



# ANZ ONEANSWER INVESTMENT FUND PROFILE CHANGES

CONTINUOUS DISCLOSURE NOTICE | 6 JUNE 2019

This Continuous Disclosure Notice provides important information for investors of ANZ OneAnswer Investment Portfolio (including //Select).

## What are the changes?

Some investment funds offered through ANZ OneAnswer recently had their fund profiles changed by the underlying external fund managers.

## Which Funds are affected by the changes?

The following funds, referred to collectively as 'the Funds', are affected by the changes:

- [Arrowstreet Global Equity \(Hedged\)](#)
- [BlackRock Scientific Australian Equity](#)
- [BlackRock Scientific Diversified Growth](#)
- [BlackRock Scientific International Equity](#)
- [Perpetual Balanced Growth](#)
- [Perpetual Conservative Growth](#)
- [Schroder Fixed Income](#)
- [UBS Balanced](#)
- [UBS Defensive](#)
- [UBS Diversified Fixed Income](#).

## What do the changes mean for investors?

Investors may consider speaking with their financial adviser about the changes to the investment profile(s) of fund(s) they are invested in and whether the fund(s) still meets their financial needs and objectives.

## What are the changes to the Funds' investment profiles?

The changes to the Funds' investment profiles are outlined in the tables below.

### Arrowstreet Global Equity (Hedged)

	Previous	New
Investment strategy  (note, only part of the strategy has changed with the addition detailed right)	N/A	The Arrowstreet Global Equity Fund will not invest in 'tobacco' or 'controversial weapon' securities <sup>^</sup> .  <sup>^</sup> Tobacco' securities as defined by Global Industry Classification Standards and 'controversial weapon' securities as defined by MSCI, Inc.

## BlackRock Scientific Australian Equity

	Previous	New
Investment objective	The fund aims to achieve superior investment performance through providing returns (before fees) that exceed those of the S&P/ASX 300 Accumulation Index over rolling three year periods, while maintaining a similar level of investment risk to that Index.	The fund aims to achieve superior investment performance through providing returns that exceed those of the S&P/ASX 300 Total Return Index by 2.20% p.a., after underlying fund fees, over rolling 3-year periods.
Description	The fund is suitable for investors seeking a broad exposure to the Australian equity market and who are prepared to accept higher variability of returns.	The fund is suitable for investors who: <ul style="list-style-type: none"> <li>• seek broad exposure to the Australian equity market;</li> <li>• seek a fund that uses a proven, risk-controlled scientific process, to maximise its potential to deliver competitive returns to investors; and</li> <li>• have a long-term investment horizon.</li> </ul>
Investment strategy	<p>BlackRock's active Australian equity strategy is designed to be highly diversified, providing broad exposure to the Australian equity market.</p> <p>Rather than making large and inherently risky investments in a few individual stocks, smaller investments across many individual stocks are made. This process diversifies active risk across a broad spectrum of stocks in a variety of industries and is designed to provide more consistent active, returns over time.</p> <p>In order to achieve its expected return objective the fund may invest all of its assets in other managed investment schemes, including those managed by BlackRock or other entities within the BlackRock Group.</p>	<p>The highly risk-controlled strategy employs a scientific process to identify mis-priced stocks using a range of fundamental investment insights.</p> <p>These insights are the result of ongoing research by BlackRock's global team of investment professionals. The insights are broadly categorised as:</p> <ul style="list-style-type: none"> <li>• Earnings Direction – anticipate changes in future earnings direction, which affects stock prices;</li> <li>• Relative Valuation – analyse multiple measures of underlying fundamental value;</li> <li>• Earnings Quality – assess the quality and sustainability of earnings;</li> <li>• Market – focus on market and management behaviour that can influence stock prices; and</li> <li>• Timing – consider theme and sector timing.</li> </ul>

## BlackRock Scientific Diversified Growth

	Previous	New
Investment objective	The fund aims to achieve superior investment performance through providing returns (before fees) that exceed those of the neutral portfolio benchmark over rolling three year periods.	The fund aims to achieve superior investment performance through providing returns that exceed those of the neutral portfolio benchmark by 1.30% p.a., after underlying fund fees, over rolling 3-year periods.
Description	The fund is suitable for investors seeking a broad exposure to the Australian equity market and who are prepared to accept higher variability of returns.	The fund is suitable for investors who seek a risk controlled active diversified fund with an emphasis on growth assets and aim to add value through active security selection and diversified alpha strategies.
Investment strategy  (note, only part of the strategy has changed as detailed right)	The fund invests in various asset classes by investing in other managed investment schemes, including those managed by BlackRock or other entities within the BlackRock Group. The fund primarily invests via actively managed sector funds, each of which utilises a disciplined active approach to investment management that aims to add value and control active risk.	The fund invests in Australian and international shares and bonds, listed property, global listed infrastructure and cash. While the cash, global bond and infrastructure exposures are through BlackRock indexed funds, the strategy gains its exposure to the other asset classes via BlackRock active funds. Ultimately, the strategy implements a portfolio that combines strategic asset allocation with active management in order to achieve the fund's objective.

### Previous asset allocation

Asset class	Benchmark(%)	Range(%)
Cash	10	0-20
Australian fixed interest	10	0-25
International credit	3	0-25
Developed markets fixed interest	4	0-20
Emerging markets fixed interest	3	0-20
Australian shares	36	25-45
International developed markets shares (unhedged)	12	10-35
International developed markets shares (hedged)	11	10-35
Emerging markets shares	3	0-10
Global listed infrastructure (unhedged)	3	0-10
Global real estate (REITS)	5	0-10

## BlackRock Scientific Diversified Growth (continued)

### New asset allocation

Asset class	Benchmark(%)	Range(%)
Cash	5	0-20
Australian fixed interest	14	0-25
International credit	3	0-20
Developed markets fixed interest	3	
Emerging markets fixed interest	3	
Australian shares	30	25-45
International developed markets shares (unhedged)	21	10-35
International developed markets shares (hedged)	6	
Emerging markets shares	5	0-10
Global listed infrastructure	5	0-10
Global real estate (REITs)	5	0-10

## BlackRock Scientific International Equity

	Previous	New
Investment objective	The fund aims to achieve returns (before fees) that exceed those of the MSCI World ex-Australia Net TR Index (unhedged in AUD) (the "Index") over rolling three year periods while maintaining a similar level of investment risk to the Index.	The fund aims to outperform the MSCI World ex-Australia Net TR Index (unhedged in AUD) by 2% p.a., after underlying fund fees, over rolling 3-year periods.
Description	The fund is suitable for investors seeking broad exposure to international shares and who are prepared to accept higher variability of returns.	The fund is suitable for investors seeking broad exposure to international shares and who seek a fund that blends well with most other active managers because its risk-controlled strategy of taking small active tilts across a large number of stocks tends to produce smaller, but steadier, excess returns on a greater number of stocks over a long term investment horizon.
Investment strategy	The fund's research driven investment process utilises a combination of active stock selection strategies across international developed markets that aim for the best trade-off between returns, risk and costs. The investment ideas blend local investment insights, cross border insights, macro-economic insights and short-term drivers of stock returns.	<p>The strategy seeks to add value from stock and industry selection, by using BlackRock's scientific process that uses local and global investment insights or themes to look for mispriced stocks and industries. The investment themes used as part of BlackRock's stock-selection process are grouped under:</p> <ul style="list-style-type: none"> <li>analyst expectations which anticipate changes in investor expectations about earnings</li> <li>relative value which looks at</li> </ul>

	Previous	New
Investment strategy (continued)	The fund gains exposure to the international developed equity market through investing in other managed investment schemes, including those managed by BlackRock or other entities within the BlackRock Group.	<p>multiple measures of underlying fundamental value; earnings quality which assesses the quality and sustainability of earnings</p> <ul style="list-style-type: none"> <li>market information which focuses on sentiment factors and information revealed by management decisions.</li> </ul> <p>BlackRock's industry-selection models alter exposure to industries using insights that focus on fundamental, economic and technical conditions.</p>

### Perpetual Balanced Growth

	Previous	New
Investment objective  (note, only part of the objective has changed with the addition detailed right)	N/A	The fund aims to outperform CPI + 5.0% p.a. (before fees and taxes) over at least five-year periods.
Investment strategy  (note, only part of the strategy has changed as detailed right)	Currency hedges may be used from time to time.	Currency is managed at the Fund level, taking into account currency exposure arising from underlying investments. Currency management is used to either hedge currency for an existing position or create an exposure to a foreign currency. Exposure to foreign currency will be limited to 50% of the gross asset value of the fund.

ASSET ALLOCATION	PREVIOUS		NEW	
	Benchmark(%)	Range (%)	Benchmark (%)	Range(%)
Cash and enhanced cash	7	0-30	<b>2</b>	0-30
Fixed income	15	0-35	<b>21</b>	<b>0-45</b>
Property	5.5	0-15	<b>6</b>	0-15
Australian shares	30	10-50	<b>31</b>	10-50
International shares	27	10-50	<b>28</b>	10-50
Alternative assets	15.5	0-30	<b>12</b>	0-30

## Perpetual Conservative Growth

	Previous	New
Investment objective  (note, only part of the objective has changed with the addition detailed right)	N/A	The fund aims to outperform CPI + 3.5% p.a. (before fees and taxes) over at least two-year periods.
Investment strategy  (note, only part of the strategy has changed as detailed right)	Currency hedges may be used from time to time.	Currency is managed at the Fund level, taking into account currency exposure arising from underlying investments. Currency management is used to either hedge currency for an existing position or create an exposure to a foreign currency. Exposure to foreign currency will be limited to 50% of the gross asset value of the fund.

ASSET ALLOCATION		PREVIOUS		NEW	
Asset class	Benchmark(%)	Range (%)	Benchmark (%)	Range(%)	
Cash and enhanced cash	21	15-55	<b>7</b>	<b>5-55</b>	
Fixed income*	40	15-55	<b>56</b>	<b>15-65</b>	
Property	5.5	0-10	<b>4</b>	<b>0-10</b>	
Australian shares	13	0-25	<b>11</b>	<b>0-25</b>	
International shares	9	0-20	<b>10</b>	<b>0-20</b>	
Alternative assets	11.5	0-30	<b>12</b>	<b>0-30</b>	

\* This fund may invest in fixed income funds that allow gearing.

## Schroder Fixed Income

	Previous	New
Investment objective	The fund aims to obtain exposure to a diversified range of domestic and international fixed income securities with the principal aim of outperforming the UBS Composite Bond Index over the medium term.	The fund aims to obtain exposure to a diversified range of domestic and international fixed income securities with the principal aim of outperforming the Bloomberg AusBond Composite 0+Yr Index over the medium term.
Investment strategy	Schroder's believes an active 'Core Plus' approach can deliver stable absolute returns to investors over time. Schrodgers aim to deliver the return objective for the lowest achievable risk. This is critical as they judge themselves not only on meeting the stated fund objectives but also on a 'reward-for-risk' basis.	Schroder's broad fixed income philosophy is underpinned by 3 key ideas: <ul style="list-style-type: none"> <li>Fixed income is typically held for defensive purposes. These include liquidity, capital preservation, liability management and to diversify equity risk.</li> <li>Investors should utilise the breadth of the fixed income universe to improve risk/return outcomes (as opposed to closely</li> </ul>

	Previous	New
Investment strategy (continued)	Schroder's also put a lot of emphasis on the management of tail risk which is critical especially in the current credit environment.	<p>tracking arbitrary benchmarks).</p> <ul style="list-style-type: none"> <li>Volatility is not risk; Schroder's view losing money and not delivering on objectives as its core risk.</li> </ul> <p>These key investment beliefs are encapsulated in our Schroders Fixed Income Fund, a Core-Plus strategy which combines a low active risk 'Core' and 'Plus' strategies where opportunities to add value is present.</p> <p>The fund utilises the breadth of the opportunity set and combines asset allocation, country selection, credit risk management, stock selection, and duration/yield curve management in a combination that aims to outperform the benchmark Bloomberg AusBond Composite 0+Yr Index over the medium term whilst ensuring it remains a true defensive strategy.</p>

#### Previous asset allocation

Asset class	Benchmark(%)	Range(%)
Australian bonds	50	20-100
International bonds	25	0-50
Australian hybrids	10	0-20
Emerging markets bonds	5	0-15
Asian bonds (ex Japan)	5	0-15
Cash	5	0-50

#### New asset allocation

Asset class	Benchmark(%)	Range(%)
Australian investment grade	n/a	20-100
Global investment grade <sup>*</sup>	n/a	0-50
Australian high yield <sup>^</sup>	n/a	0-20
Global high yield <sup>*^</sup>	n/a	0-20
Cash and equivalents	n/a	0-50

<sup>\*</sup> Maximum aggregate global exposure will not exceed 50%.

<sup>^</sup> Maximum aggregate exposure to high yield will not exceed 20%.

## UBS Balanced

	Previous	New
Investment objective	This fund aims to provide a total return (after management costs) in excess of its Neutral Allocation (measured by relevant market indices), over rolling five year periods. Over a full investment cycle (usually three to five years), this Neutral Allocation displays performance characteristics of CPI plus 6–8% p.a. on average.	This fund aims to outperform (after management costs) the Benchmark over rolling five year periods. The Benchmark is based on the return of the market indices based on the Neutral Allocation to the asset classes listed under Asset Allocation. The Neutral Allocation represents the likely expected long term average exposure of the portfolio to these various asset classes in order to meet its investment objective over a full investment cycle.
Description	The fund is suitable for investors seeking exposure to a mix of growth, income and alternative assets and who are prepared to accept some variability of returns.	The fund is best suited to investors who seek to achieve returns from a mix of growth, income and alternative assets. Due to the inherent volatility of markets, investment returns will fluctuate and may be negative in some periods.
Investment strategy	The fund may maintain its asset allocation anywhere within the allowable range to differing asset classes consistent with the risk and return objectives indicated above. The fund normally gains its underlying security selection exposure by investing in other relevant UBS managed fund's and third-party fund's either directly or indirectly through a range of instruments. The fund may also invest directly in securities. Derivatives may also be used to gain or hedge exposure to securities, markets, asset classes and currencies. Derivative holdings may result in notional exposures that are greater than the underlying value of assets in the fund. The long term neutral (or average) to traditional growth and income assets is expected to be around 65% and 25% respectively of the total portfolio. The remaining 10% is expected to be allocated on average to various alternative asset strategies which are likely to provide a combination of both income and growth potential.	UBS's portfolio management team will build a diversified portfolio by allocating to differing asset classes anywhere within the allowable ranges, by normally investing in other UBS managed funds, third-party funds and through a range of instruments.

## UBS Balanced (continued)

ASSET ALLOCATION	PREVIOUS		NEW	
	Benchmark(%)	Range (%)	Benchmark (%)	Range(%)
Cash	5	0-30	5	0-30
Australian bonds	5	0-60	<b>10</b>	0-60
International bonds	10	0-60	10	0-60
Total income assets	20	0-70	25	0-70
Property securities/REITS	5	0-30	5	0-30
Australian shares	30	0-60	30	0-60
International shares	35	0-60	<b>30</b>	0-60
Total growth assets	70	20-95	65	20-95
Alternative strategies	10	0-20	10	0-20
Foreign currency exposure	-	-	<b>30</b>	<b>0-95</b>

## UBS Defensive

	Previous	New
Investment objective	The fund aims to provide a total return (after management costs) in excess of its Neutral Allocation (measured by relevant market indices), over rolling five year periods. Over a full investment cycle (usually three to five years), this Neutral Allocation displays performance characteristics of CPI plus 4.5–6.5% p.a. on average.	This fund aims to outperform (after management costs) the Benchmark over rolling five year periods. The Benchmark is based on the return of the market indices based on the Neutral Allocation to the asset classes listed under Asset Allocation. The Neutral Allocation represents the likely expected long term average exposure of the portfolio to these various asset classes in order to meet its investment objective over a full investment cycle.
Description	The fund is suitable for investors seeking exposure to a diversified portfolio of income assets through a limited investment in growth and alternative assets and who are prepared to accept some variability of returns.	The fund is best suited to investors who seek to achieve returns from a mix of growth, income and alternative assets. Due to the inherent volatility of markets, investment returns will fluctuate and may be negative in some periods.
Investment strategy	The fund may maintain its asset allocation anywhere within the allowable range to differing asset classes consistent with the risk and return objectives indicated above. The fund normally gains its asset sector exposure by investing in other relevant UBS managed fund's and third-party fund's either directly or indirectly	UBS's portfolio management team will build a diversified portfolio by allocating to differing asset classes anywhere within the allowable ranges by normally investing in other UBS managed funds, third-party funds and through a range of instruments.

	Previous	New
Investment strategy (continued)	through a range of instruments.	
	<p>The fund may also invest directly in securities. Derivatives may also be used to gain or hedge exposure to securities, markets, asset classes and currencies. Derivative holdings may result in notional exposures that are greater than the underlying value of assets in the fund. The long term neutral (or average) exposure to traditional growth and income assets is expected to be around 30% and 60% respectively of the total portfolio. The remaining 10% is expected to be allocated on average to various alternative asset strategies which are likely to provide a combination of both income and growth potential.</p>	

ASSET ALLOCATION	PREVIOUS		NEW	
	Benchmark(%)	Range (%)	Benchmark (%)	Range(%)
Cash	5	0-50	5	0-50
Australian bonds	25	0-80	25	0-80
International bonds	30	0-80	30	0-80
<b>Total income assets</b>	<b>60</b>	<b>30-90</b>	<b>60</b>	<b>30-90</b>
Property securities/REITS	5	0-20	5	0-20
Australian shares	15	0-40	15	0-40
International shares	10	0-40	10	0-40
<b>Total growth assets</b>	<b>30</b>	<b>0-50</b>	<b>30</b>	<b>0-50</b>
Alternative strategies	10	0-20	10	0-20
<b>Foreign currency exposure</b>	<b>-</b>	<b>-</b>	<b>10</b>	<b>0-40</b>

## UBS Diversified Fixed Income

	Previous	New
Investment objective	The fund aims to provide investors with a total return (after management costs) in excess of the returns measured by relevant debt market indices, over rolling three year periods.	The fund aims to outperform (after management costs) the Benchmark (50% Bloomberg Barclays Global Aggregate Index (A\$ hedged), 50% Bloomberg AusBond Composite 0+ Yr Index) over rolling three year periods.
Description	The fund is suitable for investors seeking diversified exposure to a range of domestic and international fixed income securities across fixed income classes and who are prepared to accept some variability of returns.	The fund is best suited to investors who seek to diversify their fixed income exposure through investment in a mix of Australian and international securities across the fixed income asset class.
Investment strategy	The fund is an actively managed portfolio of cash and Australian and international fixed income securities. The fund may gain its asset sector exposure by investing in UBS managed fund's or direct securities and financial derivatives. The fixed income assets of the fund are predominantly of investment grade quality. Non-investment grade fixed income assets (High Yield and Emerging Market debt) will generally not exceed 30% of the total portfolio. The fund may invest in derivatives to gain or reduce exposure to relevant markets and currencies and to manage investment risk. The fund is managed to a minimum 90% \$A exposure. Derivative holdings may result in notional exposures that are greater than the underlying value of the assets in the fund.	The strategy is managed by employing both top-down macroeconomic research and bottom-up security specific analysis to build a portfolio with the core defensive characteristics of the fixed interest asset class. Whilst the fund seeks to be fully hedged to Australian dollars, we may invest in strategic foreign currency exposures that will not exceed 10% of the total portfolio.

ASSET ALLOCATION	PREVIOUS		NEW	
	Benchmark(%)	Range (%)	Benchmark (%)	Range(%)
Australian bonds and cash	50	20-80	50	n/a
International bonds and cash	50	20-80	50	n/a

### Any questions?

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

- speak with your financial planner
- call Customer Services on **13 38 63**, weekdays between 8.30am and 6.30pm (AEST)
- email [customer@onepath.com.au](mailto:customer@onepath.com.au)

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