

CHANGES TO THE UNDERLYING FUNDS OF THE ONEPATH ALTERNATIVES GROWTH FUND

CONTINUOUS DISCLOSURE NOTICE | SEPTEMBER 2017

This Continuous Disclosure Notice provides important information in relation to the OnePath Alternatives Growth Fund (ARSN 121 982 796) ('the Fund').

WHAT ARE THE CURRENT UNDERLYING FUNDS?

The Fund currently invests in the following underlying funds:

- AQR Wholesale Managed Futures Fund (AQR)
- GMO Systematic Global Macro Fund (GMO)
- Man AHL Alpha Fund (Man)

WHAT ARE THE CHANGES?

On or around 18 September 2017, the following changes will be made to the Fund:

- AQR will be removed as an underlying fund; and
- Fulcrum Diversified Absolute Return Fund (Fulcrum) and Bentham Syndicated Loan Fund (Bentham) will be added as new underlying funds.

GMO and Man will continue as underlying funds.

Please refer to the attached additional information about the managers of the new underlying funds.

WHY ARE THESE CHANGES BEING MADE?

ANZ Wealth's specialist investment team believes the changes will provide:

- access to a more diversified portfolio of highly rated alternative investment managers and strategies; and
- broader exposure to the investment opportunities available in global developed and emerging markets, across sectors including equities, bonds, credit, currencies and commodities.

WHAT WILL THE CHANGES MEAN FOR INVESTORS CURRENTLY INVESTED IN THE FUND?

- There will be no change in the number of units held, nor will a transaction appear in your account. The unit prices of the Fund will continue post transition, i.e. unit prices will not restart or be reset.
- The Fund will remain open to all transactions throughout the transition period.
- Until the transition date, the Fund will continue to be invested in the existing underlying funds. After the transition date, the Fund's underlying assets will be held across GMO, Man, Fulcrum and Bentham.

WHAT COSTS ARE ASSOCIATED WITH TRANSITIONING INVESTMENTS TO THE NEW UNDERLYING FUNDS?

We estimate that the cost will be approximately 0.10%. This will be a one off cost passed on to the Fund at the time of the transition.

The expected long term benefits from the proposed changes in terms of improved risk adjusted Fund performance are expected to significantly outweigh the one-off aggregate transaction costs.

WILL THERE BE ANY CHANGES TO FEES?

There will be no changes to the ongoing fees for the Fund.

The Fund does not charge performance fees directly. However, performance-related fees may be payable from the underlying investment funds to the underlying fund managers. The new underlying fund managers do not charge performance-related fees.

WILL THE CHANGES HAVE ANY TAX IMPLICATIONS?

Whilst there will be a sell down of assets we expect to realise an overall capital loss on sale of the underlying assets. Capital losses are retained in the Fund to be offset against future capital gains. As a result we do not expect to process any special distributions of capital gains as a result of the asset transition.

ARE THERE ANY CHANGES TO THE BUY/SELL SPREADS?

The buy/sell spread (transaction costs) of the Fund will be updated to reflect the costs of the new underlying investments.

Fund	Current buy/sell spread	New buy/sell spread after the transition
OnePath Alternatives Growth	0% buy / 0.3% sell	0.09% buy / 0.09% sell

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).

Additional information on the new underlying fund managers

Fulcrum Asset Management LLP (Fulcrum)

Fulcrum Asset Management LLP is an independent investment manager founded in 2004, with a core focus on global, multi-asset investing across liquid markets. Headquartered in London with additional offices in New York and Frankfurt, the firm is defined by the strength of its research and disciplined investment approach.

Fulcrum manages both absolute return and relative return strategies across all of the major liquid asset classes globally. Our approach combines fundamental and behavioural research teams with investment specialists in equities, bonds, commodities and currencies. The investment process is driven by the Fulcrum Investment Team who have a deep market knowledge and experience gained across numerous economic cycles and environments. Our process and philosophy is designed to deliver stable outcomes for investors regardless of the direction of global financial markets.

Bentham Asset Management Pty Limited (Bentham)

Bentham is a specialist fixed interest and credit investment manager. Bentham actively manages a number of high yielding funds with varying risk profiles. The portfolios are designed to generate income while diversifying risk in global credit markets. Bentham's goal is to deliver higher income to investors than can generally be achieved in traditional fixed interest and equity markets.

The founders of Bentham previously worked together as part of the Credit Investment Group of Credit Suisse Alternative Capital Inc. New York. They are still managing the same Funds.

Bentham's investment philosophy is based on a strong credit culture and a systematic investment process, with a focus on the preservation of principal and protection against downside risk.

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

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