



A NEW SINGLE MANAGER APPROACH FOR OPTIMIX GLOBAL SMALLER COMPANIES SHARES

CONTINUOUS DISCLOSURE NOTICE | 4 MARCH 2019

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

WHAT ARE THE CHANGES?

The investment strategy of the OptiMix Global Smaller Companies Shares fund ('the Fund') has changed from a multi-manager to a single manager investment approach.

Arrowstreet Capital ('Arrowstreet') is now the sole investment manager of the Fund.

The Fund will also change its name from 'OptiMix' to 'OnePath' later in 2019 (at a date to be confirmed) to reflect the change. We will provide notice of the name change on our website (anz.com) under the 'Product Updates' section once this has been implemented.

The 'investment strategy' of the Fund has changed as follows:

Previous	New
The Fund invests predominantly in a diversified portfolio of international small companies through a mix of managers. The Fund is actively managed in accordance with the OptiMix Multi-Manager investment process.	The Fund invests predominantly in a portfolio of global smaller companies shares constructed in accordance with the investment process of the underlying manager. The Fund is actively managed.

WHY HAVE THE CHANGES BEEN MADE?

After a detailed and thorough review by our internal portfolio management team, we made the decision to make this change due to Copper Rock Capital Partner's (Copper Rock's) underperformance and our reservations about their ability to add value on a sustainable basis.

Following that decision, we reviewed other replacement investment managers. The review involved the identification of investment managers who are highly rated based on the sustainability of their business model, the experience of their investment team, investment processes and performance. Our work reaffirmed the view that we already employ a superior investment manager that has earned the role to manage the entire Fund through solid and reliable outperformance since appointment in 2011. As a result, we decided to allocate the management of all assets to the other incumbent manager, Arrowstreet.

Arrowstreet has a systematic investment approach which results in a dynamic and well diversified stock portfolio. They are also a superior investment manager in the global smaller companies area.

We believe this appointment will enhance the likelihood of achieving the Fund's performance objective and deliver a better long term performance outcome for investors.

WHEN DID THE TRANSITION TAKE PLACE?

The transition process to implement the change involved some trading activity within the Fund, in accordance with Arrowstreet's instructions so that each portfolio reflects their chosen portfolio composition.

The restructure of the portfolio took place in February 2019.

ARE THERE TRANSITION COSTS TO INVESTORS?

Yes, there are costs associated with selling and buying securities, such as brokerage costs and stamp duty, which occurred at the time of transitioning the portfolio to Arrowstreet. These costs were incurred within the Fund and reflected in its unit price.

Prior to transition, we estimated the transition cost would be small. We estimated they would be in the order of \$26 for an account balance of \$50,000.

We expect that the improved future performance returns will outweigh this one-off cost.

ARE THERE TAX IMPLICATIONS?

As the transition involved the selling of securities held within the Fund (as noted above) a realisation of capital gains or losses on those securities occurred. Based on our analysis (prior to transition) we expect a small capital gain to be realised (estimated to be approximately 2% of funds under management).

Capital gains from the Fund will be distributed to investors as part of their 30 June 2019 financial year distribution and shown in their year-end tax statement.

WHAT WILL NOT BE CHANGING?

The following remains the same despite the change in investment strategy:

- Ongoing Fees and Buy/Sell spreads
- investment objective of the Fund
- standard risk measure
- distribution frequency, and
- strategic asset allocation and ranges.

ANY QUESTIONS?

If you have any questions, please:

- speak with your financial planner
- call Customer Services on **13 38 63**, weekdays between 8.30am and 6.30pm (AEST).

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