

INVESTOR UPDATE

JULY 2019

IT'S BEEN A GOOD YEAR
FOR OUR INVESTORS

IMPROVING YOUR
FINANCIAL LITERACY

THINKING ABOUT
RETIREMENT?

WELCOME TO YOUR 2019 INVESTOR UPDATE

DELIVERING STRONG RETURNS IN CHANGING TIMES

Thank you for continuing to invest your hard earned superannuation savings with us. We greatly appreciate the trust you have in us and remain committed to working as hard as we can to ensure we meet your expectations, and that of the wider community.

As one of Australia's largest superannuation and investment providers, managing over \$39bn of the superannuation and investment savings of more than 700,000 Australians, we appreciate the responsibility we have and will continue to do what we can to ensure your faith in us is maintained.

As you know, the financial services landscape has changed forever and the key focus of the industry is to rebuild trust. While we are proud of our focus on strong processes and good governance, we continue to find ways to deliver the best possible outcomes for you.

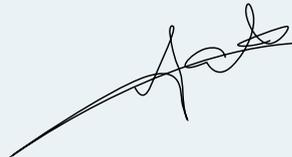
Similarly, investment markets have been fluid over the past 12 months with a number of challenges experienced both domestically and abroad. The good news is that investment returns this financial year have been very strong across the board due to growth assets delivering returns in excess of 11%. We remain focused on ensuring that the investment choices and investment managers we offer on our platforms continue to deliver on their promises, at a competitive price.

The legislative and regulatory environment has seen a number of changes that came into effect on 1 July, 2019. We recommend you pay attention to the government's key legislative change, 'Protecting Your Super', which could mean a big impact to your insurance in particular. For more details and to make sure you don't lose your cover, see page 12 of the enclosed 'Important information and updates'.

Annual statement time offers a perfect opportunity to review and reassess your financial position to ensure it aligns with your investment goals. We recommend you spend time reviewing your investment performance, insurance cover and fees to check how they track and compare against your expectations.

As always, it's great to discuss these issues and the information in your statement with your financial planner. They have the skills, knowledge and expertise to explain the concepts and determine whether they are appropriate for your financial goals and circumstances.

Once again, thank you for another great year and continuing to entrust OneAnswer with your financial future.



Mark Pankhurst
Head of Superannuation, Pensions and Investments



Look for this icon – it's your key to unlock all the potential of your product

OUTSTANDING VALUE FOR ONEANSWER INVESTORS

OnePath was awarded Canstar's Provider of the Year – Managed Funds (Multi-sector Funds) for 2019.¹

The award recognises value over five years for OneAnswer investors across a range of multi-sector investment options.

OneAnswer gives you access to these low-cost investment choices through Vanguard's Conservative, Balanced, Growth and High Growth index funds. And access is not limited to Investment Portfolio investors – super and pension investors can also benefit from these investments menu options.



¹ Based on performance and features over five years across a range of multi-sector investment options in OneAnswer Investment Portfolio. For more information go to canstar.com.au

SIX STEPS

TO GET ON TOP OF YOUR INVESTMENTS



STEP 1

Take 5 minutes to **read through your statement**. Check your balance, review your investments and understand how they performed this year and, if applicable, review your insurance cover.



STEP 2

Look at the **fees** including any adviser service fees you paid to ensure you are aware of what you are paying from your account and why.



Speak to your financial planner if you have any questions about the fees you may be paying for financial advice related to your investments.



STEP 3

Make sure your **current investment strategy** still meets your needs.



Speak to your financial planner if your circumstances have changed or you have questions about your strategy.



STEP 4

Review your **insurance cover** to ensure the cover is appropriate for your needs and you are not paying for something you no longer require.



Speak to your financial planner to understand the various insurance covers that are available to you.



STEP 5

For superannuation members, check the details of your **beneficiaries** to make sure your money goes to the right people in the event that you pass away.



Complete and return the form available from your financial planner or by contacting us.



STEP 6

Most importantly, talk to your **trusted financial planner** to find out what each of these steps mean for you.

WE'RE HERE WHEN YOU NEED US



450
THOUSAND²

customer calls answered
in the past 12 months



160
THOUSAND²

customer emails answered
in the past 12 months



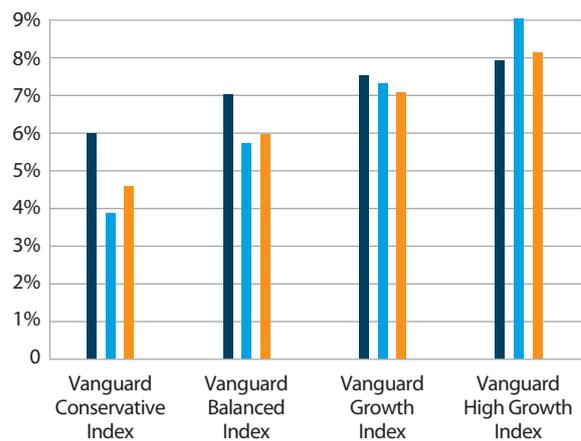
IT'S BEEN A GOOD YEAR FOR OUR INVESTORS

The 2018/2019 financial year was a year of two halves. Share markets through the latter part of 2018 globally were affected by the US Federal Reserve raising interest rates, uncertainties surrounding US-China trade relations and softer company earnings due to slowing economic growth, with the United States S&P 500 Index falling by 14% in the final quarter of 2018. However, since emerging from the sharp December correction, Australian and international shares have rallied strongly. Australian shares were boosted by a surprising result in the Australian Federal Election that removed some uncertainty regarding dividend imputation and the Reserve Bank of Australia cutting interest rates to record low levels. Global shares were supported by the prospect of the US Federal Reserve cutting interest rates.

It is pleasing to see in this volatile environment that the suite of Vanguard diversified funds available through ANZ OneAnswer have continued to perform well, with the High Growth option generating 7.9% over the year and the Conservative option generating over 6.0% over the same period.

Over five years, the Vanguard diversified funds have returned over 8.1% per year for the High Growth option and over 4.6% per year for the Conservative option.

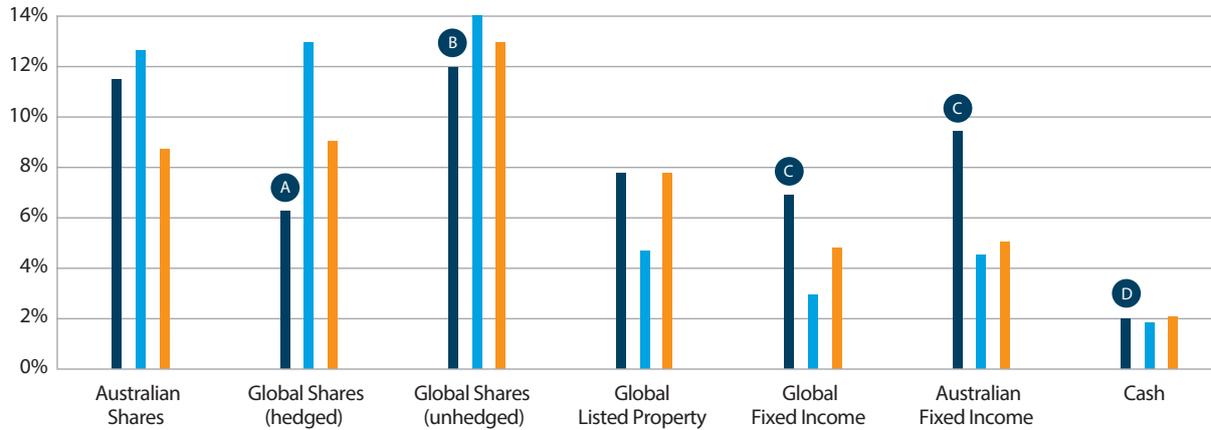
VANGUARD DIVERSIFIED FUNDS PROVIDE ACCESS TO ALL ASSET CLASSES³



- 1 Year Performance % p.a.
- 3 Year Performance % p.a.
- 5 Year Performance % p.a.

³ The performance information provided above is for ANZ OneAnswer Personal Super Entry Fee option to 30 June 2019. Past performance is not indicative of future performance. The future value of investments may rise and fall with changes in the market. Returns quoted use the unit price which is calculated using the asset values for the relevant month end. Please note that all returns are after the deduction of management fees and expenses, and assume all distributions are re-invested. Where applicable, management fees have been deducted at the highest Entry Fee option rate. No allowance has been made for entry or exit fees.

HOW HAVE THE ASSET CLASSES PERFORMED?⁴



● 1 Year Return % p.a. ● 3 Years Return % p.a. ● 5 Years Return % p.a.



A

Currency hedging impacted global share returns this year, as the Australian dollar depreciated against most major currencies.



B

12 PERCENT⁴

Global shares (unhedged) have provided the strongest return this year.



C

Fixed income assets have also done well, boosting returns in more conservative options.



D

The recent interest rate cuts will lead to reduced returns from the Cash asset class over the short term.

⁴ Returns are for the period ending 30 June 2019. Indices: Australian shares: S&P/ASX 300 Accumulation | Global shares (hedged/unhedged): MSCI World ex Aust Net | Australian fixed income: Bloomberg AusBond Composite 0+ Yr Index | Global fixed income: Barclays Global Aggregate Bond Index (hedged). Global listed property: FTSE EPRA/NAREIT Developed Rental Index ex Australia (hedged) | Cash: Bloomberg AusBond Bank Bill. Past performance is not indicative of future performance. Source: JP Morgan.



Read more about investment markets and fund performance on the ANZ website.



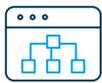
Your client statement shows how the investment options you are invested into have been performing over the past financial year. The performance outcomes are in part correlated to the performance of the main asset classes.

THINKING ABOUT RETIREMENT? THINK ONEANSWER FRONTIER PENSION

Retirement might be just around the corner, or further down the road. Either way, OneAnswer Frontier Pension is a destination you should consider.

When you retire you can cost-effectively transfer your super from ANZ OneAnswer Personal Super into OneAnswer Frontier Pension. Your money continues to be invested with competitive ongoing fees, while you draw an income. You may also be entitled to a bonus from any unrealised capital gains on assets transferred from super to pension.

ONEANSWER FRONTIER PENSION OFFERS THE FOLLOWING FEATURES:



Extensive investment options
Access to over 90 managed funds from leading investment managers



Useful tools
Access to online educational tools and videos



Keep on track
Access to daily unit pricing and transactions



Online access
Track and manage your account online through onepath.com.au



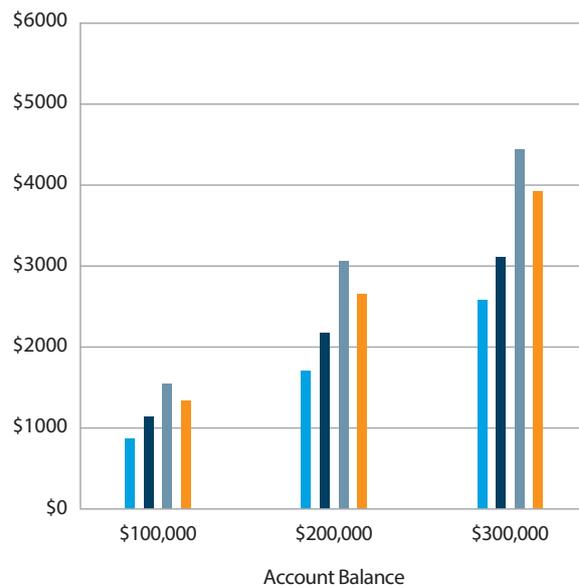
ANZ Cash Advantage
Provides a competitive variable interest rate and the ability to invest without being locked into a fixed term



Speak to your financial planner to find out how OneAnswer Frontier Pension could help you.

SEE HOW ONEANSWER FRONTIER PENSION COMPARES

Annual Pension Fee Comparison as of March 2019⁵



- OneAnswer Frontier Pension – Vanguard Growth Index
- Industry Fund Average
- Master Trust Average
- All Fund Average

⁵ Fees used in the analysis are at 31st of March 2019 using most recent data available to SuperRatings at the time of preparation. Fees includes percentage-based administration fees, member fees, investment management fees (in performance-based fees), indirect cost ratios (ICRs) and taxes, but exclude any applicable employer rebates. To read the full disclaimer for this fee analysis, please refer to the back disclaimer page of this document*.

For 2019, SuperRatings awarded its 'Platinum' rating to OneAnswer Frontier Pension and the '10 year Platinum Performance' for recognition of its consistent performance. SuperRatings does not issue, sell, guarantee or underwrite the product. Go to superratings.com.au for details of its rating criteria.



IMPROVING YOUR FINANCIAL LITERACY

Are you confident when it comes to making informed decisions about your personal finances?

Having the skills and knowledge to manage your money effectively can help you reach your goals and achieve financial independence sooner.

Feeling on top of your affairs can also be good for you in other ways. That's because personal finances are linked to individual and social wellbeing. In fact research shows money worries are a leading cause of stress.

Our financial wellbeing survey of adults in Australia shows individuals with good money management skills tend to feel comfortable about their financial position. What's more, they are confident they can meet their commitments and cope with the unexpected.



TWO SPECIFIC BEHAVIOURS ARE KEY TO FINANCIAL WELLBEING



Active saving



Not borrowing for everyday expenses



THINKING SMARTER ABOUT SUPER

If you're like many working Australians, superannuation may well become your largest asset, apart from the home you own.

So you might like to take a look through our Super Learning Centre, which is packed with information about managing and maximising your retirement savings. You can get your questions about superannuation answered and read inspirational stories from people just like you.

GETTING SMARTER ABOUT YOUR OWN ACCOUNT

With ANZ Investor Access you can:

- View your current balance and unit holdings
- Make changes to your contact details
- Access in-depth information for your account, including transaction history
- Request a switch between investment funds

While retirement might be years or decades away, your super may be the key to your financial independence. Therefore, apart from talking with your financial planner, take the time to understand your super and what it can do for you. Taking action today can mean a better lifestyle down the track, when the time comes to down tools.



Discuss your situation with your financial planner



Continue your learning journey at anz.com/superlearning



Log in to ANZ Investor Access at anz.com/investoraccess



Provide your email address to receive useful information in your inbox

Contact us



Call 13 38 63



Email customer@onepath.com.au



Visit anz.com.au

ANZ OneAnswer Personal Super, ANZ OneAnswer Pension, ANZ OneAnswer Term Allocated Pension and ANZ OneAnswer //Select (ANZ OneAnswer Personal Super //Select, ANZ OneAnswer Allocated Pension //Select and ANZ OneAnswer Term Allocated Pension //Select) are products offered by the Retirement Portfolio Service (ABN 61 808 189 263, RSE R1000986, SFN 292 916 944) (Fund). When you invest in one of these products, you become a member of the Fund. OnePath Custodians Pty Limited (ABN 12 008 508 496, AFSL 238346, RSE L0000673) is the trustee of the Fund and issuer of this Investor Update for these products.

OnePath Funds Management Limited (ABN 21 003 002 800, AFSL 238342) is the issuer of ANZ OneAnswer Investment Portfolio and ANZ OneAnswer Investment Portfolio //Select and the issuer of this Investor Update for these products. 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 (Bank) under the *Banking Act 1959* (Cth). Although the issuers are owned by ANZ they are not Banks. Except as described in the relevant Product Disclosure Statement (PDS), an investment with the issuers is not a deposit or other liability of ANZ or its related group companies and none of them stands behind or guarantees the issuers or the capital or performance of an investment. Any investment is subject to investment risk, including possible repayment delays and loss of income and principal invested. Returns can go up and down. Past performance is not indicative of future performance.

This information is current as at July 2019 but may be subject to change. You should read the relevant Financial Services Guide (FSG), PDS, Additional Information Guide (AIG), Investment Funds Guide (IFG), and product and other updates available at anz.com and consider whether the product is right for you before making a decision to acquire, or to continue to hold the product.

Alternatively you can request a copy of this information free of charge by calling Customer Services on 13 38 63. Taxation law is complex and this information has been prepared as a guide only and does not represent taxation advice. Please see your tax adviser for independent taxation advice.

The information provided is of a general nature and does not take into account your personal needs, financial circumstances or objectives. Before acting on this information, you should consider the appropriateness of the information, having regard to your needs, financial circumstances or objectives. The case studies used in this Investor Update are hypothetical and are not meant to illustrate the circumstances of any particular individual. Opinions expressed in this document are those of the authors only.

*SuperRatings Pty Limited ABN 95 100 192 283 AFSL No. 311880 (SuperRatings) is a superannuation research house with specialist areas of expertise that was originally established in 2002. Then information used in compiling this data comes from sources considered reliable and is not guaranteed to be accurate or complete. Past performance is not a reliable indicator of future performance. The data has been prepared for the purpose of providing 'General Advice' (as defined in the *Corporations Act 2001* (Cth)) only, without taking into account the objectives, financial situation or particular needs ('financial circumstances') or any particular person. Before making any decision about a financial product in the data, the reader must consider whether it is personally appropriate in light of his or her financial circumstances, or should seek independent financial advice on its appropriateness. The reader should obtain and consider Product Disclosure Statement from each superannuation fund or pension financial product before making any decision about whether to acquire a financial product. SuperRatings research process relies upon the participation of the superannuation fund or product issuer(s). Should the superannuation fund or product issuer(s) no longer be an active participant in SuperRatings research process, SuperRatings reserves the right to withdraw the rating and document at any time and discontinue future coverage of the superannuation and pension financial product(s).

SuperRatings Copyright Disclaimer

Copyright © 2019 SuperRatings Pty Ltd (ABN: 95 100 192 283 AFSL No. 311880 (SuperRatings)). The data is subject to the copyright of SuperRatings. Except for the temporary copy held in a computer's cache and a single permanent copy for your personal reference or other than as permitted under the *Copyright Act 1968* (Cth.), no part of this publication may, in any form or by any means (electronic, mechanical, micro-copying, photocopying, recording or otherwise), be reproduced, stored or transmitted without the prior written permission of SuperRatings. This publication may also contain third party supplied material that is subject to copyright. Any such material is the intellectual property of that third party or its content providers. The same restrictions applying above to SuperRatings copyrighted material, applies to such third party content.