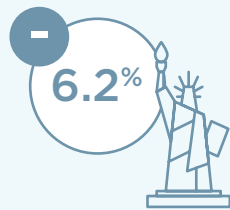


MARKETS AT A GLANCE

FOR JANUARY TO DECEMBER 2018

SHARES

While earnings growth across most markets remained solid, the last three months of 2018 saw earnings momentum slow across all markets. Global shares finished the year down 7.58% in hedged terms.



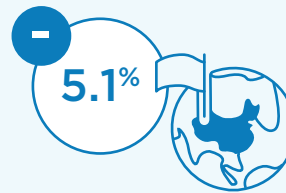
US SHARES

The US sharemarket corrected sharply lower in late 2018 caused by the US-China trade war, higher interest rates and signs that capital goods spending is slowing.



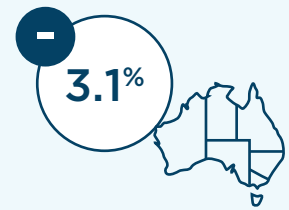
EUROPEAN SHARES

Lacking the support of the US tax cuts, European shares corrected earlier than the US due to slowdowns in both eurozone and Chinese growth.



EMERGING MARKETS

Emerging market shares fell as the US central bank tightened rates, the US dollar firmed and Chinese growth slowed.

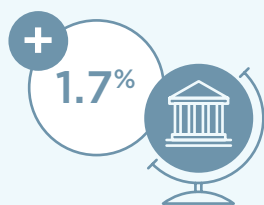


AUSTRALIAN SHARES

Shares were relatively resilient, reflecting support from public spending, business investment and net exports. However, lacklustre wages growth, falling house prices and the financial services royal commission hurt returns.

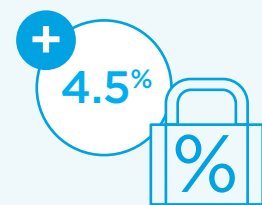
FIXED INTEREST (BONDS)

With increased concerns about global growth and the large fall in oil prices, sovereign bond markets (bonds issued by governments) found considerable support.



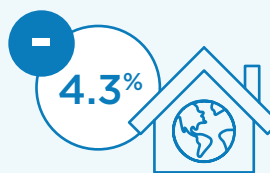
INTERNATIONAL FIXED INTEREST

Weaker economic activity over the latter part of 2018 in conjunction with a large fall in the oil price drove sovereign yields (the interest rates paid on government bonds) lower in late 2018.



AUSTRALIAN FIXED INTEREST

This sector produced strong returns in 2018, due to the Reserve Bank of Australia keeping rates on hold, falling house prices and a sharply improved fiscal outlook.

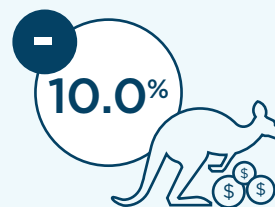


INTERNATIONAL PROPERTY

Reflecting support for fixed interest and defensive sectors, international property and infrastructure fared less poorly than global shares.



INFRASTRUCTURE



AUSTRALIAN DOLLAR/US DOLLAR

The sharp slowdown in global growth pushed the Australian dollar down to around US70¢ over the latter part of 2018. Weaker Chinese growth and concerns regarding the magnitude of rate tightening in the US contributed to the fall.

Source: JP Morgan & ANZ Wealth. Currency - Bloomberg & ANZ Wealth

Index information: Global shares - MSCI World ex Australia Net Index (hedged to AUD) | US shares - US S&P 500 | European shares - MSCI Europe | Emerging market shares - MSCI Emerging Markets (Net) in AUD | Australian Shares - S&P / ASX 300 Accumulation | International - fixed interest - Bloomberg Barclays Capital Global Aggregate (hedged to AUD) | Australian fixed interest - Bloomberg AusBond Composite 0+ Yr Index | International property - FTSE EPRA/NAREIT Developed Rental Index ex Australia (hedged) | Infrastructure - FTSE Developed Core infrastructure 50/50 Net Hedged to AUD.

This information is issued by OnePath Funds Management Limited (OPFM) ABN 21 003 002 800 AFSL 238342. OPFM is a wholly owned subsidiary of Australia and New Zealand Banking Group Limited (ANZ) ABN 11 005 357 522 but is not a bank. The information is general in nature and does not take into account a potential investor's personal needs, objectives and financial circumstances. This information is not to be construed as investment or financial product advice, and should not be relied upon as a substitute for professional advice. Before acting on this information, potential investors should consider the appropriateness of the information, having regard to their objectives, financial situation and needs. Potential investors should read the relevant Product Disclosure Statement (PDS) available at onepath.com.au and consider whether the particular product is right for them. Although all the information in this document is obtained in good faith from sources believed to be reliable no representation of warranty, express or implied is made as to its accuracy or completeness. Whilst care has been taken in preparing this material, ANZ and its related entities do not warrant or represent that the information, opinions or conclusions contained in this document ("information") are accurate. To the extent permitted by law, ANZ and its related entities do not accept any liability from the use of the information. Past performance is not indicative of future performance. The value of investments may rise or fall and the repayment of subscribed capital is not guaranteed.