

UPDATES TO BUY SELL SPREADS

ANZ Smart Choice Super product suite (other than ANZ Smart Choice Super and Pension)

PDS UPDATE AND PRODUCT UPDATE | 6 APRIL 2020

This Product Disclosure Statement (PDS) Update and Product Update provides important information about changes to the Buy-Sell Spreads for the following investment options (collectively 'the Investment Options').

- ANZ Smart Choice 1940s
- ANZ Smart Choice 1950s
- ANZ Smart Choice 1960s
- ANZ Smart Choice 1970s
- ANZ Smart Choice 1980s
- ANZ Smart Choice 1990s
- ANZ Smart Choice 2000s
- ANZ Smart Choice Global Fixed Interest
- ANZ Smart Choice Australian Fixed Interest
- ANZ Smart Choice Conservative
- ANZ Smart Choice Moderate
- ANZ Smart Choice Growth
- Arrowstreet Global Equity (Hedged)
- OnePath Alternatives Growth
- OnePath Capital Stable*
- OptiMix Conservative
- OptiMix Moderate
- OptiMix Balanced
- OptiMix Growth
- PIMCO Diversified Fixed Interest.

*Closed to new members.

The Buy-Sell spread changes for the above Investment Options impact the following products:

- ANZ Smart Choice Super for employers and their employees (ANZ Smart Choice Super)
- ANZ Smart Choice Super for QBE Management Services Pty Ltd and their employees (ANZ Smart Choice Super for QBE).

WHY HAVE THE UNDERLYING MANAGERS MADE THESE CHANGES?

- Recent market fears over COVID-19 have caused market liquidity to deteriorate remarkably in a very short period of time, impacting all segments of the Australian fixed-income market.
- Given the current market trading conditions for credit based products, previous Buy-Sell Spreads are no longer reflective of the current cost of trading in the market place.
- Increased Buy-Sell spreads are required to cover increased transaction costs in the markets for the assets held by the Investment Options.

WHAT DO THE CHANGES MEAN FOR MEMBERS?

- These new spreads have been applied to the Investment Options and are reflected in the unit prices.
- Please note that, the Buy-Sell Spread protects non-transacting members from the asset trading costs incurred when other members buy or sell units.
- These steps are not taken lightly but are necessary precautions to temporarily protect members whilst this period of uncertainty continues. Market conditions are being monitored closely and the Buy-Sell Spreads of the Investment Options are likely to be re-adjusted when appropriate.

This PDS Update amends the following documents issued on 1 February 2020:

- ANZ Smart Choice Super for employers and their employees (ANZ Smart Choice Super) - Product Disclosure Statement (PDS), also comprising:
 - ANZ Smart Choice Super - Additional Information Guide and Fees Guide
 - ANZ Smart Choice Super Buy-Sell Spread Guide
- ANZ Smart Choice Super for QBE Management Services Pty Ltd and their employees (ANZ Smart Choice Super for QBE) PDS, also comprising:
 - ANZ Smart Choice Super for QBE - Additional Information Guide and Fees Guide.
 - ANZ Smart Choice Super Buy-Sell Spread Guide.

WHAT IS CHANGING?

The following updates relate to PDS documents for ANZ Smart Choice Super and/or ANZ Smart Choice Super for QBE that include the range of the Buy-Sell Spreads that have changed.

1. Buy-Sell Spreads

ANZ Smart Choice Super Buy-Sell Spread Guide* page reference: 3

Title reference: Buy-Sell spreads

Instructions: replace the content in this section with the following information on the next page.

*This Guide applies both to ANZ Smart Choice Super and ANZ Smart Choice Super for QBE products.

Buy-Sell Spreads

The buy-sell spread is used to allocate buy and sell transaction costs to a member who is transacting rather than to members in a particular investment option who are not transacting. As the proceeds from a buy-sell spread are retained as part of the assets of an investment option, no part of it is paid to us or to an underlying fund manager. These spreads are incorporated in the buy and sell unit prices.

For example, for every \$1,000 that you invest in the ANZ Smart Choice 1960s investment option, the buy spread you incur is currently 0.07% or \$0.70. This amount is reflected in the 'buy' unit price at the time of your transaction.

At all times your account balance is valued at the 'sell' unit price which incorporates the sell spread. In the same example, the value of the investment of \$1,000 will also take into account the sell spread of 0.07% or \$0.70. This means that the total buy-sell spread cost for this example will be 0.14% or \$1.40.

ANZ Smart Choice Super Buy-Sell Spread Guide page reference: 4-5

Instructions: The following rows replace the corresponding rows in the tables on pages 4 to 5. The columns titled 'New' should be read in place of the information in the Buy-Sell Spread Guide.

Investment option	Previous Buy Spread %	Previous Sell Spread %	New Buy Spread %	New Sell Spread %
ANZ Smart Choice 1940s	0.02	0.02	0.09	0.09
ANZ Smart Choice 1950s	0.02	0.02	0.09	0.09
ANZ Smart Choice 1960s	0.02	0.02	0.07	0.07
ANZ Smart Choice 1970s	0.02	0.02	0.06	0.06
ANZ Smart Choice 1980s	0.03	0.03	0.05	0.05
ANZ Smart Choice 1990s	0.04	0.04	0.06	0.06
ANZ Smart Choice 2000s	0.05	0.05	0.06	0.06
ANZ Smart Choice Global Fixed Interest	0.03	0.03	0.38	0.38
ANZ Smart Choice Australian Fixed Interest	0.03	0.03	0.25	0.25
ANZ Smart Choice Conservative	0.02	0.02	0.10	0.10
ANZ Smart Choice Moderate	0.02	0.02	0.09	0.09
ANZ Smart Choice Growth	0.02	0.02	0.07	0.07
Arrowstreet Global Equity (Hedged)	0.21	0.21	0.21	0.16
OnePath Alternatives Growth	0.10	0.10	0.36	0.36
OnePath Capital Stable (closed to new members)	0.03	0.03	0.13	0.13
OptiMix Conservative	0.03	0.03	0.11	0.11
OptiMix Moderate	0.04	0.04	0.09	0.09
OptiMix Balanced	0.04	0.04	0.07	0.07
OptiMix Growth	0.05	0.05	0.06	0.06
PIMCO Diversified Fixed Interest	0.05	0.05	0.22	0.22

ANZ Smart Choice Super Buy-Sell Spread Guide page reference: 4

Title reference: ANZ Smart Choice Super for employers and their employees

Instructions: replace the content in this section above the table on page 4.

The following table lists the buy and sell spreads for each investment option in ANZ Smart Choice Super for employers and their employees. The column labelled 'Buy spread' reflects the spread charged when you invest in an investment option. The column labelled 'Sell spread' reflects the spread charged when you exit an investment option. A buy spread up to a maximum of 0.80% may apply each time an amount is invested in an investment option respectively. A sell spread up to a maximum of 1.75% may apply each time an amount is withdrawn from an investment option respectively. The maximum total buy-sell spread cost for an investment option is 1.75%.

ANZ Smart Choice Super Buy-Sell Spread Guide page reference: 5

Title reference: ANZ Smart Choice Super for QBE Management Services Pty Ltd and their employees

Instructions: replace the content in this section above the table on page 5.

The following table lists the buy and sell spreads for each investment option in ANZ Smart Choice Super for QBE Management Services Pty Ltd. The column labelled 'Buy spread' reflects the spread charged when you invest in an investment option. The column labelled 'Sell spread' reflects the spread charged when you exit an investment option. A buy spread up to a maximum of 0.80% may apply each time an amount is invested in an investment option respectively. A sell spread up to a maximum of 1.75% may apply each time an amount is withdrawn from an investment option respectively. The maximum total buy-sell spread cost for an investment option is 1.75%.

2. Fees and other costs information

ANZ Smart Choice Super for employers and their employees (ANZ Smart Choice Super):

ANZ Smart Choice Super for employers and their employees – Fees Guide page reference: 4

Title reference: Buy-sell spread

Instructions: replace the content with the following information.

Type of fee	Amount	How and when paid
Buy-sell spread (MySuper Lifestage Option)	0.05% to 0.09% of each amount invested in (buy spread) or withdrawn from (sell spread) an investment option, depending on the investment option. Refer to the Buy-Sell Spread Guide for information on the buy-sell spread for each investment option.	A buy-sell spread is reflected in the daily unit price of the investment option and is not charged separately to you. As your account is valued using the sell unit price, each investment into an investment option will be reduced by approximately this amount at the time of the transaction.
Buy-sell spread (Choose Your Own Investment Option)	0% to 1.75% of each amount invested in (buy spread) or withdrawn from (sell spread) an investment option, depending on the investment option. Refer to the Buy-Sell Spread Guide for information on the buy-sell spread for each investment option.	A buy-sell spread is reflected in the daily unit price of the investment option and is not charged separately to you. As your account is valued using the sell unit price, each investment into an investment option will be reduced by approximately this amount at the time of the transaction.

ANZ Smart Choice Super for employers and their employees – Product Disclosure

Statement page reference: 8

Title reference: Buy-sell spread

Instructions: replace the content in this row of the fee table with the following information.

Type of fee	Amount	How and when paid
Buy-sell spread	<p>MySuper Lifestage Investment Option 0.05% to 0.09% of each amount invested in (buy spread) or withdrawn from (sell spread) an investment option, depending on the investment option.</p>	A buy-sell spread is reflected in the daily unit price of the investment option and is not charged separately to you. As your account is valued using the sell unit price, each investment into an investment option will be reduced by approximately this amount at the time of the transaction.
Buy-sell spread	<p>Choose Your Own Investment Options 0% to 1.75% of each amount invested in (buy spread) or withdrawn from (sell spread) an investment option, depending on the investment option. See the Buy-Sell Spread Guide for the buy-sell spread of each investment option available at anz.com/smartchoicesuper>Downloads – important documents.</p>	A buy-sell spread is reflected in the daily unit price of the investment option and is not charged separately to you. As your account is valued using the sell unit price, each investment into an investment option will be reduced by approximately this amount at the time of the transaction.

ANZ Smart Choice Super for employers and their employees – Product Disclosure

Statement page reference: 10

Title reference: Example of Annual Fees and Costs

Instructions: replace the example table and footnotes with the below information.

Example – ANZ Smart Choice Super MySuper (1970s Lifestage investment option)		Balance of \$50,000
Investment fee	0.50% p.a.	For every \$50,000 you have in the superannuation product you will be charged \$250 each year.
PLUS Administration fees	\$50 p.a. Plus, 0.059%* p.a.	And , you will be charged \$80 each year in administration fees.**
PLUS Indirect costs for the superannuation product	0.02% [†] p.a.	And , indirect costs of \$10 each year will be deducted from your investment.
EQUALS Cost of product		If your balance was \$50,000, then for that year you will be charged fees of \$340 for the superannuation product.**

Note: the Example above is illustrative only.

* 0.059% p.a. is based on the actual amount of levies and expense recoveries deducted for the 12 months to 30 June 2019. The levies and expense recoveries are estimated to be up to 0.03% p.a. for the 12 months to 30 June 2020.

† Figure based on the ANZ Smart Choice Super 1970s Lifestage investment option. Please refer to page 11 of the Fees Guide for the indirect costs applicable to the other MySuper Lifestage investment options, which range from 0.00% p.a. to 0.03% p.a.

** Additional fees may apply. There is currently no contribution fee or exit fee. The Administration fee is waived if your account has a zero balance and, if you leave the Fund, you may be charged a buy-sell spread which also applies whenever you make a contribution, exit, rollover or investment switch. The buy spread for the ANZ Smart Choice Super 1970s Lifestage investment option is currently 0.06%, the sell spread is also 0.06%. On \$50,000, the total buy-sell spread cost of 0.12% is equal to \$60. The buy-sell spread for each MySuper Lifestage investment option is set out in the Buy-Sell Spread Guide available at anz.com/smartchoicesuper > Downloads – important documents or by contacting Customer Services.

ANZ Smart Choice Super for QBE Management Services and their employees (ANZ Smart Choice Super for QBE):

ANZ Smart Choice Super for QBE Management Services and their employees – Fees Guide
page reference: 4

Title reference: Buy-sell spread

Instructions: replace the content in this section with the following information.

Type of fee	Amount	How and when paid
Buy-sell spread (MySuper Lifestage Option)	0.05% to 0.09% of each amount invested in (buy spread) or withdrawn from (sell spread) an investment option, depending on the investment option. Refer to the Buy-Sell Spread Guide for information on the buy-sell spread for each investment option.	A buy-sell spread is reflected in the daily unit price of the investment option and is not charged separately to you. As your account is valued using the sell unit price, each investment into an investment option will be reduced by approximately this amount at the time of the transaction.
Buy-sell spread (Choose Your Own Investment Option)	0% to 1.75% of each amount invested in (buy spread) or withdrawn from (sell spread) an investment option, depending on the investment option. Refer to the Buy-Sell Spread Guide for information on the buy-sell spread for each investment option.	A buy-sell spread is reflected in the daily unit price of the investment option and is not charged separately to you. As your account is valued using the sell unit price, each investment into an investment option will be reduced by approximately this amount at the time of the transaction.

ANZ Smart Choice Super for QBE Management Services and their employees – Product Disclosure Statement
page reference: 8

Title reference: Buy-sell spread

Instructions: replace the content in this row of the fee table with the following information.

Type of fee	Amount	How and when paid
Buy-sell spread	MySuper Lifestage Investment Option 0.05% to 0.09% of each amount invested in (buy spread) or withdrawn from (sell spread) an investment option, depending on the investment option.	A buy-sell spread is reflected in the daily unit price of the investment option and is not charged separately to you. As your account is valued using the sell unit price, each investment into an investment option will be reduced by approximately this amount at the time of the transaction.
Buy-sell spread	Choose Your Own Investment Options 0% to 1.75% of each amount invested in (buy spread) or withdrawn from (sell spread) an investment option, depending on the investment option. See the Buy-Sell Spread Guide for the buy-sell spread of each investment option available at anz.com/smartchoicesuper >Downloads – important documents.	A buy-sell spread is reflected in the daily unit price of the investment option and is not charged separately to you. As your account is valued using the sell unit price, each investment into an investment option will be reduced by approximately this amount at the time of the transaction.

ANZ Smart Choice Super for QBE Management Services and their employees – Product Disclosure Statement page reference: 10

Title reference: Example of Annual Fees and Costs

Instructions: replace the example table and footnotes with the following information.

Example – ANZ Smart Choice Super MySuper (1960s Lifestage investment option)		Balance of \$50,000
Investment fee	0.44% p.a.	For every \$50,000 you have in the superannuation product you will be charged \$220 each year.
PLUS Administration fees	\$50 p.a. Plus, 0.059%* p.a.	And , you will be charged \$80 each year in administration fees.**
PLUS Indirect costs for the superannuation product	0.02%† p.a.	And , indirect costs of \$10 each year will be deducted from your investment.
EQUALS Cost of product		If your balance was \$50,000, then for that year you will be charged fees of \$310 for the superannuation product.**

Note: the Example above is illustrative only.

* 0.059% p.a. is based on the actual amount of levies and expense recoveries deducted for the 12 months to 30 June 2019. The levies and expense recoveries are estimated to be up to 0.03% p.a. for the 12 months to 30 June 2020.

† Figure based on the ANZ Smart Choice Super 1960s Lifestage investment option. Please refer to page 12 of the Fees Guide for the indirect costs applicable to the other MySuper Lifestage investment options, which range from 0.02% p.a. to 0.03% p.a.

** Additional fees may apply. There is currently no contribution fee or exit fee. The Administration fee is waived if your account has a zero balance and, if you leave the Fund, you may be charged a buy-sell spread which also applies whenever you make a contribution, exit, rollover or investment switch. The buy spread for the ANZ Smart Choice Super 1960s Lifestage investment option is currently 0.07%, the sell spread is also 0.07%. On \$50,000, the total buy-sell spread cost of 0.14% is equal to \$70. The buy-sell spread for each MySuper Lifestage investment option is set out in the Buy-Sell Spread Guide available at anz.com/smartchoicesuper > Downloads – important documents or by contacting Customer Services.

FURTHER INFORMATION ABOUT BUY-SELL SPREADS

Buy-Sell Spreads will be determined and applied as explained in the 'Buy-Sell Spread Guide' attached to the back of the Additional Information Guide which both form part of the PDS. These documents can be found in the 'Downloads' section at anz.com/smartchoicesuper under the ANZ Smart Choice Super for employers and their employees and ANZ Smart Choice Super for QBE sections.

ANY QUESTIONS

If you have any questions:

- ANZ Smart Choice Super members, please:
 - call Customer Services on **13 12 87** weekdays between 8.30am and 6.30pm (AEST)
 - email anzsmartchoice@anz.com

ANY QUESTIONS (continued)

- ANZ Smart Choice Super for QBE members, please:
 - call Customer Services on **1800 249 996** weekdays between 8.30am and 8pm (AEST).
 - email **corporatesuper@anz.com**
- speak with your financial adviser.

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