

Special arrangements for ANZ OneAnswer

1 JULY 2013

As a client of ANZ Financial Planning you will be investing into the ANZ branded version of OneAnswer which is called ANZ OneAnswer. Outlined below are certain specific features available to you as an investor in ANZ OneAnswer.

The ANZ OneAnswer range includes:

- ANZ OneAnswer Investment Portfolio
- ANZ OneAnswer Personal Super
- ANZ OneAnswer Pension.

The Product Disclosure Statements through which the above products are offered are the OneAnswer Investment Portfolio PDS dated 1 July 2013 and the OneAnswer Personal Super and Pension PDS dated 1 July 2013 (referred to as OneAnswer PDSs). Please note the information contained in this flyer is not relevant to the OneAnswer Frontier series of products or the OneAnswer //Select series of products.

Additional rebate paid to ANZ OneAnswer clients

The Financial Adviser Commission section of each OneAnswer PDS provides the amount of ongoing commission which may be paid to ANZ Financial Planning (i.e. your adviser) by us (please note these commissions are not deducted from your account, they are paid by us out of the total fees we receive).

ANZ Financial Planning has requested a reduced amount of ongoing commission be paid to them in relation to investments in ANZ OneAnswer and the difference be rebated back to clients of ANZ OneAnswer. This reduction in ongoing commission will be passed on to you in the form of a rebate of Ongoing Fees charged. The maximum Ongoing Fee disclosed in the OneAnswer PDSs will be charged and a fee rebate will be applied to your account. This has the effect of reducing the net Ongoing Fee you pay.

The amount of the ongoing commission rebate is outlined in the table below.

| Product | Additional rebate* |
|------------------------------------|--------------------|
| ANZ OneAnswer Investment Portfolio | 0.15% p.a. |
| ANZ OneAnswer Personal Super | 0.176% p.a. |
| ANZ OneAnswer Pension | 0.15% p.a. |

* This rebate is not payable on balances held in ANZ Cash Advantage, ANZ Term Deposits or OnePath Cash in ANZ OneAnswer Investment Portfolio and ANZ OneAnswer Personal Super. In ANZ OneAnswer Pension this rebate is not payable on ANZ Cash Advantage, ANZ Term Deposits or ANZ Prime CMA. For all other investment funds this rebate is paid on your total account balance.

How is this rebate paid?

This rebate is paid in conjunction with (and in addition to) other Ongoing Fee rebates described in the OneAnswer PDSs. Please refer to the relevant OneAnswer PDS for details of the method of payment.

Anti-Money Laundering and Counter-Terrorism Financing

The *Anti-Money Laundering and Counter-Terrorism Financing Act 2006* (the *AML/CTF Act*) requires your financial adviser to identify you and verify your identity. Your financial adviser will need to complete the ANZ Customer Identification Process which verifies to us that sufficient identification information has been collected to confirm your identity.

Contact details

As a client of ANZ OneAnswer there is a dedicated phone number and email address for you to use when you need to contact us.

Information about your ANZ OneAnswer investment can be accessed through anz.com > personal > investing-super. On the website you will find the latest OneAnswer PDS, product updates and other relevant information. You can also log in to Investor Access to view and update your account details.

Please note the following contact details for use by ANZ OneAnswer clients:

Phone enquiries weekdays between
8.30am and 6.30pm (AEST)

Customer Services 13 38 63

Fax 02 9234 6668

Email anz.investments@onepath.com.au

Postal address

ANZ OneAnswer
GPO Box 4028
Sydney NSW 2001

Website anz.com

This information is current as at 1 July 2013 and may be subject to change. This information has been produced by OnePath Funds Management Limited (ABN 21 003 002 800, AFSL 238342) (OnePath Funds Management) and OnePath Custodians Pty Limited (ABN 12 008 508 496, AFSL 238346, RSE L0000673) (OnePath Custodians) (the 'issuers') and may not be reproduced without the issuers' prior written permission. This information had been prepared without taking account of a potential investors objectives, financial situations or needs and therefore before making a decision based on this information, a potential investor should consider its appropriateness, having regard to their objectives, financial situation and needs. ANZ OneAnswer Personal Super and ANZ OneAnswer Pension are issued by OnePath Custodians. ANZ OneAnswer Investment Portfolio is issued by OnePath Funds Management. Before acquiring, disposing or deciding whether to continue to hold the product, investors should consider the relevant OneAnswer Product Disclosure Statement (PDS) which is available at anz.com or by calling Customer Services on 13 38 63. Investment performance, earnings and returns are not guaranteed. Past performance is not indicative of future performance.

The issuers are wholly owned subsidiaries of Australia and New Zealand Banking Group Limited (ABN 11 005 357 522) (ANZ). ANZ is an authorised deposit taking institution (ADI) under the *Banking Act 1959*. The issuers are not ADIs. Except as described in the relevant PDS, an investment in any of the products above is not a deposit or liability of ANZ or any other member of the ANZ Group. Neither ANZ nor any member of the ANZ Group stands behind or guarantees the issuers or the capital or performance of any securities issued to, or assets held by, you. Your investment is subject to investment risk, including possible delays in repayment and loss of income and principal invested.

A2978/0713



OneAnswer Investment Portfolio

(only available to investors who joined prior to 1 July 2013)

Product Disclosure Statement – Product Book

1 July 2013

OneAnswer Investment Portfolio

Entity details in this Product Disclosure Statement (PDS)

| Name of legal entity | Registered numbers | Abbreviated term used throughout the PDS |
|-------------------------------------------------|---------------------------------|------------------------------------------|
| OnePath Funds Management Limited (Issuer) | ABN 21 003 002 800, AFSL 238342 | OnePath Funds Management |
| ANZ Wealth Australia Limited | ABN 60 000 000 779 | OnePath |
| Australia and New Zealand Banking Group Limited | ABN 11 005 357 522, AFSL 234527 | ANZ |

Important information

From 1 July 2013 new investors are not being accepted into OneAnswer Investment Portfolio. This PDS is only applicable to investors who joined prior to 1 July 2013.

OnePath Funds Management is the issuer of this Product Disclosure Statement (PDS) and the incorporated material which is comprised of the OneAnswer Frontier Investment Portfolio Additional Information Guide.

OnePath Funds Management is a wholly owned subsidiary of ANZ. ANZ is an authorised deposit taking institution (Bank) under the *Banking Act 1959* (Cth). Although OnePath Funds Management is owned by ANZ, it is not a Bank. Except as described in the PDS, an investment in OneAnswer Investment Portfolio is not a deposit with, or other liability of, ANZ or its related group companies and none of them stands behind or guarantees OnePath Funds Management or the capital or performance of your investment. Your investment is subject to investment risk, including possible repayment delays and loss of income and principal invested.

This PDS contains general information only and does not take into account your objectives, financial situation or needs. This PDS explains the main features of OneAnswer Investment Portfolio and should not be used as a substitute for financial advice. You should read the PDS carefully to assess whether the information is appropriate, having regard to your objectives, financial situation and needs, and speak to a financial adviser before making an investment decision.

OnePath Funds Management is responsible for the content of this PDS and the OneAnswer Frontier Investment Portfolio Additional Information Guide, except for information about the underlying fund managers and the investment strategy, objectives and asset allocation for the underlying funds they operate, which is based on information provided by them.

The underlying fund managers have each provided their consent to being named and have consented to the information provided by them being included in this PDS in the form and context in which it is included. They have not withdrawn their consent at the time of preparation of this PDS. The underlying fund managers take no responsibility for any other information in this PDS or the OneAnswer Frontier Investment Portfolio Additional Information Guide.

In this PDS and the OneAnswer Frontier Investment Portfolio Additional Information Guide the terms 'us', 'we' and 'our' refer to OnePath Funds Management. The term 'investment funds' refers to the registered managed investment schemes offered under this PDS including the managed investment scheme through which ANZ Term Deposits are offered. The term 'OneAnswer Investment Portfolio' refers to both OneAnswer Investment Portfolio and OneAnswer Investment Portfolio // Select, unless otherwise stated.

The invitation to invest in OneAnswer Investment Portfolio is only available to persons receiving this PDS in Australia.

Important additional information for ANZ OneAnswer investors

In this PDS, references to OneAnswer Investment Portfolio are also intended to apply to ANZ OneAnswer Investment Portfolio, unless stated otherwise, and references to OneAnswer Investment Portfolio //Select are also intended to apply to ANZ OneAnswer Investment Portfolio //Select, unless stated otherwise.

If you are investing through an ANZ financial adviser, you will be investing into ANZ OneAnswer. ANZ OneAnswer investors should refer to the ANZ OneAnswer information flyer which outlines specific features applying to you.

Important additional information for OneAnswer Investment Portfolio //Select investors

Information in this PDS about fees and charges is not relevant for OneAnswer Investment Portfolio //Select investors. Those investors should refer to Part Three – OneAnswer Investment Portfolio //Select Fees and Charges Guide for information about the fees and charges applicable to OneAnswer Investment Portfolio //Select.

The purpose of this PDS is to give you the information you need to make an investment decision.

This PDS is issued in relation to:

- **OneAnswer Investment Portfolio.**
Only applicable for OneAnswer Investment Portfolio investors who joined prior to 1 July 2013.
No new investors are being accepted into OneAnswer Investment Portfolio.
- **OneAnswer Investment Portfolio //Select**
Only applicable for OneAnswer Investment Portfolio //Select investors who joined prior to 15 November 2010.
No new investors are being accepted into OneAnswer Investment Portfolio //Select.

The PDS for OneAnswer Investment Portfolio and OneAnswer Investment Portfolio //Select is comprised of:

- Part One – Product Book (this book)
- Part Two – OneAnswer Investment Funds Guide.

In addition, for OneAnswer Investment Portfolio //Select only:

- Part Three – OneAnswer Investment Portfolio //Select – Fees Guide.

Before making any investment decision, you should read this Product Book carefully together with the relevant parts of the PDS and the incorporated material in their entirety.

If you have not received all relevant parts of the PDS for either OneAnswer Investment Portfolio or OneAnswer Investment Portfolio //Select, please contact Customer Services.

Additional information relevant for both OneAnswer Investment Portfolio and OneAnswer Investment Portfolio //Select can be found in the incorporated material, which is comprised of:

- OneAnswer Frontier Investment Portfolio Additional Information Guide.

You may be referred to the incorporated material for specific terms and conditions in relation to an investment in OneAnswer Investment Portfolio.

The OneAnswer Frontier Investment Portfolio Additional Information Guide is publicly available by contacting your financial adviser, visiting our website at onepath.com.au > Forms & brochures or by contacting Customer Services.

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What are the key features?

Outlined below are the key features of OneAnswer Investment Portfolio

| A wide choice of investment funds (for more information refer to Part Two – OneAnswer Investment Funds Guide) | |
|---------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| A choice of cash options | ANZ Term Deposits – access to six ANZ Term Deposit options with competitive interest rates and terms ranging from 3 months to 5 years. ANZ Cash Advantage – access to an at call investment fund which offers a competitive interest return. |
| Multi-manager investment funds | OnePath Diversified Multi-manager funds – a range of diversified funds which combine the benefits of expert active manager diversification with index funds. OptiMix – a selection of multi-manager investment funds. The OptiMix process carefully selects a number of complementary investment managers to manage the underlying investments within each asset class. |
| Single manager investment funds | Diversified and single sector investment funds – access to an extensive range of diversified and single sector investment funds offered by OnePath and other fund managers as well as index funds and alternative funds. |
| Flexible fee arrangements* | |
| Ongoing Fee rebates | Benefit from an Ongoing Fee rebate as your account balance grows. Rebates reduce the Ongoing Fee payable. |
| Advice fees | You can negotiate a fee for advice with your financial adviser which will be transparent to you. |
| Minimum amounts | |
| Minimum balance | \$250 per investment fund and \$1,000 per ANZ Term Deposit. |
| Other transactions⁵ | There are no minimum amounts for additional investments, regular investments, switching, withdrawals and regular withdrawals except in relation to ANZ Term Deposits. |
| Convenient features to help you manage your investment | |
| Regular Investment Plan^{†5} | Watch your balance grow by investing regularly (monthly or quarterly) and conveniently using direct debit from your financial institution account. |
| Regular Draw-down Plan⁵ | Create a regular withdrawal plan to provide you with a regular stream of income (each month or quarter) into your financial institution account. |
| Switching⁵ | Tailor your investment by conveniently switching between investment funds as your financial objectives change over time. You can do this online. |
| Auto-Rebalance Plan⁵ | Automatically rebalance your investment fund allocation back to your nominated investment on a regular basis. |
| Dollar Cost Averaging Plan⁵ | Manage and spread the timing risk of investing by establishing a plan to switch into your selected investment funds over time. |
| Borrowing to Invest | OneAnswer Investment Portfolio offers you the opportunity to apply a margin loan to your account. We currently have arrangements in place with a number of lenders, including ANZ. For more information visit anz.com. All loans will be subject to the particular requirements of the lender. Margin lending, or gearing, involves borrowing money to invest. This provides the opportunity to magnify your investment return over time, potentially increasing your returns, although it can also increase your losses if financial markets are performing poorly. To determine whether a margin loan is appropriate for you, please speak to your financial adviser who will also be able to provide details of the margin lending products available through OneAnswer Investment Portfolio as well as loan application forms. |

Convenient services to help you get the most from your investment

Online access

Track and manage your account online. You will automatically be registered for OnePath's Account Access upon joining OneAnswer Investment Portfolio. Account Access allows you to:

- view your investment details, including your balance and recent transaction history and transaction confirmations
- view your ANZ Term Deposit details if applicable, including interest rate and maturity date.
- transact online
- make changes to your personal details and your OneAnswer investment details.

Keeping you informed

As an investor in OneAnswer Investment Portfolio, you will receive:

- a Quarterly Transaction Statement
- an Annual Tax Statement
- a range of investor communications
- access to OnePath's Customer Centre website, which includes education and information about investment performance and legislation updates, as well as useful calculators and investment tools.

Easy investment methods[§]

OneAnswer Investment Portfolio has a range of payment methods to make it easy for you to make an investment. Additionally, BPAY[®] and Internet banking (EFT) payment methods can be utilised at your convenience, 24 hours a day, seven days a week. Additional investments can be made via the following options:

- BPAY[®]
- Internet banking (EFT)
- Cheque
- Direct Debit

Supporting you

A team of dedicated professionals providing helpful and efficient customer service, responding to your needs through telephone, email and in writing.

* For full details of the fees and costs that may apply to your investment, refer to the section 'What are the fees and charges?' on pages 11 to 22 of this book. For OneAnswer Investment Portfolio //Select investors there is only one fee option available and this is described in OneAnswer Investment Portfolio //Select Fees and Charges Guide.

† If you are establishing a Regular Investment Plan, the \$5,000 minimum does not apply however the \$1,000 minimum investment per investment fund still applies.

§ Please refer to page 6 for more information about ANZ Term Deposit options and restrictions and conditions that apply.

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How does OneAnswer Investment Portfolio work?

OneAnswer provides you with innovative choices to enable you to tailor an investment that suits your needs.

Investment choices offered through OneAnswer

Using the extensive range of investment funds offered by OneAnswer, you can create the best investment profile to help you achieve your investment goals.

With a choice of over 80 investment funds, simply select which investment funds you want to invest in and the proportion to be invested in each.

More information?

Refer to 'How we invest your money' in the OneAnswer Investment Funds Guide for details of the investment funds offered through OneAnswer.

Making investments^{†§}

Additional investments can be made by cheque, Internet banking (EFT), direct debit, BPAY[®] or online through Account Access via My OnePath at onepath.com.au

We are not bound to accept your application.

More information?

Refer to 'How do I make an additional investment?' in the Additional Information Guide

Investing in ANZ Term Deposit options

Through OneAnswer you can access a range of ANZ Term Deposit options. These offer competitive interest rates and a choice of 3, 6 and 12 months, or 2, 3, and 5 year investment terms. These options give you the security of investing with ANZ, one of Australia's largest banks. You can view current interest rates at onepath.com.au.

ANZ Term Deposit options work a little differently to other investment funds in OneAnswer. The Regular Investment Plan, Dollar Cost Averaging Plan, Auto-Rebalance Plan and Regular Draw-down Plan are not available for ANZ Term Deposits. An additional investment or switch in to ANZ Term Deposits will be processed as a new term deposit and the minimum of \$1,000 will apply. You cannot make a partial withdrawal or switch from an ANZ Term Deposit. Full withdrawals prior to maturity will incur an early withdrawal adjustment.

Interest earned on ANZ Term Deposits will be credited to ANZ Cash Advantage, an investment fund offered through OneAnswer.

More information?

Refer to 'ANZ Term Deposits through OneAnswer' in the OneAnswer Investment Funds Guide.

Establishing a Regular Investment Plan^{†5}

A Regular Investment Plan is a simple and effective way to grow your investment by adding money on a regular basis from outside of your investment. You are not able to regularly invest into ANZ Term Deposits.

You choose:

- how often you invest: monthly or quarterly
- the investment funds you would like to invest into
- the account you want investments to be debited from.

More information?

Refer to the section 'How can I set up a regular investment plan?' in the OneAnswer Investment Portfolio Additional Information Guide.

Establishing a Dollar Cost Averaging Plan^{†5}

With a Dollar Cost Averaging Plan, you switch a set amount into your chosen investment fund(s) (except for ANZ Term Deposits) at regular intervals, thereby potentially reducing the risk of investing a single larger amount on a single day.

You choose:

- one investment fund from which to make your regular switches
- the amount of each switch
- which investment funds you are switching into
- how often you would like the switches to occur: monthly or quarterly
- when you would like the Dollar Cost Averaging Plan to end (optional).

More information?

Refer to the section 'How do I set up a dollar cost averaging plan on my investment?' in the OneAnswer Investment Portfolio Additional Information Guide.

Using auto-rebalance to realign to your chosen investment profile^{††5}

The Auto-Rebalance Plan works by switching units between investment funds (except for ANZ Term Deposits) in order to realign your investment allocation as per your nominated investment profile.

You choose:

- how often your investment is rebalanced: quarterly, half-yearly or yearly
- a 'tolerance range' that determines when your auto-rebalance switch triggers.

Additional investments, switches or withdrawals may affect your Auto-Rebalance Plan.

More information?

Refer to the section 'How do I add the Auto-Rebalance Plan on my investment?' in the OneAnswer Investment Portfolio Additional Information Guide.

Receiving distribution payments^{†5}

You can choose to have distributions from your selected investment funds (except for ANZ Term Deposits) reinvested for further units in your investment fund(s) or paid into your nominated bank or financial institution account.

Any transaction costs applicable to the relevant investment fund will not apply on the reinvestment of distributions. For ANZ Term Deposits interest is automatically credited to ANZ Cash Advantage.

More information?

Refer to the section 'How does OneAnswer Investment Portfolio work?' in the OneAnswer Investment Portfolio Additional Information Guide, under the heading 'How do I receive my distribution payments?'

Receiving regular withdrawals from your investment^{‡§}

A Regular Draw-down Plan enables you to make regular withdrawals from your specified investment funds (except for the ANZ Term Deposits).

You choose:

- when to start and stop receiving payments
- how often payments from your investment are made: monthly or quarterly.

The Regular Draw-down Plan does not apply to the OnePath Income fund. Investors in OnePath Income can receive a regular payment of \$20 or more via the Regular Withdrawal Plan.

More information?

Refer to the section 'How does OneAnswer Investment Portfolio work?' in the OneAnswer Investment Portfolio Additional Information Guide, under the heading 'How can I receive a regular payment from my investment?'

Making a withdrawal^{‡§}

You can make a request to withdraw from your investment at any time, if the relevant investment fund is liquid. You may wish to speak to your financial adviser before you decide to make a withdrawal. For the ANZ Term Deposits partial withdrawals cannot be made and withdrawals made prior to maturity will incur an early withdrawal adjustment.

If the balance in the investment fund falls below \$250 we may, after giving you 30 days notice, redeem your units in that investment fund and return your money. We may vary the minimum balance of an investment fund at any time without your consent. In certain exceptional circumstances, depending on the investment fund, we are not required to accept your withdrawal request.

More information?

Refer to the section 'How does OneAnswer Investment Portfolio work?' in the OneAnswer Investment Portfolio Additional Information Guide, under the heading 'How do I withdraw money from my investment?'

Switching between investment funds^{†‡§}

As your financial objectives change over time, we make it easy for you to tailor your OneAnswer investment. For your convenience you can switch between investment funds online at any time using Account Access via My OnePath at onepath.com.au or by written request.

Any units purchased as a result of the switch will be issued based on the terms of the PDS current at the time the purchase is made and the relevant investment funds constitution. You can obtain the latest PDS free of charge by contacting your financial adviser, visiting our website at onepath.com.au > Forms & brochures or by contacting Customer Services.

More information?

Refer to the section 'How does OneAnswer Investment Portfolio work?' in the OneAnswer Investment Portfolio Additional Information Guide, under the heading 'How do I switch investment funds?'

* For OneAnswer Investment Portfolio //Select investors there is only one fee option available and this is described in OneAnswer Investment Portfolio //Select Fees and Charges Guide.

† It is important to be aware that any units purchased as a result of an additional investment or reinvestment of distributions or rebates will be issued based on the terms of the PDS current at the time the purchase is made and the investment fund's constitution. You can obtain the latest PDS free of charge by contacting your financial adviser, visiting our website at onepath.com.au > Forms & brochures or by contacting Customer Services. Regular and additional investments may incur Entry Fees and transaction costs. Please refer to the section 'What are the fees and charges?' on pages 11 to 22 of this book.

‡ Switching involves the withdrawal of units from one investment fund and the purchase of units into another investment fund. Withdrawals and switches may incur withdrawal fees and transaction costs and you may realise a capital gain or loss, so it is best to discuss this with your financial adviser. For the Regular Draw-down Plan under the Nil Entry Fee option, you can regularly withdraw a portion of your investment without incurring a Withdrawal Fee. Please refer to withdrawal fees on page 18 of this book.

§ Additional conditions and restrictions apply for ANZ Term Deposit options. Refer to the section 'ANZ Term Deposits through OneAnswer' on page 82 of the OneAnswer Investment Funds Guide.

How do I make changes and transact?

What can I do online?

Your time is precious, so we offer a range of services and facilities to make managing your investments easier.

The easiest way to manage your OneAnswer investment is to go online. Simply go to the login page at onepath.com.au and use your User ID and password to access your account.

As a new investor you will automatically be registered for access to My OnePath. We will provide you with a My OnePath ID and temporary password, which you can change at your discretion.

Information at your fingertips

- Keep up to date with the latest market commentaries, investment fund summaries and investor updates.
- Explore our online calculators.
- Access our educational tools.

Managing your account online

- View your investment details, including your balance and recent transaction history.
- You can switch between investment funds at any time.
- Make changes to your personal details and your OneAnswer investment details.
- Monitor the progress of your transactions.
- View your Quarterly Statements online.

Where do I locate the forms to maintain and make changes to my investment?

Any forms you require are available by contacting your financial adviser, visiting our website at onepath.com.au > Forms & brochures or by contacting Customer Services.

Can my financial adviser make changes on my behalf?

You may authorise your financial adviser to make certain transactions on your behalf, including:

- switching between investment funds
- adding or amending an Auto-Rebalance Plan
- adding or amending a Dollar Cost Averaging Plan.

Your adviser is not permitted to make withdrawals or amend your bank account details.

If you would like to authorise your adviser to transact on your behalf, complete the 'Adviser transaction authority' in the Application Form. In some circumstances your adviser may not wish to have this authority.

Contact your financial adviser

If you would like to confirm your financial adviser's contact details or would like to contact a financial adviser if you do not already have one, please call Customer Services.

How can I make additional investments to my OneAnswer Investment Portfolio?

You can make additional investments to your OneAnswer Investment Portfolio using BPAY®, internet banking (EFT), direct debit, cheque or online through Account Access via My OnePath at onepath.com.au. The exception to this is ANZ Term Deposits where additions can only be made by direct debit, cheque or online.

BPAY®

You can make investments from a transaction account. You will need to quote a biller code and a unique reference number. Details will be provided to you with the confirmation of investment. Please note this method cannot be used for ANZ Term Deposits.

Internet banking (EFT)

You can make investments from a financial institution account. Details will be provided to you with the confirmation of investment. Please note this method cannot be used for ANZ Term Deposits.

Direct Debit

Please complete the Additional Investment Form and specify your bank or financial institution account details.

Cheque

Please complete an Additional Investment Form and send to us with your cheque. Cheques should be made payable to 'OnePath Funds Management – OneAnswer'.

I have a query, or would like to request further information. Who can I contact?

We look forward to helping you grow, manage and protect your investments. Our Customer Services team is here to help, contact them directly:

Phone 133 665

Email customer@onepath.com.au

Write to Customer Service Manager
OneAnswer
GPO Box 5306
Sydney NSW 2001

What risks should I be aware of?

All investments carry risk and different strategies may carry different levels of risk, depending on the assets that make up the strategy. For instance, assets with the highest long-term returns may also carry the highest level of short-term risk. Before investing, you should consider the level of risk involved with a particular investment and whether the potential returns justify those risks.

When considering risk associated with your investment, it is important to keep the following in mind:

- The value of investments can rise and fall.
- The returns you receive from your investment will vary and future returns may be different to past returns.
- Returns are not guaranteed and you may lose some of your money.
- Your investment may be affected by changes in the economic and political climate or changes to legislation, particularly in relation to taxation.

The level of risk you face will vary depending on a range of factors, including your age, investment timeframes, your risk tolerance and what other investments you hold.

Other risks associated with investing through OneAnswer Investment Portfolio will depend on the particular investment funds you choose. This includes risks associated with:

- Investing globally, including currency risks.
- Alternative assets that behave differently to traditional assets such as shares, fixed interest and cash.
- Gearing – where a fund borrows money in order to invest a greater amount.
- Derivatives that are used to gain exposure to an investment market or to protect against changes in the values of financial products.
- Securities lending practices where some fund managers may engage in lending of securities to third parties at a fee.
- Short-selling strategies used by some fund managers – the selling of the stock which the investment manager does not hold.
- Long/short strategies used by some fund managers – where the manager will short-sell when they expect a decline in the securities' value while purchasing securities they expect will increase in value.
- Liquidity risk – where an investment may not be able to be sold to realise enough cash to fund a withdrawal.
- Counterparty risk – where the other party in a derivative transaction may not be able to meet its financial obligations.
- Changes to investment funds – where an investment fund is added or removed or an existing fund's characteristics may be changed.

All investment products are generally subject to some or all of the risks described above. For more information on risks, refer to 'What are my investment risks?' in the OneAnswer Investment Funds Guide. Your financial adviser can help you establish an investor profile that suits your needs to manage these risks.

More information?

You should read the important information about 'Risks' before making a decision. Go to the section 'What are my investment risks?' in the OneAnswer Investment Funds Guide.

What are the fees and charges?

Did you know?

Small differences in both investment performance and fees and costs can have a substantial impact on your long-term returns.

For example, total annual fees and costs of 2% of your fund balance, rather than 1%, could reduce your final return by up to 20% over a 30-year period (for example, reduce it from \$100,000 to \$80,000).

You should consider whether features such as superior investment performance or the provision of better member services justify higher fees and costs.

You may be able to negotiate to pay lower contribution fees and management costs where applicable. Ask the product issuer or your financial adviser.

To find out more

If you would like to find out more, or see the impact of the fees based on your own circumstances, the **Australian Securities and Investments Commission (ASIC)** website moneysmart.gov.au has a managed investment fee calculator to help you check out different fee options.

Fees and other costs

This section shows fees and other costs that you may be charged. These fees and costs may be deducted from your money, from the returns on your investment or from the assets of the investment fund in which you invest as a whole.

Information about taxes is set out in the section 'What else do I need to know?' under the heading 'Tax information' in the OneAnswer Frontier Investment Portfolio Additional Information Guide.

Simple and flexible fee options

OneAnswer Investment Portfolio has simple and easy to understand fee options, giving you the flexibility to choose from an Entry Fee or Nil Entry Fee option. Your financial adviser will explain which option is best suited to your needs.

You may also be rewarded with an Ongoing Fee rebate as your balance grows.

OneAnswer Investment Portfolio offers two fee options:

a) Entry Fee option

Pay Contribution Fees at the time you make each investment. No Withdrawal Fees apply under this option. This option has lower Ongoing Fees than the Nil Entry Fee option for the first four years of each investment.

b) Nil Entry Fee option (also known as Deferred Entry Fee option)*

Pay no Contribution Fees at the time you make each investment, but pay a higher Ongoing Fee for the first four years of each investment (including any additional or regular investment). In addition, you will pay a Withdrawal Fee when you withdraw within the first three years of any initial, additional or regular investment.

Note: You may pay more in total fees if you choose the Nil Entry Fee option. Also, the fee options for ANZ Term Deposits, ANZ Cash Advantage and OnePath Cash differ from the options above.

You should read all the information about fees and costs because it is important to understand their impact on your investment.

Fees and costs for particular investment funds are set out on pages 14 and 15 of this book.

* Throughout the PDS this fee option is referred to as Nil Entry Fee option; however, some financial advisers refer to this option as Deferred Entry Fee option.

The 'What are the fees and charges' section in this Product Book is not relevant for OneAnswer Investment Portfolio //Select investors who should refer to OneAnswer Investment Portfolio //Select Fees and Charges Guide.

| Type of fee or cost | Amount | | How and when paid |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | Entry Fee option (pay Contribution Fees upfront) | Nil Entry Fee option (pay no Contribution Fees upfront) | |
| Fees when your money moves in or out of the fund* | | | |
| Establishment Fee The fee to open your investment. | Nil | Nil | Not applicable. |
| Contribution Fee (Entry Fee) The fee on each amount you contribute to your investment. | ANZ Term Deposits, ANZ Cash Advantage and OnePath Cash – Nil All other investment funds – 4% | Nil | This fee is deducted from any investment at the time it is made. This fee is payable to your financial adviser and can be negotiated with your financial adviser. Please refer to 'Financial adviser commissions' on page 19 of this book. |
| Withdrawal Fee The fee on each amount you take out of your investment. | Nil | ANZ Term Deposits, ANZ Cash Advantage and OnePath Cash – Nil (except for amounts switched in from an investment fund where a Withdrawal Fee applies). All other investment funds – up to 3% of the amount withdrawn within the first three years of being invested. | This fee is calculated on the withdrawal amount and is deducted from each withdrawal you make within the first three years of your initial, additional or regular investment. Withdrawal Fees relating to the Regular Draw-down Plan are explained on page 18 of this book. Withdrawal Fees do not apply to reinvested distributions and/or reinvested rebates whilst they remain invested in the same investment fund. Please refer to 'Withdrawal Fees' on page 18 of this book. |
| Termination Fee The fee to close your investment. | Nil | Nil | Not applicable. |
| Management costs^ | | | |
| The fees and costs for managing your investment. These fees include ongoing fees of the underlying fund managers.** The amount you pay for specific investment funds is shown on pages 14 and 15 of this book. | Ongoing Fees[†] ANZ Term Deposits and ANZ Cash Advantage – Nil OnePath Cash – 0.95% p.a. Fee range for other investment funds – 1.49% p.a. to 2.90% p.a. | Ongoing Fees[†] ANZ Term Deposits and ANZ Cash Advantage – Nil OnePath Cash – 0.95% p.a. Fee range for other investment funds – 2.34% p.a. to 3.75% p.a. | Ongoing Fees This fee is included in the daily calculation of the unit price and is deducted from the assets of each investment fund monthly. This fee includes an amount payable to your financial adviser and may in some circumstances be rebated or negotiated. Please refer to 'Financial adviser commissions' on page 19 of this book. |

| Type of fee or cost | Amount | How and when paid |
|---------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | Entry Fee option (pay Contribution Fees upfront) | Nil Entry Fee option (pay no Contribution Fees upfront) |
| Management costs[^] | | |
| | Ongoing Fee rebate[‡] Ongoing Fee rebates may apply, thereby reducing the above Ongoing Fees. Please refer to 'Ongoing Fee rebate' on page 16 of this book. | Ongoing Fee rebate[‡] Ongoing Fee rebates may apply, thereby reducing the above Ongoing Fees. Please refer to 'Ongoing Fee rebate' on page 16 of this book. Nil Entry Fee rebate[‡] A rebate of 0.85% p.a. will apply after four years of each initial, additional or regular investment. Please refer to 'Nil Entry Fee option' on page 17 of this book. |
| | Investor Fee[‡] An Investor Fee of \$48 p.a. applies to balances under \$10,000. | Investor Fee[‡] An Investor Fee of \$48 p.a. applies to balances under \$10,000. Investor Fee[‡] This fee is deducted from your balance annually. Please refer to 'Investor Fee' on page 18 of this book. |
| | Swap Service Fees^{††} For certain investment funds: 0.004% to 0.042% p.a. | Swap Service Fees^{††} For certain investment funds: 0.004% to 0.042% p.a. Swap Service Fees This fee is based on a Swap Service Fee of 0.18% p.a. which is applied to the value of the alternative assets and cash referenced by the Swaps. |
| Service fees[§] | | |
| Investment Switching Fee[*] The fee for changing investment funds. | Contribution (Entry) Fees may apply when switching from ANZ Term Deposits, ANZ Cash Advantage and OnePath Cash. Please refer to 'Switching' on page 19 of this book. For other investment funds there are currently no fees when switching. | Withdrawal Fees will carry across (or the period will commence) when switching to (or from) ANZ Term Deposits, ANZ Cash Advantage and OnePath Cash. Please refer to 'Switching' on page 19 of this book. For other investment funds there are currently no fees when switching and a switch will not reset your investment start date for the calculation of any applicable Withdrawal Fees and the Nil Entry Fee rebate. |

* You may also incur a buy/sell spread when your money moves in or out of an investment fund. Please refer to 'Transaction cost factors (buy/sell spreads)' on pages 19 and 20 of this book.

† Ongoing Fees are expressed as a percentage of gross assets unless otherwise indicated.

‡ Not applicable to investments in ANZ Term Deposits, ANZ Cash Advantage or OnePath Cash.

§ Other service fees may apply. Please refer to 'Service fees' on pages 19 and 20 of this book.

^ In addition to the Management Costs, we are entitled to recover costs incurred in the performance of our duties as responsible entity of the relevant investment fund and in the administration and management of the investment fund. These reimbursable expenses include charges, fees, expenses, commissions, liabilities and losses associated with the investment fund.

** In the case of certain investment funds that gain exposure to alternative assets through underlying swap arrangements, the Ongoing Fees do not include the fees and costs of underlying managers of alternative assets. For information about which investment funds this applies to, please refer to pages 14 and 15 of this book.

†† The Swap Service Fees refer to the fees associated with providing underlying swap arrangements and are only applicable to certain investment funds and only in relation to the portion (based on current maximum allocations) of the investment funds' exposure to alternative assets through such arrangements. For information about which investment funds this applies to, please refer to pages 14 and 15 of this book.

Ongoing Fees[^]

The following tables list the Ongoing Fees for each investment fund offered through OneAnswer Investment Portfolio.

Multi-manager investment funds

| Investment fund | Ongoing Fee (% p.a.) | |
|-----------------------------------------------|----------------------|-----------------------------------|
| | Entry Fee option* | Nil Entry Fee option [†] |
| Investor Profile 1 – Defensive | | |
| OptiMix Australian Fixed Interest | 1.76 | 2.61 |
| Investor Profile 2 – Conservative | | |
| OnePath Capital Stable ^{**} | 1.65 | 2.50 |
| OnePath Conservative ^{**} | 1.65 | 2.50 |
| OnePath Income ^{**} | 1.65 | 2.50 |
| OptiMix Conservative ^{**} | 1.86 | 2.71 |
| Investor Profile 3 – Moderate | | |
| OnePath Balanced ^{§**} | 1.80 | 2.65 |
| OptiMix Moderate ^{**} | 1.92 | 2.77 |
| Investor Profile 4 – Growth | | |
| OnePath Active Growth ^{§**} | 1.80 | 2.65 |
| OnePath Managed Growth ^{**} | 1.80 | 2.65 |
| OptiMix Balanced ^{**} | 1.94 | 2.79 |
| OptiMix Growth ^{**} | 1.99 | 2.84 |
| Investor Profile 5 – High growth | | |
| Property | | |
| OptiMix Property Securities | 1.98 | 2.83 |
| Australian shares | | |
| OptiMix Australian Shares | 1.98 | 2.83 |
| OptiMix Geared Australian Shares [‡] | 2.90 | 3.75 |
| Global shares | | |
| OptiMix Global Emerging Markets Shares | 2.35 | 3.20 |
| OptiMix Global Shares | 2.16 | 3.01 |
| OptiMix Global Smaller Companies Shares | 2.25 | 3.10 |
| Multi-sector | | |
| OnePath High Growth ^{**} | 1.80 | 2.65 |
| OptiMix High Growth ^{**} | 2.07 | 2.92 |

Single manager investment funds

| Investment fund | Ongoing Fee (% p.a.) | |
|-------------------------------------------------------|----------------------|-----------------------------------|
| | Entry Fee option* | Nil Entry Fee option [†] |
| Investor Profile 1 – Defensive | | |
| ANZ Cash Advantage | Nil | Nil |
| ANZ Term Deposits ^{††} | Nil | Nil |
| Colonial First State Global Credit Income | 1.70 | 2.55 |
| Kapstream Absolute Return Income | 1.69 | 2.54 |
| OnePath Cash | 0.95 | 0.95 |
| OnePath Diversified Fixed Interest | 1.65 | 2.50 |
| Schroder Fixed Income ^{**} | 1.65 | 2.50 |
| UBS Diversified Fixed Income | 1.73 | 2.58 |
| Vanguard Index Diversified Bond ^{**} | 1.50 | 2.35 |
| Investor Profile 2 – Conservative | | |
| Bentham Global Income | 2.00 | 2.85 |
| Goldman Sachs Income Plus | 2.05 | 2.90 |
| Perpetual Conservative Growth | 2.00 | 2.85 |
| Vanguard Conservative Index ^{**} | 1.49 | 2.34 |
| Investor Profile 3 – Moderate | | |
| Legg Mason Global Multi Sector Bond ^{**} | 2.06 | 2.91 |
| Schroder Balanced | 2.00 | 2.85 |
| UBS Balanced | 2.10 | 2.95 |
| UBS Defensive | 2.00 | 2.85 |
| Vanguard Balanced Index ^{**} | 1.53 | 2.38 |
| Investor Profile 4 – Growth | | |
| BlackRock Balanced | 2.00 | 2.85 |
| BlackRock Scientific Diversified Growth | 1.90 | 2.75 |
| Colonial First State Diversified | 2.00 | 2.85 |
| OnePath Alternatives Growth [‡] | 2.10 | 2.95 |
| OnePath Diversified High Yield | 1.65 | 2.50 |
| OnePath Tax Effective Income [§] | 1.80 | 2.65 |
| Perpetual Balanced Growth | 2.10 | 2.95 |
| Vanguard Growth Index ^{**} | 1.57 | 2.42 |

Single manager investment funds – continued

| Investment fund | Ongoing Fee (% p.a.) | |
|--------------------------------------------------------------|----------------------|-----------------------|
| | Entry Fee option* | Nil Entry Fee option† |
| Investor Profile 5 – High growth | | |
| Property | | |
| OnePath Global Property Securities | 2.15 | 3.00 |
| OnePath Property Securities [§] | 1.80 | 2.65 |
| SG Hiscock Property | 1.96 | 2.81 |
| Vanguard Property Securities Index | 1.49 | 2.34 |
| Australian shares | | |
| AMP Capital Responsible Investment Leaders Australian Shares | 2.32 | 3.17 |
| Ausbil Australian Emerging Leaders [#] | 1.95 | 2.80 |
| Bennelong Australian Equities** | 2.00 | 2.85 |
| BlackRock Scientific Australian Equity | 1.90 | 2.75 |
| BT Core Australian Shares** | 2.00 | 2.85 |
| BT Smaller Companies | 2.17 | 3.02 |
| Colonial First State Imputation | 2.00 | 2.85 |
| Fidelity Australian Equities** | 2.05 | 2.90 |
| Investors Mutual Australian Shares | 2.00 | 2.85 |
| Merlon Australian Share Income | 2.10 | 2.95 |
| OnePath Australian Shares [§] | 1.80 | 2.65 |
| OnePath Blue Chip Imputation [§] | 1.80 | 2.65 |
| OnePath Emerging Companies | 1.80 | 2.65 |
| OnePath Protected AUS 50** | 2.60 | 3.45 |
| OnePath Select Leaders | 1.80 | 2.65 |
| OnePath Sustainable Investments – Australian Shares | 1.80 | 2.65 |
| Perennial Growth Shares** | 2.07 | 2.92 |
| Perennial Value Shares | 2.00 | 2.85 |
| Perpetual Australian Shares | 2.10 | 2.95 |

| Investment fund | Ongoing Fee (% p.a.) | |
|-----------------------------------------------------------------|----------------------|-----------------------|
| | Entry Fee option* | Nil Entry Fee option† |
| Schroder Australian Equity | 2.00 | 2.85 |
| Vanguard Australian Shares Index | 1.49 | 2.34 |
| Global shares | | |
| AMP Capital Responsible Investment Leaders International Shares | 2.35 | 3.20 |
| Arrowstreet Global Equity (Hedged) | 2.05 | 2.90 |
| BlackRock Scientific International Equity | 2.00 | 2.85 |
| Capital International Global Equities (Hedged) | 2.05 | 2.90 |
| Legg Mason Global Value Equity** | 2.35 | 3.20 |
| MFS Global Equity | 2.00 | 2.85 |
| OnePath Global Emerging Markets Shares | 1.90 | 2.75 |
| OnePath Global Shares [§] | 1.90 | 2.75 |
| Perpetual International Shares | 2.20 | 3.05 |
| Platinum Asia** | 2.70 | 3.55 |
| Platinum International | 2.70 | 3.55 |
| T. Rowe Price Global Equity** | 2.35 | 3.20 |
| Vanguard International Shares Index | 1.51 | 2.36 |
| Vanguard International Shares Index (Hedged) | 1.51 | 2.36 |
| Walter Scott Global Equity (Hedged)** | 2.38 | 3.23 |
| Zurich Investments Global Thematic Shares | 2.00 | 2.85 |
| Multi-sector | | |
| Vanguard High Growth Index** | 1.61 | 2.46 |
| Infrastructure | | |
| RARE Infrastructure Value*** | 2.20 | 3.05 |

[^] For example, for every \$1,000 invested in OnePath Blue Chip Imputation (Entry Fee option), an ongoing fee of \$18 will be charged each year. This example is for illustrative purposes only.

* In the Entry Fee option, you will be charged the full Ongoing Fee of the Nil Entry Fee option and will receive an Ongoing Fee rebate of 0.85% p.a. (excluding investments in ANZ Cash Advantage and OnePath Cash). The Ongoing Fees shown in the tables above are net of this rebate. Please refer to 'Entry Fee option' on page 16 for more information. The Ongoing Fee rebate of 0.85% p.a. is not applicable to ANZ Term Deposits.

† In the Nil Entry Fee option a rebate of 0.85% p.a. will be paid after four years of each initial, additional or regular investment, effectively reducing the Ongoing Fee to the level of the Entry Fee option (excluding ANZ Cash Advantage and OnePath Cash). Please refer to 'Nil Entry Fee option' on page 17 for more information. The Nil Entry Fee rebate of 0.85% p.a. after four years is not applicable to ANZ Term Deposits.

‡ This is the Ongoing Fee charged on the net assets of the relevant investment fund. Assuming a gearing ratio of 50%, this would represent an Ongoing Fee on gross assets of 1.45% p.a. in the Entry Fee option and 1.88% p.a. in the Nil Entry Fee option.

§ A portion of the Ongoing Fee is charged under the expense clause of the relevant investment fund's constitution. The remainder is charged under the management fee clause.

|| In some circumstances, the fee charged to these investment funds is higher than the fee stated. However, you will be paid an Ongoing Fee rebate to ensure the net fee you pay is in line with the fee stated.

A performance fee may be payable in relation to this investment fund. Please refer to 'Performance fees' on page 17 of this book for further details.

** For these investment funds, the maximum Switching Fee that may be charged is 5% of the amount switched. Please note we do not currently charge a Switching Fee. Please refer to the 'Maximum fees and charges table' on page 21 of this book for more information.

†† An Ongoing Fee does not apply to ANZ Term Deposits.

‡‡ This investment fund gains exposure to alternative assets through underlying swap arrangements. For more information about the additional fees and costs applicable to this investment fund, please refer to 'Fees and costs associated with exposure to alternative assets' on page 17 of this book.

Some investment funds are not available through all financial planning groups. Please speak to your adviser about the investment funds available to you.

Additional explanation of fees and costs

Ongoing Fee rebate

Ongoing Fee rebates apply to balances over \$100,000, thereby reducing the Ongoing Fees payable. This rebate is based on your total balance within a fee option, excluding investments in ANZ Term Deposits, ANZ Cash Advantage and OnePath Cash.

The rebates are calculated on a progressive basis and are set out in the following table:

| Investment balance tier | Ongoing Fee rebate |
|-------------------------|--------------------|
| First \$100,000 | Nil |
| Next \$100,000 | 0.20% p.a. |
| Next \$100,000 | 0.40% p.a. |
| Amounts over \$300,000 | 0.60% p.a. |

Rebates are calculated monthly based on your account balance on or about the monthly anniversary of your investment start date. It is credited as additional units to your OneAnswer Investment Portfolio on or about the quarterly anniversary of your investment start date, or on full withdrawal. You can choose to have all rebates paid into one investment fund or across all applicable investment funds. Where rebates are credited as additional units, transaction costs will apply to the purchase. Alternatively, you can choose to have these rebates paid into your financial institution account. In most cases, rebates should be treated as taxable income; however, there may be circumstances where this is not the appropriate treatment. You should seek tax advice specific to your circumstances.

Further rebates apply to your investment based on the fee option you select. These are outlined in further detail below, together with examples of how these rebates are calculated (assuming no change in investment value). In addition, Ongoing Fee rebates may be increased if you negotiate or your financial adviser agrees to a partial or full rebate of ongoing commissions. Refer to the 'Financial adviser commissions' section on page 19 of this book.

Entry Fee option

If you choose the Entry Fee option, you will be charged the full Ongoing Fee of the Nil Entry Fee option and will receive an Ongoing Fee rebate of 0.85% p.a. (excluding investments in ANZ Term Deposits, ANZ Cash Advantage and OnePath Cash). This rebate is in addition to the Ongoing Fee rebate for balances over \$100,000. The rebate is paid at the same time and in the same manner as the Ongoing Fee rebate outlined opposite.

Example: Rebate calculations for the Entry Fee option

Johnston selected the Entry Fee option and has the following investments:

| | |
|-----------------------------|-----------|
| • OnePath Cash | \$30,000* |
| • OnePath Balanced | \$140,000 |
| • OnePath Australian Shares | \$60,000 |
| • OptiMix Moderate | \$60,000 |
| • SG Hiscock | \$60,000 |

Johnston's balance **\$350,000**

His Ongoing Fee rebate is calculated as follows:

| Investment balance tier | Rebate calculation | Ongoing Fee rebate |
|-------------------------|------------------------|--------------------------------------------|
| First \$100,000 | \$100,000 x 0.00% p.a. | \$0 |
| Next \$100,000 | \$100,000 x 0.20% p.a. | \$200 |
| Next \$100,000 | \$100,000 x 0.40% p.a. | \$400 |
| Amounts over \$300,000 | \$20,000 x 0.60% p.a. | \$120 |
| Total rebate | | \$720 p.a.* (\$180 per quarter) |

* The Ongoing Fee rebate does not apply to investments in OnePath Cash.

In addition to the above Ongoing Fee rebate, Johnston receives a rebate of 0.85% p.a. on the balance of his investment, excluding his investment in OnePath Cash as calculated below:

$\$320,000 \times 0.85\% \text{ p.a.} = \$2,720 \text{ p.a.}$ (\$680 per quarter)

This rebate represents the difference between the Ongoing Fee of the Nil Entry Fee option and the Ongoing Fee applicable to his investment in the Entry Fee option.

In this example, Johnston will receive a rebate of \$860 (\$180 + \$680) on each quarterly anniversary of his investment.

Note: This example is illustrative only and should not be regarded as a forecast for your investment, nor regarded as indicative of future performance.

Nil Entry Fee option

If you choose the Nil Entry Fee option a 'Nil Entry Fee rebate' of 0.85% p.a. applies after four years from the date of each initial, additional or regular investment. The rebate is calculated on the balance of each investment after it has been invested for four years or more (excluding investments in ANZ Term Deposits, ANZ Cash Advantage and OnePath Cash). This rebate is in addition to the Ongoing Fee rebate for balances over \$100,000. The rebate is paid at the same time and in the same manner as the Ongoing Fee rebate outlined on the previous page. For the purposes of calculating the Nil Entry Fee rebate, the account balance excludes investments in ANZ Term Deposits.

Example: Rebate calculations for the Nil Entry Fee option

Gemma invested in the Nil Entry Fee option on 1 July 2010 and has the following investments as at 1 October 2014:

| | |
|------------------------------------|----------|
| • OnePath Global Emerging Markets | \$40,000 |
| • Vanguard Index Diversified Bond | \$60,000 |
| • OptiMix Geared Australian Shares | \$60,000 |
| • BT Core Australian Shares | \$90,000 |

Gemma's balance **\$250,000**

Her Ongoing Fee rebate is calculated as follows:

| Investment balance tier | Rebate calculation | Ongoing Fee rebate |
|-------------------------|----------------------------------------|--------------------|
| First \$100,000 | \$100,000 x 0.00% p.a. | \$0 |
| Next \$100,000 | \$100,000 x 0.20% p.a. | \$200 |
| Next \$100,000 | \$50,000 x 0.40% p.a. | \$200 |
| Amounts over \$300,000 | \$0 x 0.60% p.a. | \$0 |
| Total rebate | \$400 p.a.* (\$100 per quarter) | |

As her investment has been invested for over four years, Gemma also receives a Nil Entry Fee rebate as calculated below:

$\$250,000 \times 0.85\% \text{ p.a.} = \$2,125 \text{ p.a.}$ (\$531.25 per quarter).

In this example, Gemma will receive a rebate of \$631.25 (\$100 + \$531.25) on each quarterly anniversary of her investment.

Note: This example is illustrative only and should not be regarded as a forecast for your investment, nor regarded as indicative of future performance.

Fees and costs associated with exposure to alternative assets

The following investment funds have an exposure to alternative assets through underlying swap (Swap) arrangements:

- OptiMix Balanced
- OptiMix Conservative
- OptiMix Growth
- OptiMix High Growth
- OptiMix Moderate

- OnePath Active Growth
- OnePath Balanced
- OnePath Capital Stable
- OnePath Conservative
- OnePath High Growth
- OnePath Income
- OnePath Managed Growth.

For these investment funds, additional fees and expenses apply in relation to the portion of the investment fund's exposure to alternative assets through the underlying Swaps. These fees and expenses come from two sources. Firstly, there are fees and expenses (including fees and expenses relating to custody, administration, advice and research) payable to the Swap counterparty in return for it providing the Swaps (Swap Service Fees). Currently, the Swap Service Fees (depending on the relevant investment fund and based on current maximum alternative asset allocations) equate to 0.004% to 0.042% of the value of the underlying alternative assets and cash 'referenced' by the Swaps and are therefore reflected in the returns payable under the Swaps. Secondly, there are transaction charges and management and/or performance fees charged by the managers of underlying assets referenced by the Swaps. These fees and charges are built in to the value of the assets referenced by the Swaps and are also reflected in the returns payable under the Swaps. This means that investment returns produced from the Swaps are net of all applicable fees and expenses.

Management fees for alternative assets vary from manager to manager. Typically however these fees range between 0.6% to 2.0% p.a. of the value of the relevant alternative asset.

Performance fees are usually based on a percentage of the relevant alternative asset's out-performance against a particular benchmark. The percentages and benchmarks vary considerably between different assets, and will depend on the individual arrangements with the underlying managers of the assets that are selected by us for inclusion in the 'basket' or portfolio 'referenced' by each Swap.

Performance fees

Performance fees are currently applicable for the following investment funds:

- Ausbil Australian Emerging Leaders
- OnePath Alternatives Growth
- RARE Infrastructure Value.

We do not charge performance fees directly. However, performance fees may be payable from the underlying investment fund to the fund manager. The fund manager may charge a performance fee if the underlying fund outperforms the relevant investment benchmark. The relevant benchmarks and performance fees are noted in the following table.

| Benchmark | Performance fee | Actual performance fee as at 30 June 2012 (% p.a.)* |
|----------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------|-----------------------------------------------------|
| Ausbil Australian Emerging Leaders | | |
| 70% S&P/ASX Midcap 50 Accumulation Index and 30% S&P/ASX Small Ordinaries Accumulation Index | 15% of outperformance above the benchmark (exclusive of fees) [†] | 0.09 [^] |
| OnePath Alternatives Growth | | |
| UBS Bank Bill Index | 20.5% of outperformance above the benchmark | 1.64 |
| RARE Infrastructure Value | | |
| An accumulation index comprising the OECD G7 Inflation Index Plus 5.5% p.a. | 10.25% of the investment returns made in excess of the benchmark, subject to a high water mark [§] | 0.00 |

* Past performance is not indicative of future performance. The performance fee payable may differ from year to year.

† Exclusive of Goods and Services Tax (GST) and any entitlement to a Reduced Input Tax Credit (RITC). If a period of underperformance to the benchmark occurs, the performance fee accrued is frozen at its current level and further performance fees do not start accruing again until the full amount of underperformance is recouped.

§ The performance fee will not exceed 0.3% of the net asset value of the Fund in any year.

[^] For example, for every \$1,000 you invested in the Ausbil Australian Emerging Leaders fund, a \$0.90 performance fee would have been charged for the year ending 30 June 2012. This example is illustrative only.

Performance fees are reflected as a reduction in the returns generated by the underlying fund and, therefore, in the value of your investment in the applicable investment fund. The performance fee for each investment fund is accrued daily. The performance fee for RARE Infrastructure Value and OnePath Alternatives Growth is deducted half-yearly and for the other fund is deducted monthly in arrears.

OptiMix investment funds

Performance fees (other than in relation to alternative asset exposure achieved through underlying swap arrangements) may apply for certain OptiMix investment funds. Performance fees are paid only if the underlying fund managers meet specified performance targets. Any such performance fees are deducted from the Ongoing Fee for the applicable OptiMix investment fund. They do not represent an additional charge to investors.

Contribution Fees (Entry Fee)

Entry Fee option

You will be charged a Contribution Fee of 4% on each amount you contribute to your investment.

For example, for every \$1,000 you contribute to the OnePath Managed Growth fund, you will be charged a \$40 Entry Fee. This example is illustrative only.

There are no Entry Fees charged on amounts contributed to ANZ Term Deposits, ANZ Cash Advantage or OnePath Cash.

Nil Entry Fee option

No Entry Fees apply.

Investor Fee

This is an account keeping fee of \$48 p.a. where your total balance (excluding investments in ANZ Cash Advantage, ANZ Term Deposits and OnePath Cash) is under \$10,000. For investments solely in ANZ Cash Advantage, ANZ Term Deposits and OnePath Cash this fee will not apply.

The fee is accrued monthly on or about the monthly anniversary of your investment start date. The fee is deducted annually, or pro-rated upon full withdrawal from OneAnswer. The Investor Fee is accrued and deducted proportionately across your investment funds.

If you have invested prior to 20 September 2004 this fee will not apply to your current investment, including additional investments.

Withdrawal Fees

Entry Fee option

No Withdrawal Fees apply.

Nil Entry Fee option

You will be charged a Withdrawal Fee of up to 3% of the withdrawal amount on withdrawals from all investment funds, within the first three years of each initial, additional or regular investment.

For example, for every \$1,000 you withdraw from OnePath Managed Growth within three years of each investment, you will be charged a \$30 Withdrawal Fee. This example is illustrative only.

There are no Withdrawal Fees for amounts withdrawn from ANZ Term Deposits, ANZ Cash Advantage or OnePath Cash where the amount was originally invested in ANZ Term Deposits, ANZ Cash Advantage or OnePath Cash and no switch from another investment fund was made.

If you have established a Regular Draw-down Plan, you can receive up to 0.5% per month (1.5% per quarter) of the total value of your investment portfolio balance without incurring a Withdrawal Fee. Any withdrawal in excess of this amount will be subject to a Withdrawal Fee where applicable. Withdrawal Fees will be deducted from the withdrawal amount paid to you.

For example, for a balance of \$10,000 you can receive up to \$50 per month without incurring a withdrawal fee. This example is for illustrative purposes only.

Note: Withdrawal Fees will be determined for each investment fund on a 'first in, first out' basis, if you do not withdraw all of your money.

Service fees

Switching

You can switch between investment funds at any time. We do not charge Entry and Withdrawal Fees when switching except when switching to or from ANZ Cash Advantage and OnePath Cash. Note it is not possible to switch directly from ANZ Term Deposits. Transaction costs may apply.

- **ANZ Term Deposits, ANZ Cash Advantage and OnePath Cash (Entry Fee option) –**

If you switch from ANZ Cash Advantage or OnePath Cash to any other investment fund, you will pay an Entry Fee on the new investment fund. If you switch from any other investment fund into ANZ Term Deposits, ANZ Cash Advantage or OnePath Cash, you will not incur any fees. This also applies to auto rebalancing and dollar cost averaging.

- **ANZ Term Deposits, ANZ Cash Advantage and OnePath Cash (Nil Entry Fee option) –**

If you switch from ANZ Cash Advantage or OnePath Cash to any other investment fund, you will commence the three-year Withdrawal Fee period at the time of the switch. If you switch from any other investment fund into ANZ Term Deposits, ANZ Cash Advantage or OnePath Cash, the three-year Withdrawal Fee period of the initial, additional or regular investment will continue to apply. This also applies to auto rebalancing and dollar cost averaging.

Transaction cost factors (buy/sell spreads)

Transaction costs are incurred when buying and selling investment fund assets. These transaction costs include brokerage, stamp duty and other costs incurred when buying and selling assets.

A transaction cost factor ('buy' spread) may apply when buying units in an underlying fund. Similarly, a transaction cost factor ('sell' spread) may apply when selling units in an underlying fund.

Transaction cost factors are currently up to 0.55% and may apply when calculating 'buy' (issue) and 'sell' (redemption) unit prices. The transaction cost factors that apply are based on an estimate of the transaction costs incurred by the investment fund and may be different as the actual costs vary. These costs are deducted by us (where relevant) and paid to the underlying fund. They are an additional cost paid by you at the time of the transaction. The transaction cost factors for each investment fund are available by contacting Customer Services or from the OnePath website at onepath.com.au > Performance & updates.

For example, for every \$1,000 that you invest in OnePath Managed Growth, the estimated transaction cost that is incurred is 0.18% or \$1.80. This amount is reflected in the 'buy' unit price at the time of your transaction. This example is illustrative only.

Note: If a transaction cost factor applies to an investment fund, then it will apply for initial, additional and regular investments (including reinvested rebates), withdrawals (including regular withdrawals) and when switching in and out of an investment fund. A transaction cost factor will not apply if an additional investment is a result of reinvested distributions.

Financial adviser payments

Adviser Service Fee

This is an optional fee that is agreed between you and your financial adviser.

You can agree with your financial adviser that we will pay them (or their organisation) an Adviser Service Fee (ASF) for their services in relation to your investment and we will deduct this amount from your investment. You choose whether the fee will be deducted by withdrawing units across all your investment funds, or by withdrawing units from one nominated investment fund.

You cannot nominate ANZ Term Deposits as the funds from which the Adviser Service Fees (ASF) are deducted. Note that investments in ANZ Term Deposits will be included in the total account balance when calculating a percentage based ASF.

The amount your financial adviser (or their organisation) receives will generally include GST.

There are two ways you can choose to have this fee paid:

- **Ongoing Adviser Service Fee** – This fee may be charged on an ongoing basis as a percentage of your balance or a set dollar amount per annum. This fee will be calculated and deducted from your balance on or about the monthly anniversary of your investment.

You can terminate this fee at any time by notifying us in writing.

- **One-off Adviser Service Fee** – This fee may be charged on a one-off basis as a set dollar amount or as a percentage of either:
 - your investment at the time of your initial or additional investment
 - your total balance at any other time.

Where this fee is being charged at the time of your investment it will be deducted after your investment has been processed.

Example: How an ongoing ASF is calculated

If you have a \$10,000 total balance and have requested an ongoing ASF of 1% p.a., the amount deducted from your investment would be \$100 p.a. (\$10,000 x 1%) or \$8.33 per month.

Note: This example is illustrative only.

Financial adviser commissions

We may pay your financial adviser (or their organisation) initial or ongoing commissions for providing you with OneAnswer Investment Portfolio. Your financial adviser may in some cases be related to us.

The commissions are already incorporated (as applicable) into the Entry and Ongoing Fees outlined in this PDS and are not charged directly to your OneAnswer investment. The commission amounts shown below are the amounts we may pay to your adviser (or their organisation) and are inclusive of GST.

The initial or ongoing commissions are calculated based on the value of amounts you invest (initial) and your balance (ongoing) as follows:

| Fund | Commission | |
|-------------------------------------|-------------|--------------|
| | Initial | Ongoing p.a. |
| ANZ Cash Advantage and OnePath Cash | Nil | up to 0.33% |
| ANZ Term Deposits | Nil | Nil |
| Other investment funds | | |
| – Entry Fee option | up to 4.40% | up to 0.60% |
| – Nil Entry Fee option | up to 3.30% | up to 0.60% |

Example: How a financial adviser commission is calculated

For every \$1,000 invested in OnePath Active Growth in the Entry Fee option, your financial adviser (or their organisation) will receive up to \$6.00 p.a. ongoing commission.

Note: This example is illustrative only.

You can negotiate a partial or full rebate of initial or ongoing commissions with your financial adviser. In certain circumstances, your adviser may have already agreed with us to a partial or full rebate of initial or ongoing commission.

Any rebate of initial commission will be reflected as a reduced Entry Fee in the Entry Fee option. In the Nil Entry Fee option, the rebate will result in additional units being added to your investment (in the applicable investment fund) at the time of investment.

Any rebate of ongoing commission in the Entry Fee or Nil Entry Fee option, is paid monthly in the form of additional units, based on your balance at month end. Ongoing commission rebates can only be reinvested back into the investment fund from which they were earned.

If you would like to confirm contact details for your financial adviser or would like to contact a financial adviser if you do not already have one, please contact Customer Services.

Other adviser payments

In addition to any initial and ongoing commissions, we may pay additional commissions or make other payments to dealer groups, financial advisers or other third parties based on commercial arrangements we have with these parties. These payments may in some cases be to related entities. The types of payments include payments to enable educational support and practice development services for advisers and payments to third parties to distribute our products. These payments are made by us and not charged to you or your OneAnswer account.

Fees for the closed ANZ Flexible Term Deposit Fund (ANZ FTD Fund)

ANZ FTD Fund is closed to new investment except for Regular Investment Plans and Auto-Rebalance Plans established by existing clients prior to 12 April 2010. The fees and charges for ANZ FTD Fund are identical to the fees and charges described for ANZ Cash Advantage on pages 11 to 22 of this book.

Other fees and additional information

GST and fees

The fees and costs disclosed in this PDS that are charged to you include the net effect of GST, which is any GST at the applicable rate less any RITC available to the investment funds except the ASF which is stated inclusive of GST.

Where alternative asset exposure is obtained through underlying swap (Swap) arrangements, the Swap Service Fee ranges disclosed in this PDS include any applicable GST. If RITCs are available on fees and costs incurred in relation to the Swaps, these will be reflected in the returns payable under the Swaps.

Tax information

Information about taxes is set out in the section 'What else do I need to know?' under the heading 'Tax information' on page 10 of the OneAnswer Frontier Investment Portfolio Additional Information Guide.

Dishonour Fee

Currently, a \$10 fee is charged to your OneAnswer Investment Portfolio where any payment made by direct debit is dishonoured (for example, insufficient funds are available in the account debited).

Processing fee

Your financial institution may charge a processing fee each time you make a contribution using the Regular Investment Plan. This amount will vary depending on your financial institution.

Differential fees

We may negotiate differential fees with 'wholesale' clients as defined in the *Corporations Act 2001*, which may result in rebates being paid to these investors. These rebates will be paid from our own money and will not affect other investors. Those investors who receive rebates may be subject to tax on these rebates.

Multiple classes of units

Multiple classes of units can be issued for certain investment funds offered through OneAnswer Investment Portfolio that may provide different fee arrangements. Such classes of units are on offer to investors in OneAnswer Frontier Investment Portfolio and for investors who qualify as wholesale clients under the *Corporations Act 2001*.

Payments from underlying fund managers and related parties

We may receive a fund manager payment from underlying fund managers based on funds under management. These amounts are already considered when we determine the fees and charges for each investment fund. These payments come from each fund manager's resources and are not an additional fee to you.

These fund manager payments are up to a maximum of 0.60% p.a. of funds under management in the relevant underlying fund.

We may receive a financial payment or a non-financial benefit from ANZ in relation to amounts held in ANZ Cash Advantage or in relation to investing in ANZ Term Deposit options with ANZ. These payments are not an additional charge to you.

Where alternative asset exposure is obtained through underlying Swaps, we do not receive a fund manager payment from the underlying investment managers of the alternative assets. For further information about the Swap arrangements, please refer to 'OptiMix and OnePath investment funds – alternative asset exposure' in the OneAnswer Investment Funds Guide.

Expenses

The Ongoing Fees of the investment funds include ongoing fees and charges of the underlying investment fund as advised to us at the time of writing this PDS. These underlying fees are an expense to the OneAnswer investment fund and may be subject to change without notice.

Under the constitution of each OneAnswer investment fund, we are entitled to recover costs incurred in the performance of our duties as responsible entity of the investment fund and in the administration and management of the investment fund.

These reimbursable expenses include charges, fees, expenses, commissions, liabilities and losses associated with the relevant investment fund.

Where alternative asset exposure is obtained through underlying Swap arrangements (Swaps), the investment returns produced from the Swaps are net of all applicable fees and expenses. For further information about the Swaps, please refer to 'OptiMix and OnePath investment funds – alternative asset exposure' in the OneAnswer Investment Funds Guide.

Alterations to fees

We reserve the right to change any of our fees and charges from their present levels without your consent. We will provide you with 30 days notice before increasing any fees and charges.

The fees contained in this PDS are up to date at the time of its preparation. For updated information please visit our website at onepath.com.au

Maximum fees and charges

Each investment fund's constitution (including the scheme through which ANZ Term Deposits are offered) allows us to charge higher fees as outlined in the table below.

| Maximum fee* | |
|----------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Entry Fee | 5% for OptiMix Global Emerging Markets Shares, Merlon Australian Share Income, Goldman Sachs Income Plus, AMP Capital Responsible Investment Leaders Australian Shares and AMP Capital Responsible Investment Leaders International Shares. 8% for all other investment funds. |
| Withdrawal Fee | 5% for all investment funds. |
| Management Fee (p.a.) | 4% of investment fund's gross asset value. |
| Switching Fee [†] | 5% for all investment funds. |
| Investor Fee (p.a.) | \$118 [†] for all investment funds. |
| Dishonour Fee | Actual cost incurred by us for the dishonour. |

* These fee maximums apply to investments made after 20 September 2004. Prior to that, different maximums applied and continue to apply for those investments.
[†] This amount is adjusted by changes to the Consumer Price Index (CPI).
[‡] For certain investment funds, we may elect to charge a switching fee of \$54.50 per switch. The investment funds for which this does not apply are noted on the fees table on pages 14 and 15 of this book. Please note we do not currently charge a Switching Fee.

Alternative Form of Remuneration Register

OnePath maintains an Alternative Form of Remuneration Register (Register) in accordance with Financial Services Council Industry Code of Practice on Alternative Forms of Remuneration in the Wealth Management Industry. The Register outlines the alternative forms of remuneration which are paid and received from givers and receivers of such remuneration. If you would like to view the Register or receive a paper copy of the Register, please contact Customer Services.

Example of annual fees and costs for a balanced investment option

The tables below provide an example of how the fees and costs in a balanced investment option for this product can affect your investment over a one-year period. You should use these tables to compare this product with other managed investment products.

Entry Fee option

OnePath Managed Growth

| Balance of \$50,000 with total contributions of \$5,000 during the year | | |
|-------------------------------------------------------------------------|------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Contribution Fees | 4% | For every \$5,000 you put in, you will be charged \$200. |
| Plus Management costs | 1.80% p.a. | And , for every \$50,000 you have in the fund you will be charged \$900* 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 will be charged fees of \$1,100.† What it costs you will depend on the investment option you choose and the fees you negotiate with your financial adviser. |

* Ongoing Fee rebates apply when your balance exceeds \$100,000. Please refer to 'Ongoing Fee rebate' on page 16 of this book.

† You may also incur a buy/sell spread when your money moves in or out of an investment fund. Please refer to 'Transaction cost factors (buy/sell spreads)' on page 19 of this book. You may also incur an investor fee of \$48p.a. if your account balance is under \$10,000. Please refer to page 18 of this book for further information. In addition, where an investment fund gains exposure to alternative assets through underlying swap (Swap) arrangements, all fees and costs directly or indirectly associated with the Swaps (including the Swap Service Fees) are reflected in the returns payable under the Swaps. Please refer to 'Fees and costs associated with exposure to alternative assets' on page 17 of this book.

Nil Entry Fee option

OnePath Managed Growth

| Balance of \$50,000 with total contributions of \$5,000 during the year | | |
|-------------------------------------------------------------------------|------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Contribution Fees | Nil | There is no charge. |
| Plus Management costs | 2.65% p.a. | And , for every \$50,000 you have in the fund you will be charged \$1,325* 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 will be charged fees of \$1,325.† What it costs you will depend on the investment option you choose and the fees you negotiate with your financial adviser. |

* Ongoing Fee rebates apply when your balance exceeds \$100,000. A rebate of 0.85% will also apply for the Nil Entry Fee option after four years of each initial, additional or regular investment. Please refer to 'Ongoing Fee rebate' on page 16 of this book and 'Nil Entry Fee option' on page 17 of this book.

† You may also incur a buy/sell spread when your money moves in or out of an investment fund. Please refer to 'Transaction cost factors (buy/sell spreads)' on page 19 of this book. You may also incur an investor fee of \$48p.a. if your account balance is under \$10,000. Please refer to page 18 of this book for further information. In addition, where an investment fund gains exposure to alternative assets through underlying swap (Swap) arrangements, all fees and costs directly or indirectly associated with the Swaps (including the Swap Service Fees) are reflected in the returns payable under the Swaps. Please refer to 'Fees and costs associated with exposure to alternative assets' on page 17 of this book.

A withdrawal fee of up to 3% of any amount withdrawn within three years of each initial, additional or regular investment will apply to the Nil Entry Fee option (up to \$1,500 for every \$50,000 you withdraw). Please refer to 'Withdrawal Fees' on page 18 of this book.

What else do I need to know?

This section details further information you need to know about how OneAnswer Investment Portfolio works.

Structure of OneAnswer Investment Portfolio

When you invest in an investment fund (other than ANZ Term Deposits), you are purchasing units in a managed investment scheme for which OnePath Funds Management is the responsible entity. Your money is pooled together with that of other investors and you receive income and have tax obligations in proportion to your holdings in the overall investment fund. The investment funds may invest in direct assets or in another underlying fund(s) offered by OnePath Funds Management or external fund managers.

When you invest in ANZ Term Deposit options your money is not pooled with other investors in a unitised vehicle, instead you will have complete beneficial interest in your ANZ Term Deposit investment and you will receive income and have tax obligations as if you held the term deposit with ANZ Bank.

Responsible Entity and constitutions

As the responsible entity of the investment funds, we are responsible for the operation of the funds and for complying with their respective constitutions, as well as the *Corporations Act 2001*. The constitution of each investment fund limits your liability in relation to the fund to the value of the units you hold. The courts, however, are yet to determine conclusively the effectiveness of these provisions.

Tax information

The following information is a brief explanation of some of the taxation issues for individual investors, based on current tax legislation. We recommend that you seek tax advice specific to your circumstances.

The investment funds do not pay tax because their net income (including net capital gains) is distributed to investors annually.

Your entitlement to the net income (including net capital gains) of each investment fund will be distributed to you at least annually.

Your distributions may include components such as Australian income, foreign income, tax-free amounts, tax-deferred amounts, return of capital amounts and net capital gains, each of which has different tax implications for you.

You will be assessed on your distribution in the year of income in which you were presently entitled to it. This means that even if you receive your June 2014 distribution in July 2014, you will still have to include this distribution in your 2013/14 tax return. You are required to pay tax on your distribution, even if you reinvest it.

Interest received from the investment in an ANZ Term Deposit will be assessed in the year of income in which it is paid.

The components of your distribution and any interest received from ANZ Term Deposits will be indicated on your end of year Consolidated Tax Statement. This Consolidated Tax Statement

information can be relied on by Australian resident investors for the purposes of their tax return. Non-resident investors should seek their own independent tax advice.

Information on tax can be found in the section 'What else do I need to know?' under the heading 'Tax information' in the OneAnswer Frontier Investment Portfolio Additional Information Guide; however, you should seek advice from a taxation specialist prior to making any investment decision.

Unit prices

For all investment funds (except ANZ Cash Advantage and ANZ Term Deposits)

When you invest in an investment fund, you buy 'units' in that fund. Each unit has a 'unit price'. The number of units you buy is equal to the amount you invest, divided by the current 'application' unit price.

Unit prices for each investment fund are normally determined each Sydney business day. A business day is any day other than a Saturday, Sunday or bank or public holiday in NSW.

The unit price is calculated as being equal to the value of the proportion of all net assets in the scheme, or attributed to each class, divided by the number of units held by investors in the scheme, or class adjusted for applicable transaction costs (buy/sell spread.)

As the value of the assets in an investment fund rises and falls, so too does the value of the unit price, and therefore the value of your investment.

When you withdraw from an investment fund, you redeem 'units' from that investment fund. The number of units you sell is equal to the amount to be withdrawn, divided by the 'redemption' unit price.

The value of your account will always be calculated based on the 'redemption' unit price.

In exceptional circumstances the calculation of unit prices may be suspended to protect investors' interests. For example, if significant market volatility and/or significant internal or external events result in an inability to value an investment fund.

How can you calculate your account balance?

Your account balance is calculated by multiplying the number of units you have in each investment fund by the 'redemption' unit price for each fund. As the unit prices are calculated on a daily basis, the value of your account may change daily. $\text{Number of units held} \times \text{unit price that day} = \text{account balance}$.

Example: 1,000 units held at \$1.75 per unit equals to an account balance of \$1,750.

This example is illustrative only.

For ANZ Cash Advantage*

The unit price is \$1 and this figure is not expected to change. However, if there is a change to the value of the fund's assets, the unit price may change accordingly. The unit price is equal to the value of all the assets in the investment fund (in your class), less liabilities and income that has accrued in the current distribution period, divided by the number of units investors hold in your class.

* The unit price methodology of ANZ FTD Fund is identical to ANZ Cash Advantage which is described above. ANZ FTD Fund is closed to new investment except for Regular Investment Plans and Auto-Rebalance Plans established by existing clients prior to 12 April 2010.

For ANZ Term Deposits

Unit prices are not struck for ANZ Term Deposits. Monies held in ANZ Term Deposits earn interest and the interest is passed on to the investor who is entitled to that interest. Current ANZ Term Deposit interest rates can be found at onepath.com.au or by contacting Customer Services.

Valuation of investment fund assets

The constitution for each investment fund provides the basis by which the fund's assets are valued. Generally, assets will be valued on the basis of their market value; however, there may be circumstances when assets may be valued on a different basis. Generally assets that are traded on a financial market, for example Australian shares, are valued daily. Other assets, for example direct property or mortgages may be valued less frequently.

Unit pricing permitted discretions policy

We have a unit pricing permitted discretions policy. It sets out how we will exercise discretions in relation to unit pricing. If we exercise a discretion that is not currently documented, or in a way that involves a departure from the documented policy that is current at the time of exercise, then we will prepare and record a written explanation as to how that discretion was exercised and why it was reasonable.

You can obtain a copy of the policy free of charge by contacting Customer Services.

Where insufficient data is available from fund managers to enable us to accurately calculate unit prices for an investment fund, we may use appropriate market indices to calculate unit prices (indexation). In exercising this procedure we follow industry standard practice to ensure the fair and equitable treatment of investors.

Processing transactions

Our cut off time for transactions is 12 noon (AEST).

Generally, your application, withdrawal or switch will be processed on the same day (using the unit price applicable on that day or prevailing interest rate on that day for ANZ Term Deposits) if we receive your completed documentation and (where applicable) any application money at our Sydney office, by 12 noon (AEST) on that business day. If received after 12 noon (AEST), or on a day that is not a business day, any application, withdrawal or switch will generally have an effective date of the next business day (and will be processed

on the basis of the unit price or prevailing interest rate for ANZ Term Deposits applicable on that day). Where application money is paid by direct debit, processing will occur on the business day we receive funds from your financial institution. Where application money is paid by BPAY®, the effective date will be the business day we receive confirmation that the monies have been received by us.

If we are unable to issue units (or process your investment) in the relevant investment fund upon receiving your application, we are generally required to return the monies to the source of payment. In certain limited circumstances we may hold your money in a trust account. This may occur if your application is incomplete. Redemption requests and any deductions required by law are also similarly processed using a holding account.

We will retain any interest payable by our bank on these accounts to meet, among other things, bank fees and other bank administrative costs we incur in operating them.

Distributions†

Distributions are earnings from your investment and may include income and net capital gains. Your distribution amount will normally vary depending on factors like market conditions, asset class and investment performance. As a result of these factors, there may be times when you do not receive any distributions.

The distribution frequency for each investment fund varies between monthly and annually and is shown in Part Two – OneAnswer Investment Funds Guide. In certain circumstances an investment fund may be required to pay a distribution at times other than the frequency noted.

For all investments funds (except ANZ Cash Advantage and ANZ Term Deposits)

The distribution amount you receive is based upon the number of units you hold (in your class) at the end of the distribution period and the amount per unit to be distributed from the investment funds.

The unit price of an investment fund will be reduced on the day following a distribution, reflecting the amount of the distribution and any market movement of the underlying investments.

Please note that when you invest in an investment fund, the unit price may include income and realised capital gains that have not yet been distributed. If you invest just prior to the end of a distribution period, you may receive a portion of your investment back as a distribution at the end of the period. Please speak to your financial adviser or tax adviser regarding any tax implications this may have for you.

ANZ Cash Advantage†

For ANZ Cash Advantage, the distributions (interest) you receive are based on the number of units you hold during an interest period and the number of days those units have been held. The current interest rate applying to ANZ Cash Advantage can be found at onepath.com.au or by calling Customer Services.

† The distribution methodology of ANZ FTD Fund is identical to ANZ Cash Advantage which is described above. ANZ FTD Fund is closed to new investment except for Regular Investment Plans and Auto-Rebalance Plans established by existing clients prior to 12 April 2010.

ANZ Term Deposits

ANZ Term Deposits do not pay distributions as described above. For ANZ Term Deposits, the interest you receive from each term deposit is based on the amount invested, the term nominated as well as the prevailing interest rate applicable at the time the investment was made. The current interest rates applying to ANZ Term Deposits can be found at onepath.com.au or by contacting Customer Services.

Interest is payable at maturity for the 3, 6 and 12 month ANZ Term Deposit options. For terms greater than 12 months interest is paid annually on the anniversary date of the investment and at maturity. All interest payments will be invested in ANZ Cash Advantage on your behalf. If you are not invested in ANZ Cash Advantage we will automatically establish this investment fund for you at the time the interest is paid. By investing in ANZ Term Deposits, you authorise us to establish a holding in ANZ Cash Advantage to permit payments of earned interest and where applicable, principal. As the terms and conditions of the ANZ Cash Advantage fund differ from those of ANZ Term Deposits you should refer to the information on ANZ Cash Advantage contained in this PDS and Incorporated Material.

A reduction in the interest rate payable applies where your ANZ Term Deposit is broken prior to the maturity date. The reduction in the interest rate will depend on the percentage of the original term elapsed when your withdrawal is made.

For further information on ANZ Term Deposits including the Early Withdrawal Adjustment, please refer to the OneAnswer Investment Funds Guide.

The Anti Money Laundering and Counter-Terrorism Legislation

The *Anti-Money Laundering and Counter-Terrorism Financing Act 2006* (Cth) requires us to verify your identity before we can provide you with certain prescribed services. For more information refer to the section 'What else do I need to know?' under the heading 'The Anti Money Laundering and Counter-Terrorism Legislation' in the OneAnswer Frontier Investment Portfolio Additional Information Guide. We may close your account if we think that you have not used it appropriately or for any other reason we consider appropriate.

If we intend to close your account under this condition, we will send written notice to the address shown on our records along with a cheque for the balance of the account (if it is in credit).

Cooling-off period

When you invest in OneAnswer Investment Portfolio, you have the opportunity to review your investment to ensure it meets your expectations. This is known as a 'cooling-off' period. If you are not satisfied with the investment you have made, you may cancel your investment within 14 days or the earlier of:

- the date you receive a confirmation from us
- the end of the fifth day after we first issue you with units in your investment fund(s).

If you cancel your investment within the cooling-off period, the amount you receive will be adjusted for any changes in the unit price of the investment fund, less any withdrawal and transaction costs. If you want to cancel your initial or additional application, you can notify us in writing. Your right to cancel your initial application and be repaid during the cooling-off

period does not apply if you exercise any of your rights as an investor (such as, changing your investment options).

Generally, cooling-off rights will apply in relation to initial and additional investments and when switching between investment funds. However, cooling-off will not apply to investments made using the Regular Investment Plan, to reinvested distributions and rebates and to switches made under the Dollar Cost Averaging and Auto-Rebalance Plans, nor will it apply to wholesale clients within the definition of the Corporations Act.

Customer concerns

We pride ourselves on our customer service and will endeavour to solve your concerns quickly and fairly. If you have an enquiry or complaint regarding your investment, you should either phone us on 133 665 or email us at customer@onepath.com.au. Alternatively you can write to:

The Complaints Resolution Manager

OneAnswer
OnePath Funds Management Limited
GPO Box 5306
Sydney NSW 2001

Email yourfeedback@onepath.com.au

Further help options

If you are not satisfied with the outcome of your complaint, you can contact the service below which is a free dispute resolution service external to OnePath. Please note that before they can investigate your complaint, they generally require you to have first provided us with the opportunity to address the complaint.

Financial Ombudsman Service

FOS is an external dispute resolution scheme that was established to provide free advice and assistance to consumers to help them in resolving complaints relating to members of the financial services industry, including life insurance companies, superannuation providers, financial planners, investment managers, general insurance companies and their agents.

Write to:

Financial Ombudsman Service
GPO Box 3
Melbourne VIC 3001

Phone 1300 780 808
Fax 03 9631 6399
Email info@fos.org.au
Website fos.org.au

Confirming transactions

Investments, switches and withdrawals from your OneAnswer Investment Portfolio are confirmed in writing by us at the time of the transaction.

You can request confirmation of your transactions and any other additional information about your OneAnswer Investment Portfolio at any time by contacting Customer Services or view your transaction history through Account Access via My OnePath at onepath.com.au

Adding and closing investment funds

Where we add or close investment funds within OneAnswer Investment Portfolio we will notify new and existing members as soon as practicable, or as required by law, via onepath.com.au and/or regular investor communications. Information on investment funds added to OneAnswer will be made available on our website at onepath.com.au

How to obtain up to date information

Information in this PDS is subject to change from time to time. If the change is not materially adverse to investors, we will publish the information on our website at onepath.com.au > Personal > Performance & updates > Product updates > OneAnswer. Please ensure you have the most up to date information by regularly visiting this webpage. You may also request paper copies of any published information free of charge by contacting your financial adviser or Customer Services.

We will issue a supplementary or new PDS if the change or omission is materially adverse to investors. We may also notify you of material changes or significant events via regular or specific investor communications.

Continuous disclosure obligations

As each of the investment funds is a 'disclosing entity', we are subject to ongoing reporting and disclosure obligations.

Every quarter you will receive a consolidated statement outlining:

- your account balance
- your transaction history
- investment fund performance.

After the end of each financial year you will also receive a statement containing information you need to complete your annual tax return.

Copies of documents lodged with the Australian Securities and Investments Commission (ASIC) in relation to any of the investment funds may be obtained from, or inspected at, any ASIC office or can be obtained by contacting Customer Services. These include:

- the annual financial report most recently lodged with ASIC before the date of this PDS
- any half-yearly financial report lodged with ASIC after the lodgement of the above annual report and before the date of this PDS
- any continuous disclosure notices given by the relevant investment fund after the lodgement of the above annual report and before the date of this PDS.

Any new continuous disclosure notices in relation to an investment fund will be made available on our website at onepath.com.au > Personal > Performance & updates > Product updates > OneAnswer in accordance with ASIC's good practice guidance on website disclosure. Please visit this webpage regularly to ensure you have all material information in relation to an investment fund. You may also request paper copies of such material information free of charge by contacting your financial adviser or Customer Services.

Direct Debit Request Service Agreement

If you would like to set up a regular direct debit you must read and agree to the Direct Debit Request Service Agreement. For more information refer to the section 'What else do I need to know?'

under the heading 'Direct Debit Request Service Agreement' in the OneAnswer Frontier Investment Portfolio Additional Information Guide.

Privacy statement

In this section 'we', 'us' and 'our' refers to OnePath Funds Management Pty Limited and other members of the ANZ Group.

We collect your personal information to consider your request for a product or service and to provide you with the products and services you request. Without your personal information, we may not be able to process your application or provide you with the products or services you require.

We are committed to ensuring the confidentiality, security and privacy of your personal information. In order to manage and administer our products and services, we may need to disclose it to certain third parties.

Unless you consent to such disclosure we will not be able to consider the information you have provided. The parties to whom we may routinely disclose your personal information are:

- other members within the ANZ Group, to the extent necessary to service our relationship with you and carry on business as a group
- organisations performing compliance functions for our business
- organisations maintaining our information technology systems
- organisations providing services such as mailing, printing or data verification
- a person who acts on your behalf (such as your financial adviser or your agent)
- our solicitors, valuers and insurers
- lenders who provide lending facilities to you.

We may also disclose your personal information in circumstances where we are required to do so by law. This may include disclosure to regulatory bodies, government agencies, law enforcement bodies and courts.

We and other members of the ANZ Group may send you information about our financial products and services from time to time. You may elect not to receive such information at any time by contacting Customer Services on 133 665.

Subject to the provisions of the *Privacy Act 1988*, you may access the personal information we hold about you, subject to us still holding that information, by contacting us at:

OnePath

Phone 133 665

Fax 02 9234 6668

GPO Box 5306

Sydney NSW 2001

Email privacy@onepath.com.au

We may charge you a reasonable fee for this.

If any of your personal information is incorrect or has changed, please let us know by contacting Customer Services.

If you give us information about someone else, please show them a copy of this clause so that they may understand how their information may be used or shared by ANZ Group.

More information can be found in our Privacy Policy which can be obtained from our website at onepath.com.au

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Customer Services

Phone 133 665 weekdays between 8.30am and 6.30pm (AEST)
Email customer@onepath.com.au
Fax 02 9234 6668

Adviser Services (for use by financial advisers only)

Phone 1800 804 768
Email adviser@onepath.com.au
Fax 02 9234 6668

Address

OneAnswer
GPO Box 5306
Sydney NSW 2001

242 Pitt St
Sydney NSW 2000

OnePath Funds Management Limited
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