

INDIRECT COSTS FOR ONEPATH ALTERNATIVES GROWTH FUND

PDS UPDATE AND CONTINUOUS DISCLOSURE NOTICE | 21 DECEMBER 2018

This Product Disclosure Statement (PDS) Update and Continuous Disclosure Notice provides important information for current investors and amends the OnePath Alternatives Growth Fund – Product Disclosure Statement, dated 26 September 2017.

1. Fees and other costs

OnePath Alternatives Growth Fund – Product Disclosure Statement page reference: 11

Reference: row labelled 'Indirect costs' and 'Expense recovery'

Instructions: replace the 'Indirect costs' and 'Expense recovery' rows with the following information.

Type of fee or cost	Amount	How and when paid
Management costs		
	Indirect Costs 1.43% p.a. of the value of your investment in the Fund for the 12 months to 30 June 2018. plus	Indirect costs are not an additional fee to you. Rather, they are reflected in the returns payable from the Fund's underlying investments and as such are included in the unit price.
	Expense recovery 0.01% p.a. of the value of the Fund for the 12 months to 30 June 2018 and estimated to be up to 0.04% p.a. of the value of the Fund for the 12 months to 30 June 2019.	If deducted during a 12 month period, expense recoveries are deducted from the assets of the Fund annually and reflected in the unit price.

OnePath Alternatives Growth Fund – Product Disclosure Statement page reference: 12

Title reference: Expense recovery and indemnities

Instructions: the following provides updated expense recovery information.

The expense recovery for the 12 months to 30 June 2018 was 0.01% p.a. of the value of the Fund and is estimated to be up to 0.04% p.a. for the 12 months to 30 June 2019. **Please note, past costs are not a reliable indicator of future costs.**

2. Performance related fees

OnePath Alternatives Growth Fund – Product Disclosure Statement page reference: 12

Title reference: Performance related fees

Instructions: replace the table and footnotes with the following information.

Benchmark	Performance fee	Performance related fee [^] of 1.05% p.a.
Based on the underlying funds:*		
<ul style="list-style-type: none"> For the GMO Systematic Global Macro fund the benchmark is the Bloomberg AusBond Bank Bill Index 	20.111% of outperformance above the benchmark.	2.27
<ul style="list-style-type: none"> For the Man AHL Alpha fund the performance fee is not linked to a benchmark index. 	25% of the increase in net asset value over the previous highest closing net asset value subject to a High Water Mark.	1.27

[^] The performance-related fees are for the 12 months to 30 June 2018 (past costs are not a reliable indicator of future costs.) The performance fee payable may differ from year to year.

* The other underlying funds are not listed here as they do not charge a performance-related fee.

3. Borrowing costs

OnePath Alternatives Growth Fund – Product Disclosure Statement page reference: 13

Title reference: Borrowing costs

Instructions: the following provides updated borrowing costs information.

The borrowing costs for the 12 months to 30 June 2018 were 0.05% p.a. This is based on an allocation of 33% to the Fulcrum Diversified Absolute Fund, which uses borrowing as part of its investment strategy. **Past costs are not a reliable indicator of future costs.**

4. Transaction Costs

OnePath Alternatives Growth Fund – Product Disclosure Statement page reference: 13

Title reference: Transaction Costs

Instructions: replace the example table and footnotes with the following information.

Transaction Costs		
(A) Gross cost (% p.a.)	(B) Costs recovered from buy-sell spread (p.a.)	(C = A - B) Costs affecting returns
0.39	0.06	0.33

5. Buy-sell spreads

OnePath Alternatives Growth Fund – Product Disclosure Statement page reference: 13

Reference: Buy-sell spreads table

Instructions: replace the table with the following information.

Buy-sell spreads	
Buy spread %	Sell spread %
0.09	0.09

6. Example of annual fees and costs for the OnePath Alternatives Growth Fund

OnePath Alternatives Growth Fund – Product Disclosure Statement page reference: 14

Reference: Example of annual fees and costs for the OnePath Alternatives Growth Fund

Instructions: replace the example table and footnotes with the following information.

EXAMPLE: OnePath Alternatives Growth Fund	BALANCE OF \$50,000 WITH A CONTRIBUTION OF \$5,000 DURING THE YEAR
Contribution fees Nil	For every additional \$5,000 you put in, you will be charged \$0*.
PLUS Management costs [†] 1.30% p.a. plus 1.43% p.a. indirect costs ^{**} plus 0.01% p.a. expense recovery ^{^^}	And , for every \$50,000 you have in the OnePath Alternatives Growth Fund you will be charged \$1,370 [‡] each year.
EQUALS Cost of fund	If you had an investment of \$50,000 at the beginning of the year and you put in an additional \$5,000* during that year, you would be charged fees of \$1,370 [§] .

* You may also incur transaction costs each time you invest in the Fund (or your Service Operator acquires units on your behalf). Please refer to 'Transaction costs' in the PDS for more information. **Past costs are not a reliable indicator of future costs.**

† This fee may be negotiated. Please refer to 'Differential fees' in the PDS for more information.

‡ Your Service Operator may also charge additional fees and costs. Please refer to 'Payments to your Service Operator' in the PDS for more information.

§ We have assumed a constant value during the year. In addition, the calculation of the management costs in the example does not take into account the additional contribution of \$5,000.

** This figure is for the 12 months to 30 June 2018. Please refer to 'Indirect costs' in the PDS for more information. **Past costs are not a reliable indicator of future costs.**

^^ Figures based on the actual amount deducted for the 12 months to 30 June 2018. This amount is estimated to be up to 0.04% p.a. for the 12 months to 30 June 2019.

Note: The Example above is illustrative only. There is a calculator provided by ASIC on its MoneySmart website which can be used to calculate the effect of fees and costs on account balances. Go to moneysmart.gov.au

Any questions?

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

- call Customer Services on 1800 031 810, weekdays between 9.00am to 5.00pm (AEST)
- email wholesale.unittrust@onepath.com.au

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