive review to identify a suitable replacement for the underlying BlackRock Fund, we are pleased to announce that we will be transitioning the underlying assets to the GMO Systematic Global Macro Fund during June 2013. Effective 1 July 2013, the name of the OneAnswer BlackRock Asset Allocation Alpha Fund will change to the OnePath Alternatives Growth Fund.

The new underlying fund, the GMO Systematic Global Macro Fund, is highly rated by external research houses and has an impressive track record of strong investment performance. It has a similar investment strategy and asset class exposure to the previous BlackRock Fund.

Why is the BlackRock Fund being replaced?

On 25 February 2013, BlackRock Investment Management (Australia) Limited announced that the BlackRock Fund would be terminating.

At that time, we advised our intention to undertake the process of identifying a suitable replacement fund for investors’ assets in the OneAnswer BlackRock Asset Allocation Alpha Fund, which was wholly invested in the underlying BlackRock Fund. Click here for more detail on the termination.

We have now received the proceeds from the termination of the underlying BlackRock Fund. These proceeds are being held in cash pending transition to the replacement fund. BlackRock investment management fees have been waived since 25 February 2013.

When will the transition take place?

The transition of underlying assets will take place during June 2013.

Are there any other changes as a result of the transition?

There will be a change in the distribution frequency for the OnePath Alternatives Growth Fund offered through OneAnswer Investment Portfolio, from half yearly to quarterly. This change to quarterly distributions reflects the frequency of distributions made from the underlying GMO Systematic Global Macro Fund.

What will the transition mean for existing investors?

- The underlying investments will automatically be transitioned to the GMO Systematic Global Macro Fund during June 2013.
- Investors will continue to hold the same asset class exposure following the transition.
- Investors will see no change in the number of units they hold, nor will they see a transaction appear in their account. The unit prices of the impacted funds will continue post transition, i.e. unit prices are not restarted or reset.
Investors will see the name of the OneAnswer BlackRock Asset Allocation Alpha Fund change to OnePath Alternatives Growth Fund in correspondence from OnePath and in online reporting and transacting from 1 July 2013.

There will be no tax implications as a result of the transition. There will be no transaction costs in relation to the transition as the GMO Systematic Global Macro Fund does not apply a buy/sell spread. There will be no change to ongoing fees after the transition. The OneAnswer BlackRock Asset Allocation Alpha Fund remains open to all transactions throughout the transition period. Until the transition date, the underlying assets will continue to be held in cash. From the transition date, assets will be held in the GMO Systematic Global Macro Fund.

**Which OneAnswer products are impacted by the changes?**

- OneAnswer Frontier Investment Portfolio
- OneAnswer Frontier Personal Super
- OneAnswer Frontier Pension
- OneAnswer Investment Portfolio (including //Select)
- OneAnswer Personal Super (including //Select)
- OneAnswer Pension (including //Select)
- OneAnswer Term Allocated Pension

**Which Product Disclosure Statement (PDS) documents are impacted?**

- OneAnswer Personal Super and Pension PDS
- OneAnswer Frontier Personal Super and Pension PDS
- OneAnswer Investment Portfolio PDS
- OneAnswer Frontier Investment Portfolio PDS

**Any questions?**

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

- speak with your financial adviser
- call Customer Services on 133 665, weekdays between 8.30am and 6.30pm (AEST)
- email customer@onepath.com.au
Additional information on the OnePath Alternatives Growth Fund

Investment objective
The OnePath Alternatives Growth Fund aims to produce a portfolio that seeks to outperform the UBS Australian Bank Bill Index.

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

Investment strategy
The OnePath Alternatives Growth Fund plans to pursue its investment objective by investing in a range of equity, bond, commodity and currency markets using exchange traded futures and forward foreign exchange contracts as well as making other investments.

From mid June, the OnePath Alternatives Growth Fund will invest in the GMO Systematic Global Macro Fund. The Trust seeks to take advantage of GMO Australia’s proprietary investment models for global tactical asset allocation and equity, bond, currency and commodity market selection. GMO Australia’s models for this active quantitative process are based on the following strategies:

- Value-Based Strategies: Value factors compare the price of an asset class or market to an economic fundamental value. Generally, value-based strategies use yield and mean reversion factors.
- Sentiment-Based Strategies: Generally, sentiment-based strategies assess factors such as risk aversion, analyst behaviour and momentum.

Asset allocation

<table>
<thead>
<tr>
<th>Asset class</th>
<th>Benchmark (%)</th>
<th>Range (%)*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash</td>
<td>100</td>
<td>-155--+155</td>
</tr>
<tr>
<td>Fixed interest</td>
<td>0</td>
<td>-155--+155</td>
</tr>
<tr>
<td>Equities</td>
<td>0</td>
<td>-80--+80</td>
</tr>
<tr>
<td>Commodities</td>
<td>0</td>
<td>-55--+55</td>
</tr>
</tbody>
</table>

Underlying Fund: GMO Systematic Global Macro Trust

* The ranges reflect the overall net exposure that the fund may have to each asset class. The fund may have positive or negative (long/short) net exposure to each asset class. The fund will generally be managed within these ranges although the fund may be outside of these ranges for short periods of time.

Note: the OnePath Alternatives Growth Fund name change, from the OneAnswer BlackRock Asset Allocation Alpha Fund, is effective 1 July 2013.