

UPDATES TO BUY-SELL SPREADS FOR ANZ ONEANSWER

PDS UPDATE AND CONTINUOUS DISCLOSURE NOTICE | 6 APRIL 2020

This Product Disclosure Statement (PDS) Update and Continuous Disclosure Notice provides important information about the following funds (collectively 'the Funds') offered through ANZ OneAnswer:

- Arrowstreet Global Equity (Hedged)
- OnePath Diversified Credit
- OnePath Diversified Fixed Interest
- OnePath Alternatives Growth
- OnePath Conservative
- OnePath Balanced
- OnePath Active Growth
- OnePath Managed Growth
- OptiMix Australian Fixed Interest
- OptiMix Conservative
- OptiMix Moderate
- OptiMix Balanced
- OptiMix Growth
- Pandal Core Hedged Global Shares
- Perpetual Balanced Growth
- Perpetual Conservative Growth
- T. Rowe Price Dynamic Global Bond
- Vanguard Diversified Bond Index
- Vanguard Conservative Index
- Vanguard Balanced Index
- Vanguard Growth Index
- Vanguard High Growth Index
- OnePath Income[^]
- OnePath Capital Stable[^]
- MoneyForLife Index Conservative*[^]
- MoneyForLife Index Moderate*[^]
- MoneyForLife Index Balanced*[^].

* Only available through Personal Super and Pension.

[^] Closed to new investors/members.

These buy-sell spread changes impact the following ANZ OneAnswer products:

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

WHY HAVE THE UNDERLYING MANAGERS MADE THESE CHANGES?

- Recent market fears over COVID-19 have caused market liquidity to deteriorate remarkably in a very short period of time, impacting all segments of the Australian fixed-income market.
- Given the current market trading conditions for credit based products, previous buy and sell spreads are no longer reflective of the current cost of trading in the market place.
- Increased buy-sell spreads are required to cover increased transaction costs in the markets for the assets held by the Funds.

WHAT DO THE CHANGES MEAN FOR INVESTORS/MEMBERS?

- These new spreads have been applied to the Funds and are reflected in the unit prices.
- Please note, that the Buy-Sell Spread protects non-transacting investors from the asset trading costs incurred when other investors/members buy or sell units.
- These steps are not taken lightly but are necessary precautions to temporarily protect investors/members whilst this period of uncertainty continues. Market conditions are being monitored closely and the Buy-Sell Spreads of the Funds are likely to be re-adjusted when appropriate.

This PDS Update amends the following documents issued on 1 February 2020:

- Buy-Sell Spread Guide
- ANZ OneAnswer Investment Portfolio PDS – Product Book
- ANZ OneAnswer Investment Portfolio //Select PDS – Product Book.

WHAT IS CHANGING?

1. Buy-Sell Spreads

OneAnswer Buy-Sell Spread Guide page reference: 4-11

Instructions: The following rows replace the corresponding rows in the table on pages 4 to 11. The columns titled 'New' should be read in place of the information in the Buy-Sell Spread Guide.

Investment fund	Previous Buy Spread %	Previous Sell Spread %	New Buy Spread %	New Sell Spread %
Arrowstreet Global Equity (Hedged)	0.21	0.21	0.21	0.16
OnePath Active Growth	0.02	0.02	0.06	0.06
OnePath Alternatives Growth	0.10	0.10	0.36	0.36
OnePath Balanced	0.02	0.02	0.09	0.09
OnePath Conservative	0.02	0.02	0.12	0.12
OnePath Diversified Credit	0.05	0.05	0.28	0.28
OnePath Diversified Fixed Interest	0.05	0.05	0.22	0.22
OnePath Managed Growth	0.02	0.02	0.06	0.06
OptiMix Australian Fixed Interest	0.05	0.05	0.31	0.31
OptiMix Balanced	0.04	0.04	0.07	0.07
OptiMix Conservative	0.03	0.03	0.11	0.11
OptiMix Growth	0.05	0.05	0.06	0.06
OptiMix Moderate	0.04	0.04	0.09	0.09
Pendal Core Hedged Global Shares	0.05	0.05	0.25	0.25
Perpetual Balanced Growth	0.17	0.17	0.41	0.00
Perpetual Conservative Growth	0.13	0.13	0.61	0.00
T. Rowe Price Dynamic Global Bond	0.25	0.25	0.75	0.75
Vanguard Balanced Index	0.03	0.03	0.18	0.18
Vanguard Conservative Index	0.03	0.03	0.21	0.21
Vanguard Diversified Bond Index	0.03	0.03	0.34	0.34
Vanguard Growth Index	0.03	0.03	0.12	0.12
Vanguard High Growth Index	0.02	0.02	0.05	0.05
OnePath Capital Stable (closed to new investors)	0.03	0.03	0.13	0.13
OnePath Income (closed to new investors)	0.03	0.03	0.15	0.15
MoneyForLife Index Balanced (closed to new investors)	0.01	0.01	0.06	0.06
MoneyForLife Index Conservative (closed to new investors)	0.01	0.01	0.08	0.08
MoneyForLife Index Moderate (closed to new investors)	0.01	0.01	0.07	0.07

2. Fees and other costs information

The following updates relate to PDS documents that note the range of the Buy-sell spreads and therefore require updating.

OneAnswer Investment Portfolio – PDS Product Book page reference: 20

OneAnswer Investment Portfolio//Select – PDS Product Book page reference: 9

Title reference: Buy-sell spreads

Instructions: replace the selected content in this section with the following information.

Buy-sell spreads

The buy-sell spread is used to allocate buy and sell transaction costs to an investor who is transacting rather than to investors in a particular investment fund who are not transacting. As the proceeds from a buy-sell spread are retained as part of the assets of an investment fund, no part of it is paid to us or to an underlying fund manager.

A buy-sell spread, currently up to a maximum of 1.75%, may apply to amounts invested or withdrawn from an investment fund. This may vary in future. These spreads are incorporated in the buy and sell unit prices. The buy and sell spreads for each investment fund are available in the Buy-Sell Spread Guide at onepath.com.au/superandinvestments-forms-and-brochures

For example, for every \$1,000 that you invest in the Vanguard Growth Index fund, the buy spread you incur is currently 0.12% or \$1.20. This amount is reflected in the 'buy' unit price at the time the units are purchased. At all times your account balance is valued at the 'sell' unit price which incorporates the sell spread. In the same example, the value of the investment of \$1,000 will also take into account the sell spread of 0.12% or \$1.20. This means that the total spread cost for the example \$1,000 investment will be 0.24% or \$2.40.

ANY QUESTIONS?

If you have any questions, please:

- speak with your financial adviser
- call Customer Services on **13 38 63** weekdays between 8.30am and 6.30pm (AEST).

This PDS Update and Continuous Disclosure Notice is issued by OnePath Funds Management Limited (OPFM) (ABN 21 003 002 800, AFSL 238342) and by OnePath Custodians Pty Limited (OPC) (ABN 12 008 508 496, AFSL 238346, RSE L0000673). 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. An investor/member should read the relevant PDS, which is available free of charge at anz.com or contact Customer Services.

OPFM and OPC are members of the IOOF group of companies, comprising IOOF Holdings Ltd (IOOF) (ABN 49 100 103 722) and its related bodies corporate. Neither OPFM nor OPC, nor any other related or associated company guarantee the repayment of capital, the performance of, or any rate of return of an investment with OPFM or OPC. 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.

The Australia and New Zealand Banking Group Limited (ANZ) (ABN 11 005 357 522) brand is a trademark of ANZ and is used by OPFM and OPC under licence from ANZ. ANZ and the IOOF group of companies (including OPFM and OPC) are not related bodies corporate. ANZ does not guarantee these products.