

INVESTMENT STRATEGY CHANGE TO THE ONEPATH GLOBAL PROPERTY SECURITIES FUND

Continuous Disclosure Notice | September 2017

This Continuous Disclosure Notice provides important information in relation to the OnePath Global Property Securities Fund (ARSN 121 983 051) ('the Fund').

WHAT ARE THE CHANGES?

Instead of investing via an **active** investment process, the Fund will utilise a **passive** approach to investing with the underlying investments being directed by Vanguard Investments Australia Ltd (Vanguard). The change will occur on or about 18 September 2017.

WHICH ONEPATH FUND DOES THIS CHANGE RELATE TO?

The changes relate to the OnePath Global Property Securities Fund offered through OneAnswer Frontier Investment Portfolio and OneAnswer Investment Portfolio, referred to in this communication as 'the Fund'.

WHY ARE WE MAKING THIS CHANGE?

We believe that the global property universe is largely homogenous, meaning a lower probability for active managers to consistently deliver outperformance. By moving to a passive investment strategy we can provide members with a low cost investment option which provides a return commensurate with the FTSE EPRA/NAREIT Developed Rental Ex-Australia New Index return.

HOW WILL THE CHANGE IN STRATEGY BE IMPLEMENTED?

We will sell the underlying investments of the Fund and buy units in an underlying passive Global Real Estate Investment Trust (GREIT) strategy, operated by us, with investments being directed by Vanguard. This change will occur within the Fund. This transition will not affect investor's accounts in terms of the current unit price, nor will it result in a transaction at the client account level.

WILL THERE BE ANY TAX IMPLICATIONS FOR INVESTORS AS A RESULT OF THE SELL DOWN OF UNDERLYING INVESTMENTS?

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.

WILL THERE BE A CHANGE IN THE FUND'S INVESTMENT STRATEGY?

Yes. As a result of the proposed changes, management of the assets will move from an actively managed approach (undertaken by CBRE Clarion Securities LLC) to a passively managed approach (undertaken by Vanguard Investments Australia Limited).

After the transition the Fund will invest in a diversified portfolio of GREITS which is passively managed against a benchmark of the FTSE EPRA/NAREIT Developed Rental Ex-Australia Net Index.

WILL THE NAME OF THE FUND CHANGE AS A RESULT OF THE INVESTMENT STRATEGY CHANGE?

Yes, the name will be changed as shown in the table below:

Current name	New name
OnePath Global Property Securities Fund	OnePath Global Property Securities Index Fund

WILL THE TRANSITION INVOLVE A COST TO INVESTORS?

Yes, we estimate the underlying asset transition will impact the unit price of the Fund by approximately 0.10%, however we believe members will benefit from an annual reduction of ongoing fees of 0.42% p.a.

WILL THE ONGOING FEES CHANGE AFTER THE TRANSITION?

Yes, we will be reducing the ongoing fees of the Fund as follows:

OnePath Global Property Securities Index Fund	Current ongoing fees [#]	New ongoing fees (after transition)
OneAnswer Frontier Investment Portfolio	1.20% p.a.	0.78% p.a.
OneAnswer Investment Portfolio – Entry Fee option	2.15% p.a.	1.73% p.a.
OneAnswer Investment Portfolio – Nil Entry Fee option	3.00% p.a.	2.58% p.a.
OneAnswer Investment Portfolio //Select	1.50% p.a.	1.08% p.a.

[#]The above ongoing fees may be subject to ongoing fee rebates depending on the commencement date of the investment and the value of the investments.

WILL THE BUY/SELL SPREADS CHANGE AFTER THE TRANSITION?

The buy/sell spread costs will be updated to reflect the lower costs of a passive investment strategy. These costs are applicable when transacting e.g. when buying or selling units in the Fund, and will be implemented on or around 18 September 2017. Please see the table below for the updated buy/sell spreads.

Fund	Current buy/sell spreads	New buy/sell spreads
OnePath Global Property Securities Index Fund	0.15% buy / 0.15% sell	0.08% buy / 0.08% sell

WILL A NEW PRODUCT DISCLOSURE STATEMENT (PDS) BE ISSUED?

We will be reissuing PDSs on or about 18 September 2017. The PDS will reflect the changes which will be implemented in respect of the Fund.

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).

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