

Product Update and Continuous Disclosure Notice – ANZ Private Global Equities Fund

10 JULY 2017

This Product Update and Continuous Disclosure Notice provides important information for existing investors and updates the Product Disclosure Statement (PDS) dated 21 July 2014 for the ANZ Private Global Equities Fund (Fund).

New investment manager for the Fund

On or about 10 July 2017, MFS Institutional Advisors, Inc. (MFSI) and LSV Asset Management (LSV) will replace Vontobel Asset Management Pty Limited (Vontobel) as the investment managers for the Fund.

The PDS is updated from this date as follows:

1. The section titled 'Investment management for the Fund' on page 1 is replaced with the following:

MFS

MFS Institutional Advisors, Inc. (MFSI) is a subsidiary of Massachusetts Financial Services Company (MFS), which is in turn a member of the Sun Life Financial group of companies. MFS is an active, global asset manager with a uniquely collaborative approach to building better insights for clients. These insights are derived from three guiding principles – integrated research, global collaboration, and active risk management. The firm believes the application of these principles and the combined insights across fundamental equity, quantitative and credit perspectives is what enables it to deliver sustainable, long-term returns for clients.

LSV

Formed in 1994, LSV Asset Management (LSV) is a quantitative value equity manager providing active management for institutional investors through the application of its proprietary investment model. LSV specialises in value equity management for investors around the world. LSV currently manages approximately \$105 billion in value equity portfolios. LSV uses quantitative techniques to select individual securities in what would be considered a bottom-up approach. The investment process is similar for each of their investment strategies but is segmented into different capitalisation ranges or regions.

2. Section 5 of the PDS on page 5 titled 'How we invest your money' is amended as follows:

MFS

MFSI aims to outperform the MSCI World Index ex-Australia in Australian dollars (net) over rolling three year periods while maintaining a consistent style discipline. The MFS philosophy is premised around companies with sustainable above-average growth and returns, and whose prospects are not reflected in their valuation, will outperform over the long run. The value of compounding high returns on capital and above-average growth rates over long periods is often underestimated by the market. MFS aim to identify and invest in companies exhibiting this profile through fundamental analysis, focusing on operational risks and long-term potential for change.

LSV

The fundamental premise on which LSV's investment philosophy is based is that superior long-term results can be achieved by systematically exploiting the judgmental biases and behavioural weaknesses that influence the decisions of many investors. These include: the tendency to extrapolate the past too far into the future, to wrongly equate a good company with a good investment irrespective of price, to ignore statistical evidence and to develop a "mindset" about a company. LSV uses a quantitative investment model to choose out-of-favour (undervalued) stocks in the marketplace at the time of purchase that have potential for near-term appreciation. LSV believes that these out-of-favour securities will produce superior future returns if their future growth exceeds the market's low expectations.



Portfolio turnover is typically expected to be 30% per annum, depending on the volatility and valuation of underlying holdings.

Why is this change being made?

Our internal investment research team regularly reviews and monitors the investment managers of the funds offered through the ANZ Private Investment Management Service.

Recently, ANZ in conjunction with an external asset consultant completed an intensive review of our investment offering. As a result of this process the international equities offering has been reconstructed with two new Fund Managers forming the portfolio. We have selected the external managers based on the following key criteria;

- People, Process, Philosophy – well-resourced with high quality investment professionals whose process and strategy gives us a competitive advantage and an aligned investment philosophy
- Long term sustainable track record – demonstrable outperformance over an investment cycle
- Portfolio Construction – consistent and repeatable investment style.

What do I need to do?

On or about 10 July 2017, MFSI and LSV will become the investment managers for the Fund.

If you are an existing investor in the Fund, this transition will not result in any change to your unitholding or the price of the units you hold. You may continue to transact on your account during the transition.

If you are considering an investment in the Fund, please ensure you read this document together with the PDS.

Any questions?

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

- speak with your ANZ Private Advisor
- email anzpims@anz.com.au

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