

CHANGES TO THE ONEANSWER - BLACKROCK BALANCED FUND*

Continuous Disclosure Notice | December 2017

This Continuous Disclosure Notice provides important information for members of OneAnswer Investment Portfolio (including Frontier) in relation to OneAnswer - BlackRock Balanced fund* (the 'OneAnswer Fund'), which invests in the BlackRock Wholesale Balanced Fund (the 'Underlying Fund').

* The name of the OneAnswer Fund as registered with ASIC is OneAnswer - BR Balanced Trust (ARSN 101 423 732).

WHAT ARE THE CHANGES?

BlackRock Investment Management Australia Limited (BlackRock) has advised that following a recent review, changes were made to the Underlying Fund's investment objective, strategy and strategic asset allocation (SAA).

These changes allow for:

- transition to a more diversified SAA,
- greater use of tactical asset allocation, and
- increased flexibility to better manage total portfolio risk during periods of market extremes.

The changes were made by BlackRock in August 2017 and are now effective. As the OneAnswer Fund invests wholly in the Underlying Fund, the changes outlined in this notice also apply to the OneAnswer Fund.

CHANGE IN THE INVESTMENT OBJECTIVE

BlackRock has advised the new investment objective of the Underlying Fund aims to outperform peer performance consistent with a 'growth' orientated investment strategy encompassing:

- a broadly diversified exposure to Australian and international assets;
- active asset allocation, security selection and risk management;
- flexibility to deviate meaningfully from the strategic asset allocation to help manage total portfolio risk.

The Underlying Fund aims to outperform its benchmark indices over a 5-year rolling period before fees.

CHANGE IN THE STRATEGIC ASSET ALLOCATION

BlackRock conducts regular reviews of the strategic asset allocation of its funds. Following the latest review, the strategic asset allocation weights were adjusted to reflect the Underlying Manager's expectations of risks and returns.

The adjustments are outlined in the table below.

Asset class	Previous	New (effective August 2017)	Change
Australian shares	32.00%	30.00%	-2.00%
Australian property	5.50%	0.00%	-5.50%
International shares	28.75%	29.00%	0.25%
International listed property	2.00%	6.00%	4.00%
International listed infrastructure	0.00%	3.00%	3.00%
Emerging market shares	0.00%	3.00%	3.00%
Total growth assets	68.25%	71.00%	2.75%
Australian fixed income	14.00%	15.00%	1.00%
International fixed income	8.00%	6.00%	-2.00%
Emerging market USD bonds	0.00%	3.00%	3.00%
Cash*	9.75%	5.00%	-4.75%
Total defensive assets	31.75%	29.00%	-2.75%
Total	100.00%	100.00%	

CHANGE TO THE NAME OF THE UNDERLYING FUND

The Underlying Fund has been renamed from BlackRock Wholesale Balanced Fund to BlackRock Tactical Growth Fund.

The name of the OneAnswer Fund has not yet changed, however we expect to change the name to be consistent with the Underlying Fund at a future date. Until this time, any transaction confirmations and other communications issued in respect of the OneAnswer Fund will continue to refer to BlackRock Balanced fund.

WHY ARE THESE CHANGES BEING IMPLEMENTED?

BlackRock's team of investment experts have analysed the Underlying Fund portfolio and identified investment and SAA changes aimed at providing flexibility to better manage portfolio risk.

As it invests wholly in the Underlying Fund, we are adopting the same changes for the OneAnswer Fund.

* The Underlying Fund's cash allocation may include exposure to underlying funds through which active allocations are made

WHAT DO THE CHANGES MEAN FOR INVESTORS?

Investors are not required to take any action, however investors may wish to speak to their financial adviser to understand what these changes mean for them and what options are available to them if they no longer wish to invest in the OneAnswer 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).

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. Before making any investment decisions concerning the Funds, investors should consider the relevant PDS and any updates available free of charge at onepath.com.au or by calling Customer Services on 133 665.