

Changes to OptiMix and OnePath diversified funds (Superannuation products)

29 NOVEMBER 2013

Following an extensive review of the OptiMix and OnePath diversified funds, strategic asset allocation changes will be implemented effective early December 2013.

Why are these changes being implemented?

In line with our commitment to best-practice portfolio construction, we regularly review the underlying investments of our funds to ensure the funds can effectively meet their investment return objectives. We recently completed a review of the OptiMix and certain OnePath diversified funds which involved input from leading asset consultants. This review was part of a broader program to deliver better risk-adjusted performance, lower volatility and increased diversification.

It is expected the strategic asset allocation changes to be implemented early December 2013 will enable the impacted funds to continue to meet their investment objectives, and deliver more consistent returns by offering increased diversification opportunities.

Which funds are impacted by these changes?

The following funds (referred to collectively as 'the Funds') are affected:

- OptiMix Conservative
- OptiMix Moderate
- OptiMix Balanced
- OptiMix Growth
- OptiMix High Growth
- OnePath Conservative
- OnePath Balanced
- OnePath Managed Growth, and
- OnePath High Growth.

Which Product Disclosure Statements (PDS) are affected by these changes?

- OneAnswer Frontier Personal Super and Pension dated 1 July 2013
- OneAnswer Personal Super and Pension PDS dated 1 July 2013

Please note these changes will be reflected in the PDS at its next reissue.

A summary of the changes

The changes include:

- a change to the benchmark allocation (i.e. neutral position) for a number of the underlying asset classes (including an increase in the allocation to alternative assets), and
- a change in the minimum and maximum allocation to most of the underlying asset classes.

Alternative assets include a broad range of investments outside the traditional investment areas of shares, bonds and listed property, and may include direct property, private equity, infrastructure and hedge funds.

It is expected the strategic asset allocation changes will allow the Funds to continue to meet their investment objectives, and deliver more consistent returns by offering increased diversification opportunities.

Strategic asset allocation changes by fund

OptiMix Conservative

Asset Class†	Previous		New – effective early December 2013	
	Benchmark (%)	Range (%)	Benchmark (%)	Range (%)
Cash	20	0–40	20	0–27
Australian fixed interest	20	0–40	18	11–25
International fixed interest	22	7–37	20	13–27
Australian property securities	1	0–8	0	n/a
International property securities	3	0–10	3	0–10
Australian shares	14	4–24	12	5–19
International shares	10	0–20	10	2–18
Alternative assets	10	2–18	17	5–21

† The maximum exposure to growth assets for the OptiMix Conservative Fund is 42%.

OptiMix Moderate

Asset Class†	Previous		New – effective early December 2013	
	Benchmark (%)	Range (%)	Benchmark (%)	Range (%)
Cash	8	0–28	8	0–16
Australian fixed interest	15	0–35	14	6–22
International fixed interest	20	5–35	17	9–25
Australian property securities	2	0–9	0	n/a
International property securities	4	0–11	3	0–11
Australian shares	20	10–30	20	12–28
International shares	19	9–29	19	10–28
Alternative assets	12	6–20	19	5–21

† The maximum exposure to growth assets for the OptiMix Moderate Fund is 64%.

OptiMix Balanced

Asset Class†	Previous		New – effective early December 2013	
	Benchmark (%)	Range (%)	Benchmark (%)	Range (%)
Cash	4	0–19	4	0–12
Australian fixed interest	10	0–25	8	0–16
International fixed interest	11	0–26	9	1–17
Australian property securities	2	0–9	0	n/a
International property securities	4	0–11	3	0–12
Australian shares	29	19–39	29	20–38
International shares	27	17–37	27	18–36
Alternative assets	13	7–21	20	6–21

† The maximum exposure to growth assets for the OptiMix Balanced Fund is 84%.

OptiMix Growth

Asset Class	Previous		New – effective early December 2013	
	Benchmark (%)	Range (%)	Benchmark (%)	Range (%)
Cash	1	0–16	0	0–9
Australian fixed interest	5	0–15	4	0–13
International fixed interest	4	0–19	6	0–14
Australian property securities	2	0–9	0	n/a
International property securities	4	0–11	3	0–12
Australian shares	37	27–47	35	26–44
International shares	33	23–43	34	24–44
Alternative assets	14	8–22	18	4–21

OptiMix High Growth

Asset Class	Previous		New – effective early December 2013	
	Benchmark (%)	Range (%)	Benchmark (%)	Range (%)
Cash	0	0–10	0	0–9
Australian fixed interest	0	n/a	0	0–9
International fixed interest	0	n/a	0	0–9
Australian property securities	1	0–8	0	n/a
International property securities	4	0–11	3	0–13
Australian shares	40	25–65	43	33–53
International shares	43	28–63	42	32–52
Alternative assets	12	7–20	12	3–21

OnePath Conservative

Asset Class†	Previous		New – effective early December 2013	
	Benchmark (%)	Range (%)	Benchmark (%)	Range (%)
Cash	20	6-34	20	0-27
Australian fixed interest	24	1-60	18	10-26
International fixed interest	2	0-8	20	12-28
Australian property securities	2	0-10	0	n/a
International property securities	9	0-15	3	0-10
Australian shares	10	0-40	12	5-19
International shares	10	0-23	10	2-18
Alternative assets	20	6-34	17	5-21

† The maximum exposure to growth assets for the OnePath Conservative Fund is 42%.

OnePath Balanced

Asset Class†	Previous		New – effective early December 2013	
	Benchmark (%)	Range (%)	Benchmark (%)	Range (%)
Cash	8	0-28	8	0-16
Australian fixed interest	15	0-35	14	5-23
International fixed interest	20	5-35	17	8-26
Australian property securities	2	0-9	0	n/a
International property securities	4	0-11	3	0-11
Australian shares	20	10-30	20	12-28
International shares	19	9-29	19	10-28
Alternative assets	12	6-20	19	5-21

†The maximum exposure to growth assets for the OnePath Balanced Fund is 64%.

OnePath Managed Growth

Asset Class†	Previous		New – effective early December 2013	
	Benchmark (%)	Range (%)	Benchmark (%)	Range (%)
Cash	4	0-19	4	0-12
Australian fixed interest	10	0-25	8	0-17
International fixed interest	11	0-26	9	0-18
Australian property securities	2	0-9	0	n/a
International property securities	4	0-11	3	0-12
Australian shares	29	19-39	29	20-38
International shares	27	17-37	27	18-36
Alternative assets	13	7-21	20	6-21

† The maximum exposure to growth assets for the OnePath Managed Growth Fund is 84%.

OnePath High Growth

Asset Class	Previous		New – effective early December 2013	
	Benchmark (%)	Range (%)	Benchmark (%)	Range (%)
Cash	0	0-10	0	0-9
Australian fixed interest	0	n/a	0	0-9
International fixed interest	0	n/a	0	0-9
Australian property securities	1	0-8	0	n/a
International property securities	4	0-11	3	0-13
Australian shares	40	25-65	43	33-53
International shares	43	28-63	42	32-52
Alternative assets	12	7-20	12	3-21

Investments in alternative assets

Each of the Funds, as well as the funds listed below, have investments in alternative assets:

- OnePath Income, and
- OnePath Active Growth.

Alternative assets may include investments such as private equity, infrastructure, real estate and hedge funds. These types of assets provide increased diversification, but may require a longer period of time to liquidate (i.e. more than 30 days). From early December 2013, each of the Funds, and the funds listed above, will have a limited exposure to assets with varying liquidity. It is expected that these investments will allow the Funds, and the funds listed above, to deliver more consistent returns.

Any questions?

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

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

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