INVESTMENT

ONEPATH ALTERNATIVES GROWTH FUND

Product Disclosure Statement

1 February 2020

OnePath

Contents

IMPORTANT INFORMATION

This Product Disclosure Statement (PDS) is issued by OnePath Funds Management Limited (ABN 21 003 002 800, AFSL 238342) and is a summary of significant information relating to the OnePath Alternatives Growth Fund (ARSN 121 982 796, APIR MMF1471AU) (Fund). You should read the PDS before making a decision about the Fund. You may request a copy of the PDS at any time by calling Customer Services (or the provider of your master trust or wrap service).

Information provided in this PDS is general information only and does not take into account your investment objectives, personal financial situation or needs. This PDS explains the main features of the OnePath Alternatives Growth Fund and should not be used as a substitute for financial advice. You should read the PDS carefully to assess whether the information is appropriate, having regard to your objectives, financial situation and needs, and speak to a financial adviser before making an investment decision. You should obtain financial advice tailored to your personal circumstances. The invitation to invest in the OnePath Alternatives Growth Fund is only available to persons receiving this PDS in Australia.

Updated information: Information in this PDS may be updated from time to time. If the change contains no materially adverse information, we will publish the updated information at onepath.com.au/superandinvestments/product-updates. Please ensure you have the most up-to-date information by visiting this website regularly. You may also request a copy of the PDS or any updated information free of charge at any time by calling Customer Services (or the provider of your master trust or wrap service).

1. ABOUT ONEPATH FUNDS MANAGEMENT LIMITED

OnePath Funds Management Limited (OnePath, we, us, our) is the responsible entity of the OnePath Alternatives Growth Fund (the Fund) and is the issuer of this PDS.

As responsible entity of the Fund, we are responsible for ensuring that the Fund operates in accordance with the Fund's constitution, the *Corporations Act 2001* (Corporations Act) and other relevant laws.

OnePath Funds Management is part of the IOOF group comprising IOOF Holdings Limited ABN 49 100 103 722 and its related bodies corporate (IOOF Group). Neither the issuer, nor any other related or associated company, guarantee the repayment of capital, the performance of, or any rate of return of the investment. The investment is subject to investment risks and other risks. This could involve delays in the repayment of principal and loss of income or principal invested.

2. HEDGE FUND DISCLOSURES

RG240

The Australian Securities and Investments Commission (ASIC) requires responsible entities of hedge funds and funds which invest into hedge funds to provide enhanced disclosure, as set out in ASIC's *Regulatory Guide 240 Hedge funds: Improving disclosure (RG240)*.

The purpose of RG240 is to help investors understand and assess hedge funds so that they can make more informed investment decisions. The information that must be disclosed includes:

- Benchmarks, which address fund valuation and reporting
- Disclosure Principles, which address the key features of a fund such as investment strategy and fund structure.

This PDS addresses the disclosure requirements of RG240 in relation to the Fund.

The Fund and Underlying Funds

Information in this section only applies to the Fund and the underlying funds in which the Fund may invest (referred to as 'Underlying Funds' in this PDS) listed below:

- Fulcrum Diversified Absolute Return Fund ARSN 601 830 353
- GMO Systematic Global Macro Trust ARSN 090 799 385
- Man AHL Alpha (AUD) ARSN 138 643 768
- Bentham Syndicated Loan Fund ARSN 110 077 159 (this is not a hedge fund) and hence no further information is provided in this section.

Investment risks

Hedge funds can pose more complex risks for investors than traditional managed investment schemes due to their diverse investment strategies, use of leverage and complex offshore structures.

Before you make an investment decision it is important to identify your investment objectives and the level of risk you are prepared to accept.

Investments in this Fund and Underlying Funds have specific risks which you should consider before making an investment decision. These risks are described or referenced in the relevant sections of this PDS.

More information

- **RG240** Go to asic.gov.au
- **Underlying Funds** Go to the websites noted in the relevant fund sections of this PDS.

2.1 BENCHMARKS AND DISCLOSURE PRINCIPLES

Table 1 summarises the type of information about hedge funds that must be provided to investors under RG240.

Information about the Benchmarks and Disclosure Principles specific to each of Underlying Funds noted above are provided in sections 2.2 to 2.4.

Table 1

Benchmark	What information must be provided?
1. Valuation of assets	This benchmark addresses whether valuations of the hedge fund's non-exchange traded assets are provided by an independent administrator or an independent valuation service provider.
2. Periodic reporting	This benchmark addresses whether the responsible entity of the hedge fund will provide periodic disclosure of certain key information on an annual and monthly basis.
Disclosure Principle	**What information must be provided?**
1. Investment strategy	Details of the investment strategy for the hedge fund, including the type of strategy, how it works in practice and how risks are managed.
2. Investment manager	Information about the people responsible for managing the hedge fund's investments, such as their qualifications and relevant commercial experience and the proportion of their time devoted to the hedge fund, and the relevant arrangement between the responsible entity and the investment manager, if any.
3. Fund structure	An explanation of the investment structures involved, the relationships between entities in the structure, fees and other costs payable to the responsible entity and the investment manager, the jurisdictions involved (if these involve parties offshore), the due diligence performed on underlying funds and related party relationships within the structure.
4. Valuation, location and custody of assets	Disclosure of the types of assets held, where they are located, how they are valued and the custodial arrangements.
5. Liquidity	Disclosure of the hedge fund's ability to realise its assets in a timely manner and the risks of illiquid classes of assets.
6. Leverage	Disclosure of the maximum anticipated level of leverage of the hedge fund (including leverage embedded in the assets of the hedge fund).
7. Derivatives	Disclosure of the purpose and types of derivatives used by the responsible entity or investment manager, and associated risks.
8. Short-selling	How short-selling may be used as part of the investment strategy, and the associated risks and costs of short-selling.
9. Withdrawals	Disclosure of the circumstances in which the responsible entity of the hedge fund allows withdrawals and how this might change.

BENCHMARKS

1. Valuation of assets

This benchmark requires us to have and implement a policy that requires the valuation of the Fund's assets that are not exchange traded to be provided by an independent administrator or an independent valuation service provider.

This benchmark is not met by us. However, the only assets (excluding cash) of the Fund are units in the Underlying Funds, which are unlisted registered managed investment schemes.

We value the interests of the Fund in reliance on valuation information provided by the responsible entities of each Underlying Fund (each of which use independent administrators or valuers).

Each responsible entity and administrator of an Underlying Fund is independent of us. We have a policy on the use of independent fund administrators or valuation service providers by responsible entities of Underlying Funds. We limit the risk of any lack of independence and any related party conflicts in the valuation of non-exchange traded assets by monitoring the valuation of the Fund's assets.

Unit prices provided by the Underlying Funds are monitored by us. For example, we monitor movements in unit prices provided by the Underlying Funds by comparing those to an index benchmark and investigating when those unit prices are outside of tolerance thresholds set by us. For more information, refer to section 3.4 of this PDS.

The Underlying Funds in this section meet this benchmark.

2. Periodic reporting

This benchmark requires us to have and implement a policy to report on specific information on an annual or monthly basis.

Annual reporting

This benchmark is not fully met by us (as shown below). However, we will provide the following information at least annually, either in the annual report of the Fund, on our website under performance reporting, or in our periodic statements:

- the actual allocation to the Underlying Fund held by the Fund
- the maturity profile of the Fund's liabilities as at the end of the year
- the annual investment returns over the last five-year period
- changes to key service providers and any changes to their related party status.

Annual reports containing information relevant to the Fund can be obtained online at onepath.com.au/superandinvestments-forms-and-brochures or by contacting Customer Services.

We do not provide annual reporting for the following as such information is not relevant for the Fund, and because the Fund is wholly invested in the Underlying Funds which generally provide such information, other than in respect of the GMO Systematic Global Macro Trust:

- the liquidity profile of the Fund's assets as at the end of the year
- the leverage ratio (if any) of the Fund at the end of the year
- the derivatives counterparties engaged (including capital protection providers).

See information in this section about liquidity and leveraging in the Underlying Funds.

Monthly reporting

The following information is provided in the monthly Fund summaries available on our website:

- the current total net asset value of the Fund and the withdrawal value of a unit in the Fund as at the date the net asset value was calculated in accordance with the method described in section 3.4 of the PDS
- the key service providers, if they have changed since the last report given to investors, including any change in their related party status
- for each of the following matters since the last report on those matters
  - the net return on the Fund's assets after fees, costs and taxes
  - any material change in the Fund's risk profiles
  - any material change in the Fund's strategies
  - any change in the individuals playing a key role in investment decisions for the Fund.

An investment returns booklet showing the Fund's net returns is available at onepath.com.au

The Underlying Funds of the Fund meet this benchmark.

To obtain reports for the Underlying Funds, contact the Underlying Funds directly (refer to the relevant Underlying Fund website for contact details). We can also provide this information free of charge, on request.

DISCLOSURE PRINCIPLES

1. Investment strategy

Investment strategy describes how a Fund aims to achieve its investment objective. The Fund described in this PDS aims to achieve its investment objectives by investing wholly underlying registered managed investment schemes which themselves are hedge funds (other than the Bentham Syndicated Loan Fund). The Underlying Funds may hold direct assets or in turn may invest into other funds.

Each Underlying Fund (Fulcrum Diversified Absolute Return Fund, GMO Systematic Global Macro Trust and Man AHL Alpha (AUD)) is considered by OnePath Funds Management to help achieve its investment strategy.

The criteria for selecting underlying fund managers and the due diligence process adopted in the selection of investment managers and underlying funds, is set out in '3. Fund structure' of the Disclosure Principles section.

Key dependencies and assumptions

There are key dependencies and assumptions underpinning the Fund's ability to produce investment returns via the strategy.

We consider the key dependencies or assumptions underpinning the Fund's ability to produce investments returns via the strategy to include:

a) legislators and regulators continuing to consider regulatory reforms and other measures to stabilise markets and encourage growth in global financial markets

b) the asset allocation process underpinning the Fund's investments remaining robust and accurate

c) the relevant Underlying Fund's responsible entity achieving its strategy and our risk management system appropriately identifying and managing any risk of underperformance to minimise potential losses

d) our due diligence process and input from our preferred external research consultant identifying appropriate underlying investments and the ongoing monitoring of these investments.

Risk management

The OnePath Funds Management Board has adopted a Risk Management Strategy (RMS) which includes, but is not limited to, risks associated with investments. The Fund and each referable Underlying Fund is monitored and assessed on an ongoing basis as part of OnePath Funds Management's RMS.

For internal funds managed under mandate, asset exposures are constantly monitored to ensure they remain within permitted investment parameters and their trading and investment activities remain within assigned limits. Where such limits are exceeded, the OnePath Funds Management Board is alerted to such occurrences which are then dealt with in accordance with internally documented policies.

For the external managed investment schemes that OnePath Funds Management invests into, they are reliant on the external manager to ensure compliance with their investment guidelines and to notify the Chief Investment Office (CIO) of situations where there have been breaches and the steps taken to rectify them.

The annual investment manager attestation survey sent out to all managers and/or the responsible entities of the funds they manage, requests confirmation that they have been compliant with their investment guidelines, and where there have been material breaches, the CIO has been notified of such breaches and the steps taken to rectify the breaches.

The RMS is reviewed on an annual basis or whenever there is a material change in the OnePath Funds Management business, and a review of the risks set out in the RMS is conducted at least annually.

For information about the risk management strategies of the Underlying Funds, see sections 2.2 to 2.4 and refer to the relevant Underlying Fund's PDS.

Diversification guidelines and limits

The Fund is either wholly or substantially invested in the Underlying Funds. The OnePath Alternatives Growth Fund, being a multi-manager fund, maintains relevant diversification guidelines which provide allowable ranges of exposure to sub-strategies such as global macro, managed futures, multi-strategy and alternative credit.

Changes to investment strategy

The investment objective, investment strategy, asset allocation and other information in this section may change at any time.

Any changes will be considered in light of the potential negative or positive impact on investors. We will notify investors in the Fund as soon as practicable after any changes have been implemented. Notification will be through regular investor communications and/or as an update on our website.

2. Investment manager

We (OnePath Funds Management) act as investment manager of the Fund. The implementation of investment strategies for the Fund is a core capability of OnePath Funds Management and does not rely on the involvement of any particular individual.

For the Underlying Funds, our CIO continuously researches, assesses and monitors the Underlying Funds with input from our preferred external research consultants. We may add, remove or reduce allocations to any Underlying Fund at any time.

See sections 2.2 to 2.4 for information about the investment managers of the Underlying Funds.

3. Fund structure

The Fund is a unit trust (an Australian registered managed investment scheme) which invests into one or more externally managed Australian registered managed investment schemes. Each of us and the responsible entities of the Underlying Funds are registered Australian companies.

The diagram below shows the investment structure applicable to the Fund.

Underlying fund selection and monitoring

As responsible entity for the Fund, we have formal agreements in place with the responsible entities of the Underlying Funds. These agreements cover their obligations and service level requirements, including unit pricing, distribution details, tax information and regular reporting.

Prior to an underlying fund being selected, an agreement is formalised in compliance with our stringent policies that cover and manage any related party and/or potential conflicts of interest matters.

We ensure the responsible entities comply with the terms of their respective agreements by regularly monitoring their performance in accordance with the reporting obligations set out in the agreements.

Before a fund is selected as an underlying fund, we undertake a due diligence process to ensure the responsible entity and/or investment manager meets our investment selection criteria, which includes:

- consideration of external research ratings, including OnePath Funds Management's primary investment consultants
- the views of our internal investment research teams
- the experience and stability of the investment team managing the underlying fund's assets
- the strength of the funds management organisation behind a particular fund
- the investment philosophy and investment process followed by the investment managers
- the risks inherent in the underlying fund's investment strategy and the underlying fund's suitability to our client base
- adequacy of portfolio diversification
- a competitive fee structure aligned with investors' interests
- liquidity of the underlying fund and its underlying investments
- short-term and long-term performance relative to investment objectives and peers
- funds under management in the underlying fund and any capacity issues or constraints.

Our selection criteria also addresses the service providers used by an underlying fund. Consideration of such service providers is limited to the extent that it considers whether those service providers are reputable and independent from the underlying funds. We do not otherwise apply a due diligence process to those service providers.

Payments and performance fees

We may receive payments from responsible entities of underlying externally managed wholesale hedge funds and related parties. Please refer to page 36 for more information.

Performances fees are applicable to some or all of the Underlying Funds. Please refer to page 34 for more information.

Indirect costs

Indirect costs for the Fund include the 'Management costs' in each Underlying Fund's PDS. These costs may include performance fees charged by an Underlying Fund.

The table overleaf shows the indirect costs (for the year ended 30 June 2019) for each of the Underlying Funds described in this PDS. These costs represent a percentage of the amount invested by the Fund in the relevant Underlying Fund and may vary in the future.

More detailed information about indirect costs is provided in section 7.1 and in the product updates available online at onepath.com.au/superandinvestments/product-updates

These indirect costs are not an additional cost to you.

Investment structure applicable to the Fund

Indirect costs (for the year ended 30 June 2019)

Table 2

Fund	Underlying Fund	Indirect cost (%)
OnePath Alternatives Growth Fund (see below)	Fulcrum Diversified Absolute Return Fund	0.08
	GMO Systematic Global Macro Trust	0.10
	Man AHL Alpha (AUD)	0.20
	Bentham Syndicated Loan Fund*	0.02

The OnePath Alternatives Growth Fund invests in four underlying investments – the Underlying Funds listed in the table above.

* Bentham Syndicated Loan Fund is not a hedge fund.

The indirect costs charged for the OnePath Alternatives Growth Fund's underlying investments are calculated based on the Strategic Asset Allocation (SAA) benchmark to each of the four underlying investments for the year ended 30 June 2019. The current allocation to each of the underlying investments is set out in the monthly fund summaries available online at onepath.com.au/superandinvestments/performance

Service providers

We act as the administrator for the Fund. From time to time we engage external service providers in respect of the Fund. Key service providers are:

- Auditor – KPMG is the auditor for the Fund
- Manager selection – where appropriate, we use external research houses (e.g. Mercer and Willis Towers Watson) for input to manager selection.

Monitoring of service providers

We have a compliance plan in place to ensure that the appointment of service providers such as auditors is responsibly conducted, and that their performance is appropriately monitored. The compliance plan is audited by KPMG. The audit report is lodged with ASIC annually.

Under the procedures for appointing and monitoring an outsource arrangement, appropriate due diligence investigations are conducted on a third party prior to their appointment.

Written contracts with the third party provider are reviewed and executed in accordance with the procedure for the execution of documents.

The performance of the third party service and outsource providers may be monitored through some or a combination of regular meetings, obtaining audit reports, obtaining compliance reports and service level reporting. Issues reported by outsource service providers are treated as incidents and managed in accordance with our Incident Management Process.

4. Valuation, location and custody of assets

As responsible entity of the Fund, we hold the assets of the Fund in the form of units in each Underlying Fund. Each of the Underlying Funds is a managed investment scheme registered in Australia. The assets of the Fund are held in Sydney by us in accordance with legal requirements.

For information about the valuation of assets and the calculation of unit prices of the Fund, refer to section 3 in this PDS.

For information about the Underlying Funds, including the types of investments and investment strategies, refer to sections 2.2–2.4.

5. Liquidity

As part of our due diligence process, liquidity of the Underlying Funds is considered before selection. During normal market conditions, it has been determined that we can reasonably expect to liquidate 80% of the Fund's assets within 10 days. Therefore, the Fund meets the liquidity requirements under RG240 and are generally open for investor applications and withdrawals on each business day.

During abnormal or extreme market conditions the responsible entity of each Underlying Fund may decide to restrict withdrawals or switches, hence causing the Fund to become illiquid. Under these circumstances, we may suspend or restrict withdrawals from the Fund. We may also terminate the Fund, which could result in a delay in the repayment of capital to investors.

For information about liquidity for the Underlying Funds see sections 2.2 to 2.4. For information about the risks associated with liquidity, refer to section 5 in this PDS.

6. Leverage

Leverage is not part of the investment strategy for the Fund but may be used in certain circumstances as a short-term measure, for example where needed to allow for a large number of withdrawals to be processed at the same time.

Certain Underlying Funds may use leverage as part of their investment strategy. Although we do not specifically consider the types and level of leverage used by the Underlying Funds, these factors are taken into consideration as part of the overall risk assessment analysis carried out by us when selecting an underlying fund.

Information about the use of leverage by the Underlying Funds is provided in sections 2.2 to 2.4.

Refer to section 5 in this PDS for information about the risks associated with leverage.

7. Derivatives

Derivatives are not used by us in the Fund. However, certain Underlying Funds may use derivatives as part of their investment strategy. Although we do not specifically set limits on the types of derivatives used by the Underlying Funds and on the Fund's exposure to those instruments via an Underlying Fund, these factors are taken into consideration as part of the overall risk assessment analysis carried out by us when selecting an Underlying Fund.

Information about the use of derivatives by the Underlying Funds is provided in section 2.2 to 2.4. Refer to section 5 for information about the risks associated with derivatives.

8. Short-selling

Short-selling is not used by us in the Fund. However, certain Underlying Funds may use short-selling as part of their investment strategy. Although we do not specifically set limits on the level of short-selling permitted in each Underlying Fund, these factors are taken into consideration as part of the overall risk assessment analysis carried out by us when selecting an Underlying Fund.

Information about the use of short-selling by the Underlying Funds is provided in section 2.2 to 2.4. Refer to section 5 for information about the risks associated with short-selling.

9. Withdrawals

Requests to withdraw from the Fund may be made at any time, and can be made by contacting Customer Services or completing a 'Withdrawal Form'.

Under normal market conditions, withdrawals from the Fund will generally be able to be processed each Business Day. In the unlikely event that the Fund ceases to be liquid (that is, sufficient assets cannot reasonably be expected to be realised and converted into cash to satisfy a withdrawal request within the period specified in the Fund's constitution), different withdrawal procedures, as specified in the Corporations Act, will apply.

In exceptional circumstances, applications and withdrawals may be suspended. For example, if significant market volatility and/or significant internal or external events result in an inability to value an investment fund. This may affect the ability of investors to withdraw from the Fund.

If there are any material changes to withdrawal rights (e.g. restrictions on an investor's ability to withdrawal from the Fund), the changes will be considered in light of the potential negative or positive impact on investors. We will notify investors in the Fund as soon as practicable after any changes have been implemented. Notification will be made through regular investor communications and/or as updates on our website.

Information about withdrawals is provided in this PDS. Refer to section 5 for information about the risks associated with the liquidity of a fund.

RISKS OF INVESTING

Risks of investing specific to the Fund and general risks associated with investing in hedge funds are described in section 5 of this PDS.

2.2 FULCRUM DIVERSIFIED ABSOLUTE RETURN FUND

1. The Fulcrum Fund
2. Benchmarks
3. Disclosure Principles
4. Risks of investing

1. The Fulcrum Fund

Fulcrum Diversified Absolute Return Fund ARSN 601 830 353 (referred to as 'the Fulcrum Fund' for the purposes of this section).

Investment in the Fulcrum Fund is offered by Equity Trustees Limited ABN 46 004 031 298 (EQT), a subsidiary of EQT Holdings Limited ABN 22 607 797 615, which is a public company listed on the Australian Securities Exchange (ASX: EQT).

Responsible entity

EQT is the responsible entity of the Fulcrum Fund. Its responsibilities and obligations as the Fulcrum Fund's responsible entity are governed by the Fulcrum Fund's constitution, the Corporations Act and general trust law.

Fulcrum Fund website

eqt.com.au

PDS

The Fulcrum Fund's PDS is available online at eqt.com.au/~/media/equitytrustees/files/instofunds/fulcrum/fulcrum-diversified-absolute-return-fund-pds.pdf. You should refer to the PDS for full information about the Fulcrum Fund.

2. Benchmarks

Valuation of assets
Periodic reporting

Valuation of assets

This benchmark requires the responsible entity to have and implement a policy that requires the valuation of the Fulcrum Fund's assets that are not exchange traded to be provided by an independent administrator or an independent valuation service provider.

This benchmark has been met. Non exchange traded assets comprise over the counter (OTC) derivatives or collective investment schemes. Both are valued by independent parties.

Periodic reporting

This benchmark requires the responsible entity to have and implement a policy to report on specific information on an annual or monthly basis.

This benchmark has been met. EQT has and implements a policy to provide the following information to investors as soon as practicable after the relevant period end:

- annual report, including financial statements and auditor's report
- transaction reports confirming all additional investments, withdrawals, and payments (issued following transactions and on request)
- distribution statements issued annually notifying the investors of the value of their investment income from investments and confirming the reinvestment or payment to the investor's bank account
- reports issued by Fulcrum Asset Management LLP (the Fulcrum Fund Manager) annually and monthly, that provide information on the Fulcrum Fund including a review of market conditions and Fulcrum Fund performance
- tax statements issued annually, providing investors with taxation information including a detailed summary of the components of any distributions.

EQT considers the frequency and content of the current reporting for the Fulcrum Fund adequate.

Annual reporting

EQT also has and implements a policy to report annually (via the Fulcrum Fund's annual report, which is available on the Fulcrum Fund website) on the following information as soon as practicable after the relevant period end:

- the actual allocation to each asset type
- the liquidity profile of the portfolio assets as at the end of the period
- the maturity profile of the liabilities as at the end of the period
- the leverage ratio (including leverage embedded in the assets of the Fulcrum Fund, other than listed equities and bonds) as at the end of the period
- the derivative counterparties engaged (including capital protection providers)
- the monthly or annual investment returns of the Fulcrum Fund over at least a five-year period (or, if the Fulcrum Fund has not been operating for five years, the returns since its inception)
- the key service providers if they have changed since the latest report, including any change in their related party status.

Monthly reporting

The following information is available on the Fulcrum Fund website and is disclosed monthly:

- the current total NAV of the Fulcrum Fund and the redemption value of a unit in each class of units as at the date the NAV was calculated
- the key service providers if they have changed since the last report given to investors, including any change in their related party status
- for each of the following matters since the last report on those matters
  - the net return on the Fulcrum Fund's assets after fees, costs and taxes
  - any material change in the Fulcrum Fund's risk profile
  - any material change in the Fulcrum Fund's strategy
  - any change in the individuals playing a key role in investment decisions for the Fulcrum Fund.

To obtain reports for the Fulcrum Fund, contact the Fulcrum Fund directly (refer to the Fulcrum Fund website for contact details). We will also provide this information free of charge, on request.

3. Disclosure Principles

Investment strategy
Investment manager
Fund structure
Valuation, location and custody of assets
Liquidity
Leverage
Derivatives
Short-selling

Investment strategy

The investment objective of the Fulcrum Fund is to achieve long-term absolute returns over rolling five year periods, with lower volatility than equity markets and in excess of inflation. In seeking to achieve its aim of long-term absolute returns, the Fulcrum Fund will hold a diversified portfolio, typically consisting of exposures to equities, fixed income, commodities, alternatives and cash.

Investments may be made through collective investment schemes (including index funds such as exchange traded funds (ETFs) and actively managed funds managed by the Investment Manager, but not actively managed funds managed by third party investment managers).

The Fulcrum Fund may use derivatives for investment purposes and for efficient portfolio management. The Fulcrum Fund will use hedging strategies to reduce risk over the short term without materially altering its risk profile. The Fulcrum Fund does not borrow money, but the Fulcrum Fund strategy can contain implicit leverage through the use of futures for investment and hedging purposes.

The Fulcrum Fund will be managed without reference to a benchmark. The goal of the Fulcrum Fund is not to replicate standard industry benchmarks but to target absolute returns by investing in a diversified pool of global assets across asset classes. The Fulcrum Fund will invest in assets denominated in various currencies.

The Fulcrum Fund will be managed with a forward looking volatility cap of 12%.

Diversification guidelines for The Fulcrum Fund are set out in the Fulcrum Fund's PDS.

The Fulcrum Fund does not use the investment technique of short-selling of equities.

EQT may change the investment objective, investment strategy, authorised investments and asset allocation and the other information in this section at any time. Any material changes will be notified to unit holders in accordance with the requirements of the Corporations Act. This may be after the change has occurred.

In order to maximise risk-adjusted returns the Fulcrum Fund relies on four primary sources of return – asset class timing, relative value opportunities, alternatives and hedging – with the relative weightings actively managed by the Investment Committee.

A disciplined investment process aims to ensure that, over the long term, the strategy can benefit from positive expected returns across a variety of traditional and alternative asset classes. Each asset class is chosen specifically to generate attractive capital growth, regular income or because it improves risk-adjusted returns over the long term. The table below illustrates the typical ranges of exposure in each asset class.

Table 3

Asset class	Implementation	Market exposure ranges (%)
Global Equities	Equity market exposure is obtained through investment in collective investment schemes (including ETFs) and derivatives based on a number of broad indices.	10–60
Global Fixed Income	Fixed Income market exposure is obtained through investment in cash settled bonds, derivatives or collective investment schemes (including ETFs).	0–80
Alternatives	Alternative market exposure is obtained through investments in absolute return collective investment schemes.	0–40
Commodities	Commodity market exposure is obtained through investments in collective investment schemes (including ETFs) and derivatives.	0–20

Risk management

Hedging is a core part of the strategy and a valuable tool for managing downside risks. The Fulcrum Fund Manager's team has demonstrated skill in being able to cost-effectively hedge portfolios against severe shocks.

By protecting portfolios from returns which fall outside an investor's expectations, the Fulcrum Fund Manager seeks to ensure a constructive and very long-term relationship with clients.

In order to manage these risks, the Fulcrum Fund Manager follows a disciplined process that seeks to maintain high levels of diversification across strategies. In addition, the Fulcrum Fund Manager continuously monitors the following portfolio risks:

- Concentration – This applies at the strategy level, as well as at the level of individual positions.
- Volatility – Ex-ante volatility is capped at 12%, which helps reduce the likelihood of sharp losses.
- Expected Shortfall (ES) – Measures the expected loss for the worst 1% of observations. The 99% daily ES is limited to 2%.
- Key factor exposures – The Fulcrum Fund Manager assesses the exposure to different risk factors, for example, exposure to equities, bonds, commodities and the US dollar. Where significant factor exposures are identified, these are hedged using liquid options.
- Macroeconomic and political – The Fulcrum Fund Manager assesses the exposure of its portfolios to different risk scenarios using the expertise of the Fulcrum Fund Manager's in-house strategists and economists. Recent examples have included the impact of a US recession, Greek sovereign default and positive European policy shock.
- Leverage – The strategy does not borrow money, but can contain implicit leverage through the use of derivatives for investment purposes. It is not anticipated that gross leverage (as defined under '6. Leverage' in this section) will exceed 500%, while net leverage (total long positions minus total short positions) will normally range between 80% and 200%.
- Liquidity – The strategy invests primarily in highly liquid instruments. However, the Fulcrum Fund Manager monitors the strategy's ability to liquidate positions over various horizons, including one day, two days, one week and one month.

Further information about the Fulcrum Fund's investment strategy, including the Fulcrum Fund's investment objective, is provided on the Fulcrum Fund's website.

Investment manager

EQT has appointed Fulcrum Asset Management LLP as the Fulcrum Fund's investment manager. The Fulcrum Fund Manager currently manages approximately AUD $6.8 billion in absolute and relative return strategies for a wide range of institutional clients. The firm is headquartered in London with an additional office in New York, managing both absolute and relative return strategies across all of the major liquid asset classes globally, with a key focus on diversification and risk management.

Top down asset allocation and disciplined risk management are central to each of its investment funds.

The Fulcrum Fund Manager relies on ASIC Class Order 03/1099 (as extended) which exempts it from the requirement to hold an Australian financial services licence (AFSL) under the Corporations Act in respect of financial services provided by it or its representatives to wholesale clients on certain conditions. The Fulcrum Fund Manager and its representatives are regulated by the Financial Conduct Authority under UK laws and those laws may differ from Australian laws.

The Fulcrum Fund Manager is a 'limited liability partnership' which was incorporated on 22 December 2003. On 14 April 2004, it was approved and regulated by the Financial Conduct Authority (previously the Financial Services Authority) for the provision of investment management services.

Under the investment management agreement between the Fulcrum Fund Manager and EQT, EQT can terminate the Fulcrum Fund Manager's appointment where the Fulcrum Fund Manager becomes insolvent, materially breaches the agreement, ceases to carry on its business or in other circumstances. In the event that EQT terminates the Fulcrum Fund Manager following one of these events, the Fulcrum Fund Manager's appointment would cease upon any termination date specified in the notice, and the Fulcrum Fund Manager would be entitled to receive fees in accordance with the agreement until the effective date of termination.

Distributor

The Fulcrum Fund Manager has appointed Ambassador Funds Management Services Pty Ltd (Ambassador) as the sole distributor of its products in Australia and New Zealand. Ambassador is an independent funds management marketing, sales and client servicing company operating primarily in the Australian and New Zealand institutional markets.

Ambassador has offices in Sydney and Melbourne and operates under its own Australian financial services licence (AFSL).

Custodian and administrator

J.P. Morgan Chase Bank, N.A. (Sydney Branch) is the Fulcrum Fund Administrator and Fund Custodian and provides certain custodial, administrative, accounting, registry and transfer agency services for the Fulcrum Fund. The Fulcrum Fund Administrator has been appointed to provide these services under an administration agreement with EQT. The Fulcrum Fund Administrator has no direct relationship with investors.

The Fulcrum Fund Custodian has no supervisory role in relation to the operation of the Fulcrum Fund and is not responsible for protecting investor interests.

Fulcrum Investment Committee

The Investment Committee has ultimate responsibility for the Fulcrum Fund. The Investment Committee has an average of over 20 years professional experience and is made up as follows:

- Gavyn Davies (Founding Partner, Chairman of Fulcrum, Chairman of the Investment Committee)
  - Founded Fulcrum in 2004
  - BBC, Chairman, 2001–2004
  - Goldman Sachs, Chief Economist, Managing Director then Partner, 1986–2001
  - Simon & Coates then Phillips & Drew, Economist, 1979–1986
  - Policy Unit at 10 Downing Street, Economic Policy Economist (1974) then adviser to the Prime Minister (1976–1979)
  - St John's College, Cambridge, then Research at Balliol College, Oxford, until 1974.
- Andrew Stevens (Founding Partner, Chief Executive, Chairman of the Risk Committee)
  - Founded Fulcrum in 2004
  - Goldman Sachs, Investment Management Executive Director, 1992–2004
  - Harvard Business School, MBA, 1990–1992
  - Burns Fry New York, Mergers & Acquisitions, Associate, 1988–1990
  - BA Finance, Georgetown University, 1984–1988.
- Suhail Shaikh, CFA (Partner, Chief investment Officer)
  - Joined Fulcrum in 2005
  - Goldman Sachs, Associate, Investment Strategy Group, 2002–2005
  - Goldman Sachs, Analyst, Global Equity then Global Fixed Income & Currency Asset Management 2000–2002
  - CFA Charterholder since 2003
  - BSc Management, London School of Economics & Political Sciences, 1997–2000.
- Andrew Bevan, PhD (Partner, Fixed Income Strategist)
  - Joined Fulcrum in 2006
  - Goldman Sachs, Managing Director, Head of Global Markets Research, 1994–2005
  - Bear Stearns, Managing Director, Head of Financial Analytics and Structured Transactions Group, 1990–1994
  - Reading University, First Class BA Economics – City University Business School, PhD International Monetary Economics, KCL, PhD Theology 1978, 1986, 2002.
- Nabeel Abdoula, CFA (Partner, Head of Discretionary Strategies)
  - Joined Fulcrum in 2011
  - Fulcrum Asset Management Multi Asset Strategies (2011–present)
  - Goldman Sachs, Investment Strategy Group (2007–2011)
  - Warwick University, BSc in Mathematics, Operational Research, Statistics and Economics (2003–2007)
  - CFA Charterholder since 2011.

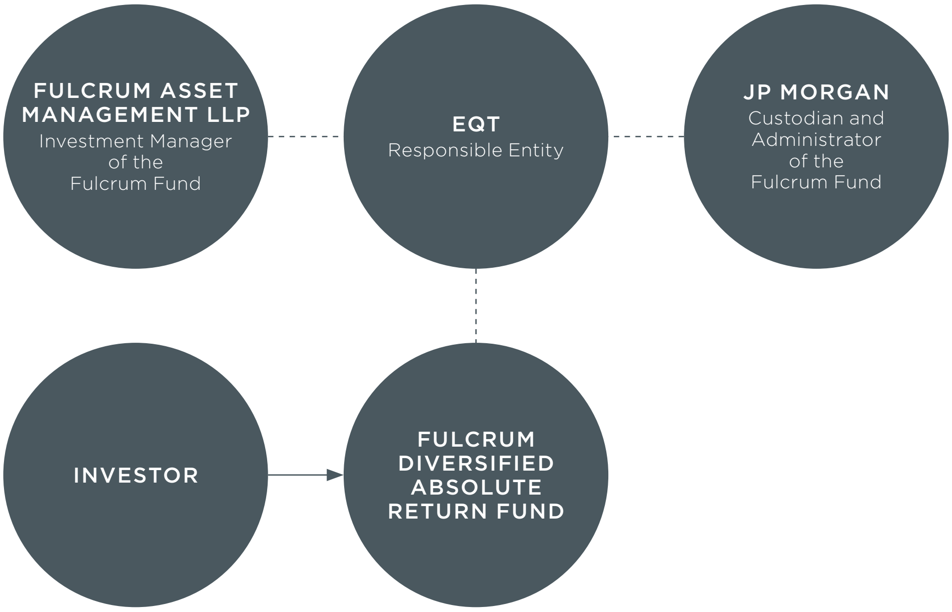
The individuals noted above are ultimately responsible for the oversight of the investment activities for the Fulcrum Fund and will devote a majority of their time on investment strategies applicable to the Fulcrum Fund. No specific individual within the Fulcrum group of entities (Fulcrum) or any of the specific individuals noted are required to devote any specific portion of their time exclusively to the Fulcrum Fund.

There have not been any significant adverse regulatory findings against Fulcrum or the individuals listed.

Fund structure

The Fulcrum Fund is an Australian unit trust registered under the Corporations Act as a managed investment scheme.

The diagram below summarises the Fulcrum Fund structure.



Service providers

EQT may appoint service providers to assist in the ongoing operation, management and administration of the Fulcrum Fund.

The key service providers to the Fulcrum Fund are:

- Investment manager – Fulcrum Asset Management LLP
- Distributor – Ambassador Funds Management Services Pty Ltd
- Administrator – JP Morgan (provides fund accounting and unit registry services in connection with the Fulcrum Fund)
- Custodian – JP Morgan (holds the assets of the Fulcrum Fund on behalf of EQT).

The service providers engaged by EQT may change without notice to investors. EQT as responsible entity of the Fulcrum Fund has entered into service agreements with the service providers and will, with the assistance of the Fulcrum Fund Manager, regularly monitor the performance of the service providers against service standards set out in the relevant agreements.

Valuation, location and custody of assets

JP Morgan is the Fulcrum Fund Administrator and Custodian, and provides custodial and transfer agency services. JP Morgan will value all the Fulcrum Fund's assets independently and follow its own procedures for pricing and utilise its own database of market data, independent market data vendors and industry standard pricing models for verification and comparison which are comprised of direct exchange prices, broker/dealer pricing and counterparty valuation statements. Due to the listed nature of the instruments traded across the Fulcrum Fund Manager's fund range the vast majority of prices can be taken direct from third party market vendors.

The Fulcrum Fund Manager is not involved in the pricing of any instruments within the Fulcrum Fund. As part of an internal control function, the Fulcrum Fund Manager's operations team will analyse the respective prices and valuations provided by the Fulcrum Fund Administrator to calculate the NAV and will independently reconcile these versus its own internal books and records using internal tolerance thresholds. Internal prices are sourced primarily from Bloomberg. Any outliers are fully investigated and justified before the Fulcrum Fund Manager gives its confirmation of the Fulcrum Fund Administrator's calculation of the NAV. The Fulcrum Fund Manager cannot and does not alter the NAV.

The Fulcrum Fund invests globally in highly liquid instruments, seeking out the most cost-effective of the available implementation options. The investment universe includes global equities, global bonds (government securities and credit), commodities, currencies and liquid hedge fund strategies. Illiquid strategies, such as real estate and private equity, are excluded from the portfolio.

The custodial arrangements in respect of various asset classes are described in Table 4.

Table 4

Asset Class	Responsible Custodian	Location of Custodian	Assets as a proportion of Net Asset Value of the Fulcrum Fund
International listed equities	J.P. Morgan	Australia	0–60%
International government bonds	J.P. Morgan	Australia	0–100%
Exchange-traded derivatives	J.P. Morgan	UK	0–100%
OTC derivatives	J.P. Morgan/Barclays	UK	0–40%
Cash equivalent investments	J.P. Morgan	Australia	0–10% (excluding margin requirements)
Other (Fulcrum Fund Holdings)	J.P. Morgan	Luxembourg	0–100%

Net Asset Value (NAV)

Whilst the Fulcrum Fund may use the latest available published price in respect of each investment in order to calculate the NAV, it reserves the right to use more recent valuations where this is considered appropriate. Such valuations may be based on an estimate of a more recent price of any unit or share in an underlying investment fund or other collective investment undertaking in which the Fulcrum Fund invests obtained from or calculated on the basis of more recent information received from the underlying fund or undertaking or any of its service providers or agents.

Unit prices

The value of the investments of the Fulcrum Fund is generally determined daily.

The value of a unit in the Fulcrum Fund is determined on the basis of the value of the investments in the Fulcrum Fund (after taking into account any liabilities of the Fulcrum Fund), in accordance with the constitution of the Fulcrum Fund. For example, the application price of a unit in the Fulcrum Fund is based on the NAV of the Fulcrum Fund divided by the number of units on issue plus an allowance for transaction costs required for buying investments. This allowance is known as the buy spread.

At the date of this document, there is no buy spread. The buy/sell spread will be reviewed on a regular basis and may change as a result of the investment strategy of the Fulcrum Fund. The responsible entity has the discretion to change the buy/sell spread without providing notice. You can view the current buy/sell spread at eqt.com.au/insto

Liquidity

The Fulcrum Fund invests predominantly in liquid assets and is expected to be liquid for the purposes of the Corporations Act.

EQT considers that the Fulcrum Fund meets and will continue to meet the requirements for liquidity under the Corporations Act and the ASIC Disclosure Principles in RG240. It is unlikely that liquidity issues will result from withdrawal requests. Generally, it is the Fulcrum Fund Manager's policy to ensure that the Fulcrum Fund remains liquid as the size of the Fulcrum Fund grows.

Leverage

The strategy does not borrow money, but can be leveraged implicitly through the use of derivatives (including exchange traded futures and options as well as non-exchange traded (OTC) options, forwards and swaps). Gross leverage is defined as the sum of the absolute values of all net portfolio positions (expressed as a percentage of NAV) following the ASIC definition in RG240. It is not anticipated that gross leverage will exceed 500%, while net leverage, defined as total long positions minus total short positions will normally range between 80% and 200%.

Leverage is used to reduce the volatility of the strategy by hedging certain risk exposures. In addition it is used to obtain cost efficient market exposure, for example by adding or reducing equity exposures for short periods and to express relative value trades within equities, fixed income, commodities and currencies.

The use of derivatives may cause the nominal exposure of the Fulcrum Fund to be routinely in excess of 100% of the value of the assets. Leverage can increase the volatility of the Fulcrum Fund and thereby increase gains and losses from the underlying investment. The value and liabilities associated with such strategies can be more variable than regular investments and there may be greater exposure to possible losses.

The impact of maximum levels of leverage, all other factors being equal, are shown in the table below.

Table 5

Investment return no leverage % pa	Return on investment of $1,000,000	Investment return (%) maximum leverage 500%	Return on investment of $1,000,000
-2	-$20,000	-10	-$100,000
0	$0	0	$0
+2	+$20,000	+10	$100,000

Collateral posted with counterparties is managed on a daily basis by assessing the required degree of collateralisation versus what has been posted. Excess collateral over a tolerance level will be recalled. The remaining collateral will be encumbered. Collateral will be posted in cash or bills subject to title transfer. If a bank or institution with which the Fulcrum Fund's client money is held becomes insolvent, there is a risk of loss of some or all of such money (subject to any deposit protection schemes that may apply) as well as a risk that it may not be possible to set off amounts held by such approved bank or institution against amounts owed by the Fulcrum Fund to the derivative counterparty.

The Fulcrum Fund Manager favours the largest most creditworthy counterparties. They are selected on the basis of their financial standing, pricing, technical ability and client service. This decision is monitored on an ongoing basis. A number of indicators of credit strength are reviewed as part of the decision making process in transacting with counterparties.

Derivatives

The Fulcrum Fund may use futures, options, swaps, forwards and other derivative instruments for investment purposes and for the purposes of hedging against either price or currency fluctuations. The ability to use such strategies may be limited by market conditions, regulatory limits and tax considerations.

For derivative instruments other than purchased options, any loss suffered may exceed the amount of the initial investment made or the premium received by the Fulcrum Fund. OTC derivative instruments involve an increased risk that the counterparty will fail to perform its contractual obligations. If the Fulcrum Fund enters into a transaction in OTC markets, it is exposed to the credit of its counterparties, and their ability to satisfy the terms of such contracts. For example, the Fulcrum Fund may enter into agreements, or use other derivative techniques, each of which expose it to the risk that the counterparty may default on its obligations to perform under the relevant contract. In the event of bankruptcy, or insolvency of a counterparty the Fulcrum Fund could experience delays in liquidating the position and significant losses, including declines in the value of its investment during the period in which the Fulcrum Fund seeks to enforce its rights, inability to realise any gains on its investment during such a period and fees and expenses incurred in enforcing its rights. There is also a possibility that the above-mentioned agreements and derivative techniques are terminated due, for instance, to bankruptcy, supervening illegality or change of tax or accounting laws relative to those at the time the agreement was originated. In such circumstances investors may be unable to recover any losses incurred.

Short-selling

The Fulcrum Fund does not use the investment technique short-selling of equities. Short positions may be obtained through derivatives as described above.

4. Risks of investing

Risks of investing specific to the Fulcrum Fund are described below.

General risks associated with investing in hedge funds are described in section 5 of this PDS.

Risks specific to the Fulcrum Fund

An investment in the Fulcrum Fund contains risks and neither the performance of the Fulcrum Fund nor the security of an investment is guaranteed by EQT or the Fulcrum Fund Manager. Investments in the Fulcrum Fund are generally subject to risks, including possible delays in the payment of withdrawal proceeds and loss of income and/or capital. The following discussion of certain risk factors does not purport to be an exhaustive list or a complete explanation of all the risks involved in an investment in the Fulcrum Fund.

Currency risk

Information about this risk is provided in section 5 of this PDS.

Derivatives risk

The Fulcrum Fund may use futures, options, swaps, forwards and other derivative instruments for investment purposes and for the purposes of hedging against either price or currency fluctuations. The Fulcrum Fund Manager's ability to use such strategies may be limited by market conditions, regulatory limits and tax considerations.

Use of derivatives involves certain special risks, including:

a) imperfect correlation between movements in the securities or currency on which a futures or options contract is based and movements in the securities or currencies in the Fulcrum Fund
b) the absence of a liquid market for any particular instrument at any particular time
c) while the Fulcrum Fund will not be geared excessively through the use of derivatives, the degree of leverage inherent in futures trading (that is, the low margin deposits normally required in futures trading means that futures trading may be highly leveraged), and accordingly, a relatively small price movement in a futures contract may result in an immediate and substantial loss to the Fulcrum Fund
d) possible impediments to the ability to meet redemption requests or other short-term obligations because of the percentage of the Fulcrum Fund's assets segregated to cover its obligations. Hedging strategies necessarily add costs to the Fulcrum Fund.

For derivative instruments other than purchased options, any loss suffered may exceed the amount of the initial investment made or the premium received by the Fulcrum Fund. OTC derivative instruments involve an additional risk that the counterparty will fail to perform its contractual obligations. If the Fulcrum Fund enters into a transaction in OTC markets, the Fulcrum Fund is exposed to the credit of its counterparties, and their ability to satisfy the terms of such contracts. For example, the Fulcrum Fund may enter into agreements, or use other derivative techniques, each of which exposes the Fulcrum Fund to the risk that the counterparty may default on its obligations to perform under the relevant contract. In the event of bankruptcy, or insolvency of a counterparty, the Fulcrum Fund could experience delays in liquidating the position and significant losses, including declines in the value of its investment during the period in which the Fulcrum Fund seeks to enforce its rights, inability to realise any gains on its investment during such a period and fees and expenses incurred in enforcing its rights. There is also a possibility that the above-mentioned agreements and derivative techniques are terminated due, for instance, to bankruptcy, supervening illegality or change of tax or accounting laws relative to those at the time the agreement was originated. In such circumstances investors may be unable to recover any losses incurred.

Some derivative instruments are not readily marketable or may become illiquid under adverse market conditions. In addition, during periods of market volatility, a commodity exchange may suspend or limit trading in an exchange-traded derivative instrument which may make the contract temporarily illiquid and difficult to price. Commodity exchanges may also establish daily limits on the amount that the price of a futures contract or an option thereon can vary from the previous day's settlement price. Once the daily limit is exceeded, no trades may be made that day at a price beyond the limit. This may prevent the Fulcrum Fund from closing out positions and limiting its losses.

Emerging markets risk

Investment in emerging markets carries a higher risk than investing in mature markets. This is mainly because of the volatility of the markets and local regulations, and custody and registration arrangements, which may be less developed than in more mature markets.

Fixed interest securities risk

Fixed interest securities are particularly affected by trends in interest rates and inflation. If interest rates increase, capital values may fall and vice versa. Inflation will erode the real value of capital. In addition, companies may not be able to honour repayment on bonds they issue.

Foreign exchange risk

The NAV of the Fulcrum Fund will be computed in the base currency whereas the investments held for the account of the Fulcrum Fund may be acquired in other currencies. The Fulcrum Fund's NAV may change significantly when the currencies other than the base currency in which some of the Fulcrum Fund's investments are denominated strengthen or weaken against the base currency. Currency exchange rates generally are determined by supply and demand in the foreign exchange markets and the perceived relative merits of investments in different countries. Currency exchange rates can also be affected unpredictably by intervention by government or central banks or by currency controls or political developments.

In addition currency hedging transactions, while potentially reducing the currency risks to which the Fulcrum Fund would otherwise be exposed, involve certain other risks, including the risk of a default by a counterparty. In addition, where the Fulcrum Fund enters into 'cross-hedging' transactions (e.g. utilising a currency different from the currency in which the security being hedged is denominated), the Fulcrum Fund will be exposed to the risk that changes in the value of the currency used to hedge will not correlate with changes in the value of the currency in which the securities are denominated, which could result in loss on both the hedging transaction and the Fulcrum Fund securities.

Forward currency contracts and currency futures involve the possibility that the market for them may be limited with respect to certain currencies and, upon a contract's maturity, the possible inability to negotiate with the dealer to enter into an offsetting transaction. There is no assurance that an active forward currency contract market will always exist. These factors restrict the ability to hedge against the risk of devaluation of currencies in which a substantial quantity of securities are being held for the Fulcrum Fund and are unrelated to the qualitative rating that may be assigned to any particular security.

International investing

Information about this risk is provided in section 5 of this PDS.

Legal risk

There is a risk that laws, including tax laws, might change or become difficult to enforce.

Liquidity risk

Information about this risk is provided in section 5 of this PDS.

Market risk

Investors should be aware that there are risks inherent in the holding of securities, including:

- an investment may fall in value due to changes in market sentiment or economic, technological, political or legal conditions
- past performance is no guide to the future (the value of units, and any income from them, can go down as well as up, particularly in the short term, meaning that an investment may not be returned in full)
- the tax treatment of the Fulcrum Fund may change and such changes cannot be foreseen
- where regular investments are made with the intention of achieving a specific capital sum in the future, this will normally be subject to maintaining a specified level of investment.

Portfolio turnover risk

The Fulcrum Fund does not intend to trade, directly or indirectly, portfolio securities for the purpose of realising short-term profits. However, the Fulcrum Fund Manager will adjust the Fulcrum Fund's portfolio as considered advisable in view of prevailing or anticipated market conditions and the Fulcrum Fund's investment objective, and there is no limitation on the length of time securities must be held, directly or indirectly, by the Fulcrum Fund prior to being sold. Portfolio turnover rate will not be a limiting factor and will vary from year to year. Higher portfolio turnover rates involve correspondingly higher transaction costs, which are borne directly or indirectly by the Fulcrum Fund. In addition, the Fulcrum Fund may realise significant short-term and long-term capital gains.

2.3 GMO SYSTEMATIC GLOBAL MACRO TRUST

1. The GMO Fund

GMO Systematic Global Macro Trust ARSN 090 799 385 (referred to as 'the GMO Fund' for the purposes of this section).

Responsible entity

GMO Australia Limited (GMO Australia) is the responsible entity of the GMO Fund and is responsible for overseeing the operations of the GMO Fund.

GMO Australia is wholly owned by GMO Australasia LLC which in turn is wholly owned by Grantham, Mayo, Van Otterloo & Co. LLC (GMO). Neither GMO Australia, GMO, nor any of their affiliates guarantee the performance of the GMO Fund or the return of unit holders' capital.

GMO Fund website

gmo.com

PDS

The GMO Fund's PDS is available online at gmo.com/asia/product-index-page/alternatives/systematic-global-macro-strategy/systematic-global-macro-trust---sgmt/?accept=Funds. You should refer to the PDS for full information about the GMO Fund.

2. Benchmarks

Valuation of assets

This benchmark requires the responsible entity to have and implement a policy that requires the valuation of the GMO Fund's assets that are not exchange traded to be provided by an independent administrator or an independent valuation service provider.

This benchmark is met. The GMO Fund's non-exchange traded assets are valued by State Street Australia Limited (SSAL), an independent valuation service provider.

Periodic reporting

This benchmark requires the responsible entity to have and implement a policy to report on specific information on an annual or monthly basis.

This benchmark is not fully met. GMO Australia provides the following reports:

- monthly and quarterly reports reviewing the operation of the GMO Fund
- an annual report for the GMO Fund which includes the annual audited accounts and independent audit report of the GMO Fund.

The reporting by GMO meets all aspects of the ASIC monthly reporting benchmark, and some but not all aspects of the ASIC annual reporting benchmark.

In particular, reporting for the GMO Fund does not include the liquidity profile of the GMO Fund's assets, the maturity profile of the GMO Fund's assets, or the GMO Fund's leverage ratio. However, information on those aspects of the ASIC annual reporting benchmark may be ascertained from the annual report of the GMO Fund. In addition, reporting for the GMO Fund does not include information regarding the specific derivative counterparties engaged by the GMO Fund because GMO considers that this information is commercially sensitive.

To obtain reports for the GMO Fund, contact the GMO Fund directly (refer to the GMO Fund website for contact details). We will also provide this information on request.

3. Disclosure Principles

Investment strategy

The GMO Fund's investment objective is long-term total return. The GMO Fund plans to pursue its investment objective by taking long and short positions in a range of global equity, bond, commodity and currency markets using exchange traded futures, forward foreign exchange contracts as well as swaps on commodity indices and other investments. Investments held by the GMO Fund are global in nature and may be denominated in a number of currencies.

The GMO Fund seeks annualised returns of 10% (gross of fees) above the Bloomberg Ausbond Bank Bill Index with annualised volatility (standard deviation) of approximately 10–15% per annum, each over a complete market cycle.

The GMO Fund seeks to take advantage of GMO Australia's proprietary investment models for global tactical asset allocation and equity, bond, currency and commodity market selection. GMO Australia's models for this systematic process are based on the following strategies:

- Value-Based Strategies – Value factors compare the price of an asset class or market to an economic fundamental value. Generally, value-based strategies use yield and mean reversion factors.
- Sentiment-Based Strategies – Generally, sentiment-based strategies assess price-based momentum factors and non-price based factors such as economic trends, fundamental trends and investor positioning.

The portfolio is constructed through a proprietary optimisation process that seeks to maximise expected returns while controlling for risk. The portfolio construction process attempts to manage risk through various processes including:

- diversification across a broad investment universe
- taking positions that reflect GMO Australia's view of the opportunity to add value and where GMO believes it has skill
- monitoring market conditions.

In implementing the GMO Fund's investment strategy, GMO Australia seeks to take risk positions that, in GMO Australia's view, are proportionate to the return opportunities. As a result, during time periods when GMO Australia believes the return opportunities are high relative to the risks involved, the GMO Fund may take more risk relative to the GMO Fund's benchmark. Conversely, during time periods when GMO Australia believes the return opportunities are low relative to the risks involved, the GMO Fund may take less risk (or no risk) relative to the GMO Fund's benchmark.

GMO Australia may eliminate strategies, add new strategies or cause the GMO Fund to take positions that deviate from GMO Australia's investment models in response to additional research, changing market conditions, or other factors. The factors GMO Australia considers and investment methods GMO Australia uses can change over time.

GMO Australia may change the investment objective, investment strategy, authorised investments and asset allocation and the other investment information at any time. Refer to the GMO Fund's PDS for more information.

Authorised investments and asset allocation

The GMO Fund's constitution authorises GMO Australia to invest in a wide range of investments.

The GMO Fund normally invests in cash, cash equivalents and fixed income securities with a maturity of two years or less and then uses derivatives to gain active exposure to markets.

The GMO Fund will typically obtain active exposure to global equity, bond, commodity and currency markets through the use of exchange traded futures, forward foreign exchange contracts, swaps, options and other derivatives. The GMO Fund may also hold exchange traded funds (ETFs) and other funds.

The GMO Fund generally expects to apply the following ranges to active exposures in the management of its portfolio:

- exposure (as determined by GMO Australia) to a single asset class (e.g. shares, bonds, commodities) will be between -100% and +100% of the GMO Fund's net asset value
- exposure (as determined by GMO Australia) to a single asset other than Volatility Index (VIX) futures (e.g. any single futures contract) will be between -50% and +50% of the GMO Fund's net asset value
- exposure to VIX futures will be between -10% and +20% of the GMO Fund's net asset value.

The GMO Fund will generally be managed within these ranges, although the GMO Fund may be outside of these ranges for short periods of time. These ranges do not apply to the GMO Fund's investments in cash, cash equivalents and fixed income securities.

These ranges have been formulated with the aim of limiting the absolute risk of the GMO Fund while providing enough scope for the GMO Fund to meet its targeted return and risk objectives.

The GMO Fund may employ leverage, which tends to amplify risks and also entails special, additional risks (see '6. Leverage' in this section).

Further information about the GMO Fund's investment strategy, including the GMO Fund's investment objective, is provided on the GMO Fund's website.

Investment manager

GMO Australia acts as investment manager of the GMO Fund and has delegated some investment management functions to GMO. GMO's appointment may be terminated upon GMO Australia giving not less than five business days written notice, or immediately if certain events occur (for example, if GMO goes into receivership, administration or liquidation).

Management of the GMO Fund is the responsibility of the investment professionals in GMO's Systematic Global Macro Division (Division). The Division's focus is the management of portfolios, including the GMO Fund, utilising GMO's Systematic Global Macro process.

Jason Halliwell is the Head of the Division. Mr Halliwell has been responsible for overseeing the portfolio management of GMO's Systematic Global Macro portfolios since 1999. Mr Halliwell has an honours degree in Commerce/Law from Queensland University and has completed postgraduate studies in Financial Mathematics at the University of Technology in Sydney. He is a CFA charter holder.

Sean Gleason is a portfolio manager for the Division. Mr Gleason joined GMO in 1999. Mr Gleason has a Master of Commerce and Bachelor of Science from the University of New South Wales. He is a CFA charter holder.

Jason Halliwell and Sean Gleason spend the majority of their working time in the investment management of the GMO Fund and other accounts utilising GMO's Systematic Global Macro strategy.

Further information about the members of the Systematic Global Macro Division is available on GMO's website.

Changes to Fund details

GMO Australia may change the investment objective, investment strategy, authorised investments and asset allocation and the other investment information in this section at any time. Unit holders will be notified about any material changes in accordance with the requirements under the Corporations Act. This may be after the change has occurred.

Fund structure

The GMO Fund is an Australian registered managed investment scheme. Investors' money is pooled together with other investors. GMO Australia and GMO use this money to buy and sell assets on behalf of all investors in the GMO Fund.

State Street Australia Limited (SSAL) acts as custodian and administrator to the GMO Fund. SSAL is responsible for performing the day-to-day administration of the GMO Fund and for providing Fund accounting and unit registry services, including the calculation of the GMO Fund's unit price. Assets of the GMO Fund will generally be held in the name of the custodian or its sub-custodians or the responsible entity. The role of the custodian is limited to holding assets of the GMO Fund and it has no supervisory role in relation to the operation of the GMO Fund. The custodian does not make investment decisions in respect of the assets held or manage those assets. There may be risks involved when holding assets through external service providers (see '4. Risk of investing' of this section).

GMO Australia regularly monitors the performance of SSAL against the documented service level agreements. GMO Australia has agreements in place with the other service providers to the GMO Fund and has systems in place to regularly monitor the performance and services provided.

PricewaterhouseCoopers acts as auditor to the GMO Fund. The GMO Fund does not use a prime broker.

The diagram on the right shows the flow of investment money through the structure.

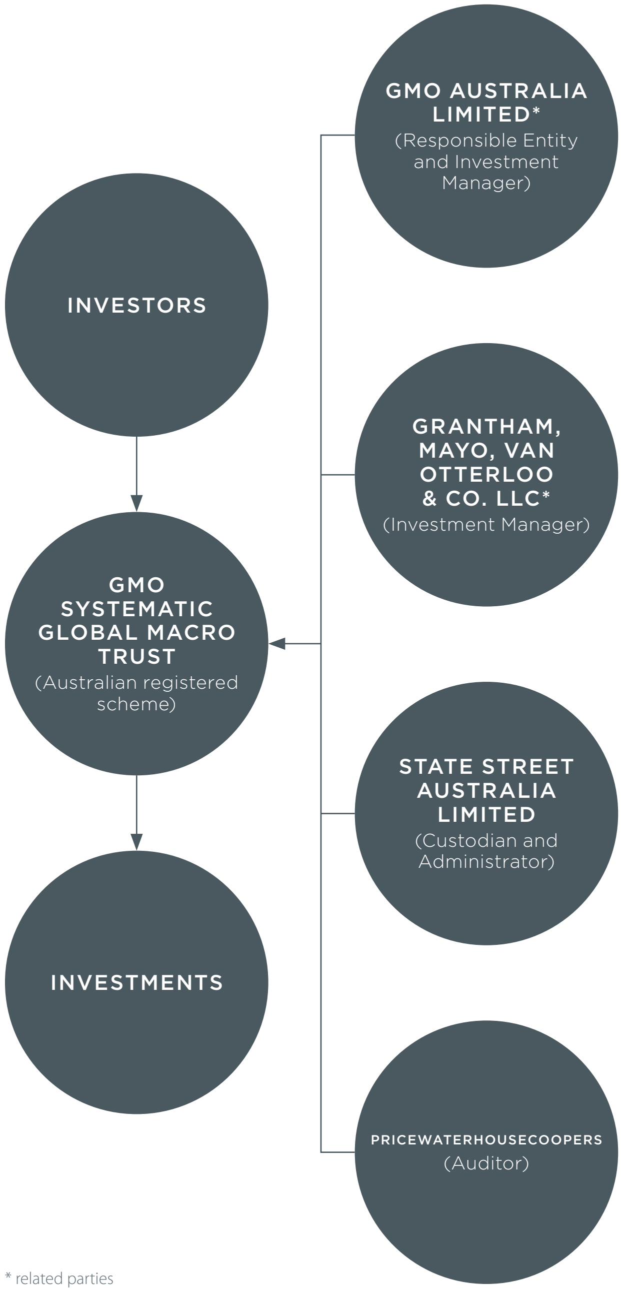
The GMO Fund invests in the underlying assets, which utilise leverage. For every $1.00 invested in the GMO Fund, the GMO Fund may gain exposure to the price movements of up to $4.00 worth of assets. This is possible because the GMO Fund holds underlying assets including exchange traded futures, foreign exchange contracts, swaps, options and other derivative instruments, which require deposits of only a portion of the value of the underlying assets.

Valuation, location and custody of assets

The value of the assets and liabilities of the GMO Fund will be calculated by SSAL in accordance with pricing methodologies agreed with the GMO Fund. These agreed pricing methodologies provide that:

- exchange traded futures and other derivatives are valued by reference to the settlement price quoted by the relevant exchange
- over the counter (OTC) derivatives, including foreign currency forward contracts, are valued in accordance with third party valuations
- unlisted investments, such as unlisted managed investment schemes, are valued using the net asset value price most recently quoted by the issuer/sponsor
- fixed income securities are valued at the bid price supplied by a relevant pricing source
- cash is valued at the amount of the cash deposit.

The GMO Fund's constitution authorises GMO Australia to invest in a wide range of investments. The GMO Fund will typically obtain exposure to global equity, bond, currency and commodity markets through the use of exchange traded futures, forward foreign exchange contracts, swaps, options and other derivatives. The GMO Fund may also hold cash, fixed income securities, ETFs and other funds.



* related parties

The GMO Fund typically holds the following investment types:

Investment type	Allocation range
Exchange traded derivatives	0–20%
OTC derivatives	0–20%
Cash equivalent instruments	60–100%

The GMO Fund's asset classes are global in nature and the GMO Fund has no particular policy about the geographic location of its assets. Most of the cash and cash equivalents are denominated in AUD and held in Australia. Generally the GMO Fund will hold a large proportion of its assets in cash deposits, held with one or more financial institutions, and fixed income securities (including Treasury Bills).

Some assets of the GMO Fund will be held in the name of the custodian or its sub-custodians. Other assets such as cash deposits and certain OTC derivatives may be held by GMO Australia on behalf of the GMO Fund. Such assets may represent a significant portion of the assets of the GMO Fund.

Liquidity

GMO Australia reasonably expects to realise at least 80% of the assets of the GMO Fund, at the value ascribed to those assets in calculating the GMO Fund's net asset value in normal market conditions, within 10 days. However, GMO Australia generally pays redemption proceeds within three New South Wales business days.

Leverage

The GMO Fund may use a high degree of leverage (with commensurate high risk) as part of its investment strategy.

Leverage primarily results from the GMO Fund's use of derivatives, for example from the GMO Fund's use of futures and forward contracts. Because many derivatives have a leverage component (that is, a notional value in excess of the assets needed to establish or maintain the derivative position), adverse changes in the value or level of the underlying asset, rate or index can result in a loss substantially greater than the amount invested in the derivative itself.

The GMO Fund may manage some of its derivative positions by offsetting derivatives positions against one another or against other assets. To the extent offsetting positions do not behave in relation to one another as expected, the GMO Fund may perform as if it were leveraged. The GMO Fund is not limited with respect to the extent to which derivatives may be used. Leverage may exaggerate the effect on net asset value of any increase or decrease in the market value of the GMO Fund's portfolio.

The use of leverage creates opportunities for greater total return but at the same time creates greater risks. While gains made with the use of leverage generally would cause the GMO Fund's net asset value to increase faster than without the use of leverage, losses made with the use of leverage generally would cause the GMO Fund's net asset value to decrease faster and more significantly than without the use of leverage. Such decrease in net asset value could be substantial.

The GMO Fund may create a charge or grant other security over its assets in connection with its derivatives transactions. In the event of a default by the GMO Fund under the derivatives transactions, the counterparty may seek to satisfy the debt owed to it and enforce its security by taking possession and/or disposing of the assets. Such enforcement may or may not involve the appointment of a receiver or equivalent person over the secured assets. In enforcing its security, the counterparty will typically not be subject to any duty to ensure that the assets of the GMO Fund remaining in its portfolio after such enforcement comply with the investment restrictions provided for in the GMO Fund's investment strategy.

Some of the GMO Fund's cash and cash type investments will be used to meet margin requirements for futures and collateral requirements for forward contracts and other derivatives.

The GMO Fund expects that the typical maximum gross leverage it will employ, calculated as the gross aggregate amount of its long and short positions, will be four times the net asset value of the GMO Fund (e.g. for every $1.00 of the GMO Fund's net asset value the GMO Fund may be leveraged to $4.00). However, this is an indicative level only, and the level of leverage that the GMO Fund may employ may vary significantly.

In addition, the GMO Fund generally expects to apply the following ranges to active exposures in the management of its portfolio:

- exposure to a single asset class (e.g. shares, bonds, commodities) will be between -100% and +100% of the GMO Fund's net asset value
- exposure to a single asset other than Volatility Index (VIX) futures (e.g. any single futures contract) will be between -50% and +50% of the GMO Fund's net asset value
- exposure to VIX futures will be between -10% and +20% of the GMO Fund's net asset value.

The GMO Fund will generally be managed within these ranges, although the GMO Fund may be outside of these ranges for short periods of time.

Example of the use of leverage

If the GMO Fund is leveraged from $1.00 to $4.00, a loss of 25% would be sufficient to reduce the $1.00 investment to zero.

Derivatives

The GMO Fund will use derivatives as part of its normal investment strategy.

The GMO Fund plans to pursue its investment objective by taking long and short positions in a range of global equity, bond, commodity and currency markets using exchange traded futures, forward foreign exchange contracts as well as swaps on commodity indices and other investments (including other derivatives).

Some detailed information regarding the GMO Fund's use of futures, forward contracts, currency transactions and commodities follows. Although currently the GMO Fund focuses its derivative use on these instruments the GMO Fund may also use a variety of other derivatives including swaps, options, contracts for difference and other derivatives.

Futures contracts

To the extent permitted by law, the GMO Fund is authorised to enter into futures contracts and may invest in futures contracts on, among other things, financial instruments (such as a government security or other fixed income security), individual equities (single stock futures), securities indices, interest rates, currencies, inflation indices, commodities and commodities indices. If the GMO Fund purchases a futures contract, it incurs an obligation to take delivery of a specified amount of the obligation underlying the futures contract at a specified time in the future for a specified price. If the GMO Fund sells a futures contract, it incurs an obligation to deliver a specified amount of the obligation underlying the futures contract at a specified time in the future for an agreed-upon price. The purchase and sale of futures contracts can be used for hedging purposes and also may be used for speculative purposes.

The GMO Fund may also invest in options on futures contracts, which give the purchaser the right, in return for the premium paid, to assume a long position (in the case of a call option) or a short position (in the case of a put option) in a futures contract at the option exercise price at any time during the period of the option (in the case of an American style option) or on the expiration date (in the case of a European style option).

The purchase or sale of a futures contract differs from the purchase or sale of a security or option in that no price or premium is paid or received. Instead, an amount of cash, government securities, or other liquid assets equal in value to a percentage of the face amount of the futures contract must be deposited with the broker. This amount is known as initial margin. The size of the initial margin is generally set by the market on which the contract is traded (margin requirements may vary depending on the relevant market). Subsequent payments to and from the broker, known as variation margin, are made on a daily basis as the price of the underlying futures contract fluctuates, making the long and short positions in the futures contract more or less valuable, a process known as 'marking to the market'. The GMO Fund is also required to deposit and maintain margin with respect to put and call options on futures contracts written by it, which requirements vary depending on the nature of the underlying futures contract, the current market value of the option and other futures positions held by the GMO Fund.

Prior to the settlement date of the futures contract, the position may be closed by taking an opposite position. A final determination of variation margin is then made, additional cash is required to be paid to or released by the broker, and the purchaser realises a loss or gain. In addition, a commission is paid to the broker on each completed purchase and sale.

Certain futures contracts are physically settled (that is, involve the making and taking of delivery of a specified amount of an underlying security or other asset). For instance, the sale of futures contracts on currencies or financial instruments creates an obligation of the seller to deliver a specified quantity of an underlying currency or financial instrument called for in the contract for a stated price at a specified time. Conversely, the purchase of such futures contracts creates an obligation of the purchaser to pay for and take delivery of the underlying currency or financial instrument called for in the contract for a stated price at a specified time. In some cases, the specific instruments delivered or taken, respectively, on the settlement date are not determined until on or near that date. That determination is made in accordance with the rules of the exchange on which the sale or purchase was made. Some futures contracts are cash settled (rather than physically settled), which means that the purchase price is subtracted from the current market value of the instrument and the net amount, if positive, is paid to the purchaser by the seller of the futures contract and, if negative, is paid by the purchaser to the seller of the futures contract. In particular, index futures are agreements pursuant to which two parties agree to take or make delivery of an amount of cash equal to the difference between the value of a securities index at the close of the last trading day of the contract and the price at which the index contract was originally written. Although the value of a securities index might be a function of the market value of certain specified securities, no physical delivery of these securities is made.

Although some futures contracts call for making or taking delivery of the underlying securities, currencies, commodities or other underlying instrument, in most cases futures contracts are closed before the settlement date without the making or taking of delivery by offsetting purchases or sales of matching futures contracts (that is, with the same exchange, underlying financial instrument, currency, commodity, or index, and delivery month). If the price of the initial sale exceeds the price of the offsetting purchase, the seller is paid the difference and realises a gain. Conversely, if the price of the offsetting purchase exceeds the purchase price, the seller realises a loss. Similarly, a purchase of a futures contract is closed by selling a corresponding futures contract. If the offsetting sale price exceeds the original purchase price, the purchaser realises a gain, and, if the original purchase price exceeds the offsetting sale price, the purchaser realises a loss. Any transaction costs must also be included in these calculations. Likewise, a position in an option on a futures contract may be terminated by the purchaser or seller prior to expiration by selling or purchasing an offsetting option of the same type (that is, the same exercise price and expiration date), with the difference between the premiums paid and received representing the GMO Fund's profit or loss on the transaction.

Forward contracts

The GMO Fund may use forward contracts. A forward contract is a contract to buy or sell an underlying security or currency at a pre-determined price on a specific future date. The initial terms of the contract are set so that the contract has no value at the outset. Forward prices are obtained by taking the spot price of a security or currency and adding to it the cost of carry. No money is transferred upon entering into a forward contract and the trade is delayed until the specified date when the underlying security or currency is exchanged for cash. Subsequently, as the price of the underlying security or currency moves, the value of the contract also changes, generally in the same direction.

Forward contracts have a number of similar characteristics and risks as futures contracts but there also are several differences. Forward contracts are not market traded, and are not necessarily marked to market on a daily basis. They settle only at the pre-determined settlement date. This can result in deviations between forward prices and futures prices, especially in circumstances where interest rates and futures prices are positively correlated. Second, in the absence of exchange trading and involvement of clearing houses, there are no standardised terms for forward contracts. Accordingly, the parties are free to establish such settlement times and underlying amounts of a security or currency as desirable, which may vary from the standardised provisions available through any futures contract. Finally, forward contracts, as two party obligations for which there is no secondary market, involve counterparty credit risk not present with futures.

Currency transactions

The GMO Fund may buy or sell currencies, or deal in forward currency contracts, currency futures contracts, swaps, swaptions and related options and options on currencies. The GMO Fund may use such currency instruments for any purpose, including for investment, hedging and/or currency risk management.

Commodities

The GMO Fund may invest in commodities and commodity-related instruments, including, by way of example and not of limitation, futures contracts, swaps, options, forward contracts, and structured notes, and equities, debt securities, convertible securities, and warrants of issuers in commodity-related industries. The GMO Fund does not expect to acquire physical commodities directly. Ordinarily, any commodity futures or options contracts and any other derivative instruments that call for physical delivery of the underlying commodity will be liquidated prior to delivery.

Derivative counterparties

The GMO Systematic Global Macro Division (Division) has discretion to select counterparties with which to transact and has the primary responsibility for managing the GMO Fund's counterparty risk. The Division weighs various factors in determining the risks associated with a particular counterparty, which may include credit quality, collateral arrangements and guarantees. The Division will diversify its counterparty credit exposure as it believes prudent under the circumstances, keeping in mind best execution considerations. While exposures to counterparties are actively monitored by the Division, there is not an explicit limit on the amount of exposure that the GMO Fund may have with any one counterparty.

See section 5 for information about derivative and counterparty risks.

Short-selling

The GMO Fund does not generally short-sell securities. However, the GMO Fund may use derivatives to take active short positions in asset classes as part of its normal investment strategy.

4. Risks of investing

Risks of investing specific to the GMO Fund are described below.

General risks associated with investing in hedge funds are described in section 5 of this PDS.

Risks specific to the GMO Fund

There is no guarantee that the GMO Fund will achieve its investment objective. The value of the investments of the GMO Fund will vary over time as will the level of returns of the GMO Fund. Future returns may differ from past returns. Returns are not guaranteed and unit holders may lose some of their money. In addition laws affecting registered managed investment schemes may change in the future and this may impact the GMO Fund's ability to achieve its investment objective.

An investment in the GMO Fund can be subject to investment risk, including possible delays in repayment and loss of income or principal invested. An investment in the GMO Fund is not a deposit or liability of GMO Australia, GMO or any of their affiliates and none of these entities stands behind or in any way guarantees the capital value and/or performance of units issued or the assets of the GMO Fund.

Some of the significant risks of the GMO Fund are summarised below. Other risks also apply.

Commodities Risk

Commodities prices can be extremely volatile and exposure to commodities can cause the price of the Fund's units to decline and fluctuate in a rapid and unpredictable manner.

Counterparty Risk

The Fund runs the risk that the counterparty to an over-the-counter ("OTC") derivatives contract will be unable or unwilling to make timely settlement payments or otherwise honour its obligations. The credit risk for exchange-traded derivatives is generally less than for OTC derivatives, since the clearinghouse, which is the issuer or counterparty to each exchange-traded derivative, provides additional protections in the event of non-performance by the counterparty. Sometimes the Fund may post or receive collateral related to changes in the market value of a derivative. In addition, the Fund may invest in derivatives that (i) do not require the counterparty to post collateral, (ii) require collateral but that do not provide for the Fund's security interest to be perfected, (iii) require significant upfront deposits unrelated to the derivatives' intrinsic value, or (iv) that do not require the collateral to be regularly marked-to-market (e.g., certain OTC derivatives). Even when obligations are required by contract to be collateralised, there is usually a lag between the day the collateral is called for and the day the Fund receives the collateral. When a counterparty's obligations are not fully secured by collateral, the Fund is exposed to the risk of having limited recourse if the counterparty defaults.

If a counterparty fails to meet its contractual obligations, goes bankrupt, or otherwise experiences a business interruption, the Fund could miss investment opportunities or otherwise be forced to hold investments it would prefer to sell, resulting in losses for the Fund. Counterparty risk is pronounced during unusually adverse market conditions and is particularly acute in environments in which financial services firms are exposed (as they were in 2008) to systemic risks of the type evidenced by the insolvency of Lehman Brothers and subsequent market disruptions. Certain markets in which the Fund may effect transactions are OTC or interdealer markets, and may also include unregulated private markets. The lack of a common clearing facility creates counterparty risk. The participants in such markets typically are not subject to the same level of credit evaluation and regulatory oversight as are members of exchange-based markets. This exposes the Fund to the risk that a counterparty will not settle a transaction in accordance with its terms and conditions because of a dispute over the terms of the contract (whether or not bona fide) or because of a credit or liquidity problem, thus causing the Fund to suffer a loss. Such "counterparty risk" is accentuated for contracts with longer maturities where events may intervene to prevent settlement, or where the Fund has concentrated its transactions with a single or small group of counterparties. The Fund may also be exposed to similar risks with respect to brokers in jurisdictions where there are delayed settlement periods.

There can be no assurance that a counterparty will be able or willing to satisfy its obligations to pay settlement payments or to otherwise meet its obligations, especially during unusually adverse market conditions. The Funds typically may only close out OTC transactions with the relevant counterparty, and may only transfer a position with the consent of the particular counterparty. When a counterparty's obligations are not fully secured by collateral, then the Fund is essentially an unsecured creditor of the counterparty. If the counterparty defaults, the Fund will have contractual remedies, but there is no assurance that a counterparty will be able to meet its obligations pursuant to such contracts or that, in the event of default, the Fund will succeed in enforcing contractual remedies. Counterparty risk still exists even if a counterparty's obligations are secured by collateral if the Fund's interest in collateral is not perfected or additional collateral is not promptly posted as required. Counterparty risk also may be more pronounced if a counterparty's obligations exceed the amount of collateral held by the Fund (if any), the Fund is unable to exercise its interest in collateral upon default by the counterparty, or the termination value of the instrument varies significantly from marked-to-market value of the instrument. To the extent the Fund allows any OTC derivative counterparty to retain possession of any collateral, the Fund may be treated as an unsecured creditor of such counterparty in the event of the counterparty's insolvency.

Due to the nature of the Fund's investments, the Fund may invest in derivatives and/or execute a significant portion of its transactions through a limited number of counterparties and events that affect the creditworthiness of any of those counterparties may have a pronounced effect on the Fund. Additionally, the Fund may be exposed to documentation risk, including the risk that the parties may disagree as to the proper interpretation of the terms of a contract. In addition, the creditworthiness of a counterparty can be expected to be adversely affected by greater than average volatility in the markets, even if the counterparty's net market exposure is small relative to its capital.

The Fund's investment manager evaluates the creditworthiness of the counterparties to the Fund's transactions or their guarantors at the time the Fund enters into a transaction. The Fund is not restricted from dealing with any particular counterparty or from concentrating any or all transactions with one counterparty. The ability of the Fund to transact business with any one of a number of counterparties, the lack of any meaningful and independent evaluation of such counterparties' financial capabilities and the absence of a regulated market to facilitate settlement may increase the potential for losses by the Fund.

Credit Risk

This is the risk that the issuer or guarantor of a fixed income investment or obligors of obligations underlying an asset-backed security will be unable or unwilling to satisfy their obligations to pay principal and interest or otherwise to honour their obligations in a timely manner. The market price of a fixed income investment will normally decline as a result of the issuer's, guarantor's, or obligors' failure to meet their payment obligations. Below investment grade investments have speculative characteristics, and negative changes in economic conditions or other circumstances are more likely to impair the ability of issuers of those investments to make principal and interest payments than is the case with issuers of investment grade investments. Credit risk arises from cash and cash equivalents held by the Funds with financial institutions. Credit risk also arises from the ability or willingness of underlying funds in which a Fund may invest to realise investments to meet redemptions made by the Fund. A Fund may also be indirectly exposed to the credit risk faced by such underlying funds.

Currency Risk

Fluctuations in exchange rates may adversely affect the market value of the Fund's investments and includes the risk that currencies in which the Fund's investments are traded, in which the Fund receives income and/or in which the Fund has taken on an active investment position will decline in value relative to other currencies, in the case of long positions, or increases in value relative to other currencies in the case of short positions, in each case resulting in a loss to the Fund.

Derivatives and Short Sales Risk

The use of derivatives involves the risk that their value may not change as expected relative to changes in the value of the relevant underlying assets, pool of assets, rates, currencies or indices. Derivatives also present other risks, including market risk, illiquidity risk, currency risk and counterparty risk. The Fund may create short investment exposure by selling securities short or by taking a derivative position in which the value of the derivative moves in the opposite direction from the price of an underlying asset, pool of assets, rate, currency, or index. In addition, the risks of loss associated with derivatives that provide short investment exposure and short sales of securities are theoretically unlimited.

Foreign Investment Risk

The market prices of many foreign investments (particularly in emerging markets) may fluctuate more than those of Australian investments. Foreign investment markets may be less stable, smaller, less liquid and less regulated than Australian investment markets, and the cost of trading in those markets often may be higher than in Australian markets. Foreign portfolio transactions (including derivatives transactions) may involve higher commission rates, transfer taxes, and custodial costs than similar transactions in Australia. A Fund may be subject to foreign taxes, potentially on a retroactive basis, on (i) capital gains it realises or dividends, interest or other amounts it realizes or accrues in respect of foreign investments, (ii) transactions in those investments and (iii) repatriation of proceeds generated from the sale or other disposition of those investments. Any taxes or other charges paid or incurred by a Fund in respect of its foreign investments will reduce its return thereon. The tax laws of some foreign jurisdictions in which a Fund may invest are unclear and interpretations of such laws can change over time, including on a retroactive basis. In such case, a Fund could potentially incur foreign taxes on a retroactive basis. Similarly, provisions in or official interpretations of the tax treaties with such foreign jurisdictions may change over time and such changes could impact a Fund's eligibility for treaty benefits, if any. A Fund may accrue for certain taxes in respect of its foreign investments that it may or may not ultimately pay. Such tax accruals will reduce a Fund's net asset value at the time accrued, even though in some cases, a Fund ultimately may not pay the related tax liabilities. Conversely, a Fund's net asset value will be increased by any tax accruals that are ultimately reversed.

In some cases, a Fund may seek to collect a refund in respect of taxes paid to a non-Australian country. In those cases, all or a portion of those taxes could ultimately be recovered. However, the recovery process could take several years and a Fund will incur expenses in its efforts to collect the refund, which will reduce the benefit of any recovery. A Fund's efforts to collect a refund may not be successful, in which case the Funds will have incurred additional expenses for no benefit. The decision to pursue a refund is GMO Australia's sole discretion and a Fund may not pursue a refund, even if it is entitled to one. The outcome of a Fund's pursuit of a refund is inherently unpredictable. Accordingly, a refund is not typically reflected in a Fund's net asset value until it is received or until GMO Australia is confident that the refund will be received. In some cases, the amount of refund could be material to a Fund's net asset value. Absent a determination that a refund is collectible and free from significant contingencies, a refund is not reflected in a Fund's net asset value.

Taxes on non-Australian interest and dividend income are generally withheld in accordance with the applicable country's tax treaty with Australia. For example, the foreign withholding rates applicable to a Fund's investments in certain jurisdictions may be higher if (among other factors) a significant portion of the relevant Fund is held by non-Australian unit holders.

Also, the Funds need a licence to invest directly in securities traded in many foreign securities markets, and the Funds are subject to the risk that they could not invest if any licence held on their behalf were terminated or suspended. In some foreign securities markets, prevailing custody and trade settlement practices (e.g., the requirement to pay for securities prior to receipt) expose the Funds to credit and other risks with respect to participating brokers, custodians, clearing banks or other clearing agents, escrow agents and issuers. Further, adverse changes in investment regulations, capital requirements or exchange controls could adversely affect the value of the Funds' investments.

These and other risks (e.g., nationalisation, expropriation, or other confiscation of assets of foreign issuers) tend to be greater for investments in the securities of companies tied economically to emerging markets, the economies of which may be predominantly based on only a few industries or dependent on revenues from particular commodities and which often are more volatile than the economies of developed markets.

Focused Investment Risk

Investments that are focused in a limited number of asset classes, countries, regions, sectors, currencies, industries or issuers that are subject to the same or similar risk factors or investments whose prices are closely correlated are subject to greater overall risk than investments that are more diversified or whose prices are not as closely correlated.

Fund of Funds Risk

The Fund is indirectly exposed to all of the risks of its investment in the underlying funds in which it invests, including the risk that those underlying funds (including ETFs) will not perform as expected.

Futures Contracts Risk

Investment in futures contracts involves risk. A purchase or sale of futures contracts may result in losses in excess of the amount invested in the futures contract.

There is no guarantee that the Fund will be able to enter into an offsetting closing transaction for a purchased or sold futures contract, by selling or purchasing, respectively, an instrument identical to the instrument purchased or sold. In addition, under certain circumstances, futures exchanges may establish daily limits on the amount that the price of a futures contract can vary from the previous day's settlement price, thereby effectively preventing liquidation of unfavorable positions. If the Fund is unable to liquidate a futures position due to the absence of a liquid secondary market or the imposition of price limits or other restrictions, it could incur substantial losses. Furthermore, the Fund would continue to be subject to market risk with respect to the position.

The low initial margin deposits normally required in futures trading permit an extremely high degree of leverage. Accordingly, a relatively small price movement in a futures contract can result in immediate and substantial losses. All participants in the futures markets are subject to margin deposit and maintenance requirements. Instead of meeting margin calls, investors may close futures contracts through offsetting transactions, which could distort normal correlations. The margin deposit requirements in the futures markets are less onerous than margin requirements in the securities market, allowing for more speculators who may cause temporary price distortions.

Risks Associated with Futures Brokers: The Funds will assume the credit risk associated with placing its cash, margin and securities with futures brokers, and the failure or bankruptcy of any of such brokers could have a material adverse impact on the Funds. To the extent that the Funds engage in futures and options contract trading and the futures commission merchants with whom the

Funds maintain accounts fail to so segregate the Fund's assets, the Funds will be subject to a risk of loss in the event of the bankruptcy of any of its futures commission merchants. If a futures broker of a Fund becomes bankrupt or insolvent, or otherwise defaults on its obligations to the Fund, the Fund may not receive all amounts owing to it in respect of its trading, despite the clearing house fully discharging all of its obligations. In the event of the bankruptcy of a futures broker, a Fund could be limited to recovering only a pro rata share of all available funds segregated on behalf of the futures broker's combined customer accounts. Also, in contrast to the treatment of margin provided for cleared derivatives, the futures broker does not typically notify the futures clearing house of the amount of margin provided by the futures broker to the futures clearing house that is attributable to each customer. Therefore, the Funds are subject to the risk that their margin will be used by the futures clearing house to satisfy the obligations of another customer of the Fund's futures broker. In addition, in the event of the bankruptcy or insolvency of a clearing house, a Fund might experience a loss of funds deposited through its futures broker as margin with the clearing house, a loss of unrealized profits on its open positions, and the loss of funds owed to it as realized profits on closed positions. Such a bankruptcy or insolvency might also cause a substantial delay before a Fund could obtain the return of funds owed to it by a futures broker who was a member of such clearing house. Furthermore, if a futures broker does not comply with the applicable regulations or its agreement with a Fund, or in the event of fraud or misappropriation of customer assets by a futures broker, a Fund could have only an unsecured creditor claim in an insolvency of the futures broker with respect to the margin held by the futures broker. The Fund may carry substantially all of its positions at a single broker, thereby increasing this credit risk.

Illiquidity Risk

Low trading volume, lack of a market maker, large position size, or legal or contractual restrictions (including daily price fluctuation limits or "circuit breakers") may limit, delay or prevent the Fund from selling particular securities or closing derivative positions at desirable prices. In addition, the Fund may buy securities that are less liquid than those in its benchmark.

Leveraging Risk

The Fund's use of reverse repurchase agreements and other derivatives and securities lending may cause its portfolio to be leveraged. Leverage increases the Fund's portfolio losses when the value of its investments decline.

Market Disruption and Geopolitical Risk

Geopolitical and other events may disrupt securities markets and adversely affect global economies and markets. Those events, as well as other changes in foreign and domestic economic and political conditions, could adversely affect the value of the Fund's investments.

Market Risk – Equity Securities

The market price of equity investments may decline due to factors affecting the issuer, their industries, or the economy and equity markets generally. If the Fund purchases equity investments for less than their fundamental fair (or intrinsic) value as assessed by GMO, the Fund runs the risk that the market prices of these equities will not appreciate or will decline due to GMO's incorrect assessment. The Fund also may purchase equity investments that typically trade at higher multiples of current earnings than other securities, and the market prices of these equities often are more sensitive to changes in future earnings expectations than the market price of equities trading at lower multiples. Declines in stock market prices generally are likely to reduce the net asset value of the Fund's units.

Market Risk – Fixed Income

The market price of a fixed income investment can decline due to a number of market- related factors, including rising interest rates and widening credit spreads, or decreased liquidity stemming from the market's uncertainty about the value of a fixed income investment (or class of fixed income investments).

Management and Operational Risk

The Funds run the risk that the investment manager's investment techniques will fail to produce desired results. The Fund's portfolio managers may use quantitative analyses and models as part of their investment process and in making investment decisions. The investment manager's models support portfolio decisions but may not accurately predict future market movements or characteristics. In addition, they are based on assumptions that may limit their effectiveness and they rely on data that is subject to limitations (e.g., inaccuracies, staleness). Any of those assumptions and/or limitations could adversely affect their predictive value. The usefulness of those models may be diminished by the faulty incorporation of mathematical models into computer code, by reliance on proprietary and third party technology that includes bugs or viruses, and by the retrieval of imperfect data for processing by the model. These aspects are present in the ordinary course of business and are more likely to occur at times of rapidly changing models. Any of these aspects could adversely affect the Funds' performance. The Funds also run the risk that the investment manager's fundamental assessment of an investment is wrong, or that deficiencies in the investment manager's or another service provider's internal systems or controls will cause losses for the Fund or impair Fund operations.

Large Unit Holder Risk

If a large number of units of the Fund are held by a single unit holder (e.g., an institutional investor or another GMO fund) or a group of unitholders with a common investment strategy, the Fund is subject to the risk that these investors will purchase, redeem, reallocate or rebalance their investments in large amounts and/ or on a frequent basis, resulting in substantial withdrawals from, or investments into, the Fund. A redemption by those unit holders of all or a large portion of the Fund's units may adversely affect the Fund's performance by forcing the Fund to sell securities potentially at disadvantageous prices to satisfy a redemption request. Redemptions of a large number of units also may increase transaction costs or, by necessitating a sale of portfolio investments, have adverse tax consequences for unit holders. Applications and redemptions of units by a large unit holder or a group of unit holders could limit the deductibility of certain losses (from an Australian tax perspective) that would otherwise reduce the Funds' taxable income. In such cases, unit holders may bear more taxes than would have otherwise been the case.

Service Provider Risk

The Funds rely on external service providers in connection with their operation and investment activities. This includes fund administration, custody and audit. There is a risk that these service providers may not meet their contractual obligations or seek to terminate their services to the Funds. In this situation, the Funds may be required to replace a service provider and this may lead to a disruption of their activities.

2.4 MAN AHL ALPHA (AUD)

1. The Man Fund

Man AHL Alpha (AUD) ARSN 138 643 768 (referred to as 'the Man Fund' for the purposes of this section).

Responsible entity

Man Investments Australia Limited ABN 47 002 747 480, AFSL 240 581.

Fund website

man.com

PDS

The Man Fund's PDS is available at man.com/products/man-ahl-alpha-aud-class-b#_product-documents. You should refer to the PDS for full information about the Man Fund.

RG240

RG240 Benchmarks and Disclosure Principles apply primarily to underlying hedge funds that are 'significant underlying funds' (that is, they account for 35% or more of a fund's assets). Different disclosure requirements apply to underlying hedge funds that are not significant underlying funds.

OnePath Alternatives Growth Fund invests in Man AHL Alpha (AUD), a hedge fund that is not considered a significant underlying fund for the purposes of RG240. The disclosure information relevant to Man AHL Alpha (AUD) under RG240 is set out below.

2. Fund strategy

The Man Fund aims to generate medium to long-term returns primarily by identifying and taking advantage of upward and downward price trends through a varied portfolio of investments which may include trading futures, options, forward contracts, contracts for difference, equities, debt, swaps and other derivatives, both on and off exchange, using AHL Alpha Program. Amounts not required for trading using the AHL Alpha Program are held in a cash deposit.

The Man Fund accesses the AHL Alpha Program by investing in Class D1 Sub-Class B AHL Alpha AUD Shares of AHL Strategies PCC Limited (the Man Underlying Fund), a company incorporated in Guernsey.

The Man Underlying Fund, in turn, invests in the shares of underlying investment vehicles (Underlying Vehicles) selected by the AHL Partners LLP. Refer to the Man Fund's PDS for further information.

The markets accessed by the AHL Alpha Program are global.

It is not expected that the Man Fund's strategy, as described above, will change.

Use of leverage

On a look through basis, the Man Fund's investments using the AHL Alpha Program use leverage. However, the Man Fund is not leveraged. For every $0.30 used, the Man Fund, using the AHL Alpha Program, aims to gain exposure to the price movements of $1.00 worth of assets. This is possible because the AHL Alpha Program involves trading in futures, options, forwards contracts, contracts for difference, swaps and other derivative instruments, both on and off exchange, which require deposits of only a portion of the value of the underlying assets.

3. Risks of investing

Risks of investing specific to the Man Fund are described in the Man Fund's PDS.

General risks associated with investing in hedge funds, including international investment risks, are described in section 5.

3. HOW THE FUND WORKS

3.1 FUND STRUCTURE

The Fund is a managed investment scheme registered with ASIC.

The Fund is structured as a 'fund of hedge funds' and invests in underlying wholesale hedge funds, which are also registered managed investment schemes (Underlying Funds).

The Fund's current Underlying Funds are:

- GMO Systematic Global Macro Trust (Global Macro);
- Bentham Syndicated Loan Fund (Alternative Credit);
- Fulcrum Diversified Absolute Return Fund (Multi-Strategy);
- Man AHL Alpha (AUD) Fund (Managed Futures).

Please refer to section 6 of this PDS for more information.

3.2 INVESTING IN THE FUND

Investments in the Fund may be made by investors (indirect investors) who wish to invest in, or via an Investor Directed Portfolio Service (IDPS), IDPS-like scheme, nominee or custody service or other portfolio service (together referred to as a master trust or wrap service).

We have consented to the use of this PDS by operators (Service Operators) of master trust or wrap services.

As an indirect investor, you do not acquire units in the Fund. Instead, your Service Operator acquires the units on your behalf. Accordingly, you may not have the same rights as a direct investor in the Fund.

Any minimum transaction amounts are determined by your Service Operator. You will need to complete the relevant application or additional application form available from your Service Operator. When your Service Operator arranges to make an initial or additional investment on your behalf, we will apply the unit price available on the day we receive your Service Operator's application (or the following business day if we receive the application after 12pm or on a day that is not a business day). Please refer to section 3.4 of this PDS for more information about unit pricing. Transaction costs may be incurred when your Service Operator acquires units on your behalf. Please refer to 'Transaction costs' in section 7 of this PDS for more information.

Application money is placed in an interest-bearing bank account until we process your Service Operator's application. Where processing is delayed, any interest earned on the account during this period will be retained by us and used to meet bank fees and other bank administrative costs we incur in operating the bank account.

3.2.1 Cooling-off period

Your Service Operator will advise you of any cooling-off rights you may have.

3.3 WITHDRAWALS FROM THE FUND

To withdraw from the Fund, you will need to complete the relevant form available from your Service Operator who will in turn make the request on your behalf. Withdrawal requests will normally be paid to your Service Operator within a specified time determined by us and your Service Operator.

When your Service Operator withdraws from the Fund on your behalf, we will apply the unit price available on the day we receive your Service Operator's request (or the following business day if we receive the request after 12pm or on a day that is not a business day). Transaction costs may also be incurred. Please refer to 'Transaction costs' in section 7 of this PDS for more information.

3.3.1 Suspensions and when the Fund becomes 'not liquid'

In certain circumstances, withdrawals from the Fund may be restricted. These circumstances include:

- where we are unable or it is impracticable for us to determine the value of units in the Fund because of certain events, including the closure of, or trading restrictions on, stock or securities exchanges, an emergency or other state of affairs
- where we believe that it would be in the best interests of the Fund's members to suspend withdrawals; or
- as permitted by relevant law.

In the rare event that the Fund becomes 'not liquid' (as that term is defined in the Corporations Act), your Service Operator may only withdraw from the Fund if we make a withdrawal offer in accordance with the procedures set out in the Corporations Act. We are not required to make such an offer. Any offer to withdraw will be made to your Service Operator.

We will notify your Service Operator of any decision to suspend the Fund or if the Fund becomes 'not liquid'.

Please refer to section 9.2 of this PDS for more information of our continuous disclosure notice requirements.

3.4 UNIT PRICING

Each unit has a unit price that is equal to the value of the proportion of all of the assets less liabilities (including fees) and provisions of the Fund, or attributable to each unit class, divided by the number of units held by investors in each unit class.
The unit price is generally calculated by us on each 'business day', being any day other than a Saturday or Sunday or public holiday in Sydney on which trading banks in Sydney are open for business. Generally, as the value of the Fund's assets rises and falls, so too does the unit price, and therefore the value of your investment.

The constitution for the Fund provides the basis upon which the Fund's assets are valued. The Fund's assets consist of units in Underlying Funds and cash. We value the units in the Fund based on information provided by the responsible entity or investment manager of each Underlying Fund in which the Fund invests.

Unit Pricing Permitted Discretions Policy

We have a unit pricing permitted discretions policy. It sets out how we will exercise discretions in relation to unit pricing. If we exercise a discretion that is not currently documented, or in a way that involves a departure from the documented policy that is current at the time of exercising the discretion, then we will prepare and record a written explanation as to how that discretion was exercised and why it was reasonable. You can obtain a copy of the current unit pricing permitted discretions policy free of charge by contacting Customer Services.

Accuracy of Unit Prices

We have processes in place to check the accuracy of unit prices. Sometimes unit prices may be found to be incorrect because of errors made in determining one or more components of the unit price. If your Service Operator transacted on an incorrect unit price, your account may require a correction.

We will provide compensation where the error causes a variance in the unit price which is greater than our predetermined threshold. The threshold varies depending on the asset class. Where the compensation amount is less than an amount determined by us (currently $20) and the investor entitled to the compensation has fully withdrawn from the Fund, the compensation will be contributed into the relevant Fund for the benefit of all investors rather than paid to the exited investor.

3.5 DISTRIBUTIONS

The Fund may receive distributions, interest and gains from the Underlying Funds. The Fund generally distributes quarterly after the end of March, June, September and December each year. The amount (if any) distributed to your Service Operator will be based on the number of units held at the end of each distribution period. Distributions may be comprised of income and/or capital and will normally be paid within 14 days after the end of a distribution period and must be paid within 90 days of that date.

Any distribution amount will normally vary depending on factors like market conditions, asset class and investment performance. As a result of these factors, there may be times when distributions are not made.

The distribution allocation reduces the Fund's assets. Accordingly, unit prices may fall after the end of the distribution period.

Any distributions will be made to your Service Operator and your Service Operator may in turn pay distributions to you at times that may vary from the above.

4. BENEFITS OF INVESTING IN THE FUND

The Fund offers you a range of benefits and features including:

- Potential for capital growth and income to help you meet your investment needs;
- Exposure to non-traditional sources of return;
- Access to proven fund manager skill and expertise; and
- Lower volatility of returns with potentially less downside risk than traditional equities.

Information about your investment in the Fund will be provided by your Service Operator. We will also provide reports on the Fund to your Service Operator who may use these reports to provide you with their own regular reporting. Your Service Operator should be your first point of reference for any investor queries.

5. RISKS TO CONSIDER

Risk and return usually go hand-in-hand. When investing, you need to consider the opportunities and subsequent risks associated with each investment to create an investment profile that suits your needs.

Generally speaking, the higher the potential return from an investment, the higher the risk associated with it. The more volatile investment funds, such as share funds, potentially offer greater returns and higher growth potential, but generally carry a higher risk than investing in cash or fixed interest funds.

The less volatile investment funds, such as cash funds, generally provide more secure and stable returns because your capital is less susceptible to risk and you may receive interest payments. However, the returns on these investments are not guaranteed (just as the returns from other types of investments are not guaranteed). The returns also may not keep pace with inflation.

This section highlights the significant risks of the Fund, but other factors can adversely affect the Fund. You should seek professional advice on the appropriateness of an investment in the Fund, having regard to your particular circumstances and financial objectives.

- **Market risk** – Markets can be volatile. Market risk is the risk that your investment may lose value due to fluctuations in market prices.
- **Interest rate risk** – The possibility that the value of your investment may fall due to fluctuations in interest rates.
- **Currency risk** – The Fund's underlying investments are expected to be denominated in currencies other than the Australian dollar. This means that their value in Australian dollars will be exposed to movements in foreign exchange. The Fund's performance may also be affected by the impact of changes in the prices of currencies on the value of foreign securities.

- **Inflation risk** – Inflation is the general increase in consumer prices. Inflation risk is the risk that the purchasing power of your capital and/or interest income may decrease over time due to inflation.
- **Business risk** – The risk that the value of an individual business or entity to which the investment fund has exposure may be negatively impacted due to factors such as poor management, lower consumer demand or declining market share.
- **Political or social risk** – The risk that changes in government policy, laws and regulations may adversely affect the investment fund's value, and/or tax treatment or the investment's ability to implement certain investment strategies. This also includes the risk that a political upheaval may adversely affect an investment to which the investment fund has exposure (although this is more likely to occur in relation to overseas investments).
- **Liquidity risk** – The Fund has exposure to alternative investments, including structured credit, private equity and infrastructure. Certain of the Fund's underlying investments may be difficult or impossible to sell due to factors specific to those investments, or due to prevailing market conditions. This means that sufficient assets may not be able to be realised and converted into cash to satisfy a withdrawal request of the Fund within the period specified in the Fund's constitution. This could result in delays in processing withdrawals, or even suspension of withdrawals.
- **Investment manager risk:** There is no guarantee that the Fund's Underlying Funds will achieve their performance objectives or produce positive returns. The investment managers of the Underlying Funds in which the Fund invests may change their investment strategy or internal investment policies, and this may not necessarily result in a positive outcome for the Fund.
- **Regulatory and legal risk:** Governments or regulators may pass laws, create policy, or implement regulation that affects the Fund or the underlying assets of the Fund. These changes may be specific to a country or region or be global or may impact on specific transaction types or markets.
- **Securities lending:** The managers of certain Underlying Funds may engage in the lending of securities to third parties for a fee. The lending is done through an appointed custodian who receives the fee and passes it on to the fund manager. This fee will be reflected in the unit price of the fund as revenue for that fund.

  The risk of securities lending is that the borrower or custodian is not able to return equivalent securities, in which case the investment fund could experience delays in recovering assets and in some cases may incur a capital loss. The risk of securities lending may be mitigated by ensuring the underlying investment funds lend to approved borrowers only, and by requiring the borrowers to provide sufficient collateral.
- **Short-selling:** The managers of certain Underlying Funds may use a strategy called short-selling which is the selling of stock which they do not hold. They may borrow securities and then sell them in anticipation of a fall in their price. If the price falls as expected then the fund manager may buy the securities back at a lower price and make a profit. The risk with this strategy is that the price of these securities may rise instead of fall and the fund manager will need to purchase the securities at a higher price than the price at which they were sold. As there is no limit to how high the price may rise, in theory the potential loss is uncapped. Managers using short-selling strategies typically closely monitor the positions and employ stop/loss techniques to manage these risks.
- **Long/short strategy:** The managers of certain Underlying Funds may adopt a long/short strategy. This means that a fund manager profits by short-selling when the value of securities is expected to decline (referred to as 'shorting' or 'going short'), while purchasing (or 'going long') securities that are expected to increase in value. By using such a strategy a fund manager can potentially make profits both in rising and falling markets. The risk is that they may short-sell securities that increase in value and purchase securities that fall in value. Going long is potentially a less risky strategy than going short. If a fund manager purchases securities, the lowest price to which they can fall is zero, providing a limit to the loss. When going short, however, the risk is that the price of the securities may increase and the fund manager will have to buy back at a higher price than the one at which they sold.

  As there is theoretically no limit to how high the price of a security can rise, the potential loss is unlimited.

  When short-selling, a fund manager may use a stop/loss order to reduce the risk of unlimited loss. For example, if the fund manager was to short-sell at $10 with the aim of buying back at $9 the fund manager would instruct a buyback at $11 so that if the price rises, the loss is limited to $1 per security.

  As part of a short-selling strategy, a fund manager may need to provide collateral to the securities lender in order to borrow the securities it sells short. There is a risk that this collateral may not be returned to the fund manager when requested.
- **Leverage risk:** The managers of certain Underlying Funds may use leverage to generate returns. Leveraging means borrowing money in order to invest a greater amount. Leveraging involves additional investment risks, as it increases the volatility of returns. While it magnifies potential gains, it may also magnify potential losses. Leveraged investments may significantly under perform equivalent non-leveraged investments when the underlying assets experience negative returns or 'bear' markets. In extreme market declines all capital could be lost.
- **Derivative risk:** The Underlying Funds may use derivatives to gain exposure to investment markets or to protect against changes in the values of the assets in which the Underlying Funds invest.

- Risks associated with using derivatives include:
  - **Variability of the market value:** Derivative market values can fluctuate significantly and, as a result, potential gains and losses can be magnified compared with investments that do not use derivatives.
  - **Potential illiquidity:** The value of derivatives may not move in the same direction as the value of the underlying financial product, which may result in an investment loss. In addition, may not be able to meet its financial obligations.
  - **Counterparty risk:** The other party in a derivative transaction may not be able to meet its financial obligations (please refer to 'Default risk' in this PDS for more information).
  - **Default risk:** Issuers of the investments to which the Fund has exposure and other entities upon which the Fund's investments depend, may default on their obligations, for instance by failing to make a payment when it becomes due or by failing to return capital. Counterparties to the Fund, including derivatives counterparties, may default on their contractual obligations.

    Default on the part of these entities could result in financial loss to the Fund.

6. HOW WE INVEST YOUR MONEY

6.1 THE FUND'S INVESTMENT STRATEGY

OnePath Alternatives Growth Fund – Fund information

Description

The Fund is suitable for investors seeking high total returns over a medium to long term period and who are prepared to accept higher variability of returns.

Investment objective

The Fund aims to produce a portfolio that seeks to outperform the Bloomberg AusBond Bank Bill Index.

Investment strategy

The Fund is a multi-manager solution that seeks to provide returns with low correlation to equity markets by investing in a portfolio of alternative investment strategies. The multi-manager portfolio is designed to deliver more consistent, and diversified sources of returns than would be achieved if investing with a single manager.

Commencement date

September 2010

Minimum time horizon

5 years

Investor profile

High Growth – High growth funds are more likely to suit investors who seek to maximise long-term returns and accept the possibility of greater volatility and short-term negative returns.

Standard Risk Measure

1	2	3	4	5	6	7
Very low	Low	Low to medium	Medium	Medium to high	High	Very high

Please refer to subsection 6.1.1 of this PDS for more information.

Asset allocation

Asset class	Benchmark (%)	Range (%)
Alternative assets*	100	80–100
Cash	0	0–20

Underlying funds are: GMO Systematic Global Macro Trust, Bentham Syndicated Loan Fund, Fulcrum Diversified Absolute Return Fund and Man AHL Alpha (AUD).

* Underlying funds may hold cash inside their portfolios.

6.1.1 Standard Risk Measure

The Fund has a risk level attached to it. The Fund's risk level is 'High'. The risk level indicates historically the number of negative annual returns over any 20 year period. The seven risk levels are:

Risk	Band	Risk Label Estimated number of negative annual returns over any twenty (20) year period
1	Very Low	Less than 0.5
2	Low	0.5 to less than 1
3	Low to Medium	1 to less that 2
4	Medium	2 to less than 3
5	Medium to High	3 to less than 4
6	High	4 to less than 6
7	Very High	6 or greater

The Standard Risk Measure is based on industry guidance to allow investors to compare investment options that are expected to deliver a similar number of negative annual returns over a 20 year period.

The Standard Risk Measure is not a complete assessment of all forms of investment risk. For instance, it does not detail the potential size of a negative return or that the potential for a positive return may still be less than an investor may require in order to meet their obligations. Further, it does not take into account the impact of administration fees and tax on the likelihood of a negative return.

Investors should still ensure they are comfortable with the risks and potential losses associated with the relevant Fund. For more information on Standard Risk Measure, please refer to onepath.com.au/superandinvestments

6.2 INVESTMENT PROCESS

OnePath adopts an active approach in the selection of the Underlying Funds on the basis of in-depth analysis and research. The OnePath investment team consists of experienced investment personnel who are responsible for undertaking comprehensive ongoing research to assess the quality of the Underlying Funds selected for investment by the Fund. The team is responsible for assessing whether each manager is able to meet the particular requirement set for the Fund. In forming this view, the team relies on input from various sources, including the Fund's external consultant(s).

6.2.1 Labour standards and environmental, social and ethical (ESG) considerations

We have a responsible investment framework which has been initially applied to listed equities, property and infrastructure asset classes. This is because methodologies and processes for evaluating ESG risks and opportunities are currently more developed in these asset classes than for fixed interest and alternative assets. Please refer to the Responsible Investment Framework on the OnePath website for further information.

6.3 CHANGING INVESTMENTS

We may change the Fund's investments, strategies, the investment manager(s), asset allocation(s) and ranges (including by adding or removing asset classes) at any time without giving prior notice. We will notify your Service Operator of any changes we consider to be material in accordance with our continuous disclosure obligations. Please refer to section 9.2 in this PDS for more information about our continuous disclosure obligations.

There is only one investment option for the Fund. Switching is not available. However, as your investment needs change, you may wish to transfer to another fund.

7. FEES AND OTHER COSTS

DID YOU KNOW?

Small differences in both investment performance and fees and costs can have a substantial impact on your long term returns.

For example, total annual fees and costs of 2% of your account balance rather than 1%, could reduce your final return by up to 20% over a 30 year period (for example, reduce it from $100,000 to $80,000). You should consider whether features such as superior investment performance or the provision of better member services justify higher fees and costs. You may be able to negotiate to pay lower contribution fees and management costs where applicable. Ask the fund or your financial adviser.

TO FIND OUT MORE

If you would like to find out more, or see the impact of the fees based on your own circumstances, the **Australian Securities and Investments Commission (ASIC)** website (www.moneysmart.gov.au) has a managed funds fee calculator to help you check out different fee options.

This document shows fees and other costs that you may be charged. These fees and costs may be deducted from your money, the returns on your investment or from the assets of the managed investment scheme as a whole.

Taxes are set out in another part of this document.

You should read all of the information about fees and other costs because it is important to understand their impact on your investment.

OnePath Alternatives Growth Fund

Type of fee or cost	Amount	How and When Paid
Fees when your money moves in or out of the managed investment product		
Establishment Fee The fee to open your investment	Nil	Not applicable
Contribution Fee The fee on each amount contributed to your investment by you	Nil	Not applicable
Withdrawal Fee The fee on each amount you take out of your investment	Nil	Not applicable
Exit Fee The fee to close your investment	Nil	Not applicable
Management Costs		
The fees and costs for managing your investments	Management fee*†‡ 1.30% p.a. of the value of your investment in the Fund plus	This fee is deducted from the assets of the Fund on a monthly basis and an accrued amount is included in the unit price.
	Indirect cost** Estimated to be 0.40% p.a. of the value of your investment in the Fund plus	Indirect costs are not an additional fee to you. Rather, they are reflected in the returns payable from the Fund's underlying investments and as such are included in the unit price.
	Expense recovery 0.01% of the value of the Fund for the 12 months to 30 June 2019 and estimated to be 0% p.a. of the value of the Fund for the 12 months to 30 June 2020	If deducted during a 12 month period, expense recoveries are deducted from the assets of the Fund annually and reflected in the unit price.
Service Fees		
Switching Fee* The fee for changing investment funds	Nil	Not applicable

* Transaction costs may also be incurred when your Service Operator acquires units or withdraws from the Fund on your behalf. Please refer to 'Transaction costs' in this PDS for more information. Past costs are not a reliable indicator of future costs.

† Your Service Operator may also charge additional fees and costs. Please refer to 'Payments to your Service Operator' in this PDS for more information.

‡ This fee may be negotiated. Please refer to 'Differential fees' in this PDS for more information.

** The fee estimate noted in the table is the estimate for the 12 months to 30 June 2019. Please refer to 'Indirect costs' in this PDS for more information. Past costs are not a reliable indicator of future costs.

All fees and costs disclosed in this PDS are shown inclusive of any applicable Goods and Services Tax (GST) less any entitlement to a reduced input tax credit (RITC) available to the Trust, unless stated otherwise.

7.1 ADDITIONAL EXPLANATION OF FEES AND COSTS

Expense recovery and indemnities

We are entitled to be reimbursed for expenses we incur in the proper performance of our duties as responsible entity. In addition to the management fee, we are entitled to recover certain day-to-day expenses out of the Fund. We may also recover certain other expenses out of the Fund which are related to costs we incur to implement regulatory reforms. If recovered, these expenses are deducted from the assets of the Fund annually and reflected in the Fund's unit price. The expense recovery for the 12 months to 30 June 2019 was 0.01% p.a. of the value of the Trust and is estimated to be 0% p.a. for the 12 months to 30 June 2020. **Please note, past costs are not a reliable indicator of future costs.**

Differential fees

We may negotiate and agree different fees as permitted by the Corporations Act and ASIC regulatory documents. For instance, we may agree to a reduced management fee for certain investors who qualify as 'wholesale investors' (including your Service Operator).

There is no set manner for negotiating these fees. Please contact your Service Operator for more information.

Advice fees

Any fees you agree to pay to your financial adviser for financial services they provide to you are separate to any fees we charge in respect of your investment in the Fund.

Financial adviser payments

Subject to the Corporations Act, we may make payments to dealer groups, financial advisers or other third parties including to your Service Operator based on commercial arrangements we have with these parties. These payments may in some cases be to related entities. The types of payments include payments for educational support and practice development services and payments to third parties to distribute our products. If these payments are made, they are made by us and are not charged directly or indirectly to you.

Indirect costs

Indirect costs include amounts that have been deducted from your investment and amounts that reduce the returns payable from the Fund, but they are not charged to you as a fee.

We have provided an estimate of the indirect costs of the Fund in the table on page 33. This estimate is for the 12 months to 30 June 2019 and includes the components described below. It is important to note that past costs are not indicative of future costs.

Performance related fees

We do not charge performance fees directly. However, performance related fees may be payable from an Underlying Fund to the underlying manager(s) if the manager(s) outperforms the relevant investment benchmark. These performance related fees increase the indirect costs and are therefore an additional cost to you. The Underlying Funds with performance related fees, their relevant benchmarks and estimated performance related fees for the 12 months to 30 June 2019 are noted in the following table.

Benchmark	Performance fee	Estimated performance related fee^ of 0.17% p.a.
Based on the underlying funds:*		
For the GMO Systematic Global Macro Trust the benchmark is the Bloomberg AusBond Bank Bill Index.	20.131% of outperformance above the benchmark after the management fee is charged.	0.00
For the Man AHL Alpha (AUD) fund the performance fee is not linked to a benchmark index.	20% of the increase in net asset value over the previous highest closing net asset value subject to a High Water Mark.	1.04

^ The performance related fees are an estimate based on the performance fees of the underlying investment managers for the 12 months to 30 June 2019. Past costs are not a reliable indicator of future costs. The performance related fee payable may differ from year to year.

* The other underlying funds are not listed here as they do not charge a performance related fee.

Transaction costs

Transaction costs are costs incurred by the Fund that relate to the Fund's underlying investments (including the costs incurred by the Fund's underlying investment managers). Transaction costs are made up of explicit and implicit costs. Explicit costs include, but are not limited to, the following:

- Brokerage costs – the amount paid to a broker when buying and selling underlying securities, e.g. shares and derivatives. For example trading costs charged by brokers on purchases or sales of shares, stamp duty charged on security purchases etc. These costs are incurred when the underlying fund managers actively trade investments as part of the ongoing management of the investment.
- Custody fees – fees paid to a custodian to hold underlying assets and to manage transaction settlements.
- Borrowing costs – costs that arise when an underlying manager borrows money to fund the purchase of an asset.
- Stamp duty – tax placed on legal documents in the transfer of assets or property.
- Buy-Sell spreads – buy-sell spreads incurred by underlying fund managers when investing in securities.

Implicit costs include, but are not limited to, the following:

- Bid/Offer spreads – the difference between the price a buyer is willing to pay (the bid price) and the price a seller is willing to accept (the ask price) for a particular security. These are usually incurred by investment managers buying and selling fixed income securities, foreign currency conversions and listed equities.
- Derivative costs – costs relating to Over the Counter (OTC) derivative trades of an Underlying Fund.

Transaction costs of the Fund are funded both from the assets of the Fund and from the buy-sell spread which is charged when your Service Operator acquires units or withdraws from the Fund on your behalf. The buy-sell spreads are retained by the Fund to partially offset the gross transaction costs incurred by the Fund. No part of the buy-sell spread is paid to us or to an underlying investment manager.

The following table lists the estimated transaction costs for the Fund. These costs are based on estimated costs for the financial year ended 30 June 2019. **It is important to remember that past costs are not a reliable indicator of future costs.**

Transaction costs		
(A) Estimated gross costs (% p.a.)	(B) Estimated costs recovered from buy-sell spread (% p.a.)	(C = A – B) Estimated costs affecting returns (% p.a.)
0.27	0.04	0.23

Buy-Sell Spreads

The buy-sell spreads for the Fund are set out in the table below. The buy-sell spreads may change between the time you read this PDS and the day when your Service Operator acquires units or withdraws from the Fund on your behalf. **It is important to remember that past costs are not a reliable indicator of future costs.**

Buy-sell spreads	
Buy spread %	Sell spread %
0.10	0.10

Borrowing costs

Borrowing costs are costs that arise when an Underlying Fund manager borrows money to fund the purchase of an asset of the Underlying Fund. Borrowing costs are recovered from the assets of the Underlying Fund and are therefore an additional cost to you. Past costs are not a reliable indicator of future costs. The estimated borrowing costs for the 12 months to 30 June 2019 were 0.03% p.a. This is based on an allocation of 26% to the Fulcrum Diversified Absolute Return Fund, which uses borrowing as part of its investment strategy. **Past costs are not a reliable indicator of future costs**.

Fee changes

The constitution of the Fund provides that we can charge additional and higher fees as set out in the following table. If we decide to introduce such additional fees or increase fees we charge above their current levels, we will not seek your consent but we will give your Service Operator notice of changes to the Fund's fees at the time these changes are made in accordance with our continuous disclosure obligations. Please refer to section 9 in this PDS for more information about our continuous disclosure obligations.

Maximum fees	
Entry Fee	5% for all investment funds.
Withdrawal Fee	5% for all investment funds.
Exit Fee	The greater of $100* or 5% of withdrawal proceeds is payable upon closure of the account.
Management Fee (p.a.)	4% of investment fund's gross asset value.
Switching Fee	5% for all investment funds.
Investor Fee (p.a.)	$130* for all investment funds.
Dishonour Fee	Actual cost incurred by us for the dishonour.

* This does not include expenses and other liabilities that are payable or reimbursable out of the Fund.

Payments to your Service Operator

Your Service Operator may also charge you a fee which will be described in the offer document the Service Operator gives you.

Subject to meeting the requirements of the Corporations Act, we may make product access payments to your Service Operator for offering the Fund on its investment menu. These payments are not an additional cost to you and are paid from the management fee we receive. We may also rebate up to 100% of the management fee to your Service Operator so that the management fee we receive is less than the amount charged to the Fund. Details of the payments will be set out in the documents you receive from your Service Operator.

Payments from underlying fund managers and related parties

We or a related party may receive a fund manager payment from underlying fund managers based on funds under management. These amounts are already considered when we determine the fees and charges for each investment fund. These payments come from each fund manager's resources and are not an additional fee to you. These fund manager payments are up to a maximum of 0.75% p.a. of funds under management in the relevant underlying fund.

OTHER FEES AND CHARGES

Other amounts, including standard bank charges, cheque dishonour fees, government taxes, duties and levies may also apply.

To the extent expenses are claimed as a tax deduction by the Fund under relevant tax laws, these deductions are included in the Fund's taxable income calculation, in determining the amounts that will be attributed to you. Please refer to section 8 in this PDS for more information about tax.

Example of annual fees and costs for the OnePath Alternatives Growth Fund

This table gives an example of how the fees and costs in this managed investment product can affect your investment over a one year period. You should use this table to compare this product with other managed investment products.

EXAMPLE: OnePath Alternatives Growth Fund		BALANCE OF $50,000 WITH A CONTRIBUTION OF $5,000 DURING THE YEAR
Contribution fees	Nil	For every additional $5,000 you put in, you will be charged $0*.
PLUS Management costs†	1.30% p.a. plus 0.40% p.a. estimated indirect costs** plus 0.01% p.a. expense recovery^^	**And,** for every $50,000 you have in the OnePath Alternatives Growth Fund you will be charged $855*‡§ each year.
EQUALS Cost of fund		If you had an investment of $50,000 at the beginning of the year and you put in an additional $5,000* during that year, you would be charged fees of $855*‡§.

* Transactions costs may also be incurred when your Service Operator acquires units in the Fund on your behalf. Please refer to 'Transaction costs' in this PDS for more information.

† This fee may be negotiated. Please refer to 'Differential fees' for more information.

** This estimate is for the 12 months to 30 June 2019. Please refer to 'Indirect costs' in this PDS for more information. Past costs are not a reliable indicator of future costs.

^^ 0.01% expense recovery was deducted for the 12 months to 30 June 2019. This amount is estimated to be 0% p.a. for the 12 months to 30 June 2020.

‡ Your Service Operator may also charge additional fees and costs. Please refer to 'Payments to your Service Operator' for more information.

§ We have assumed a constant value during the year. In addition, the calculation of the management costs in the example does not take into account the additional contribution of $5,000.

Note: The Example above is illustrative only. There is a calculator provided by ASIC on its MoneySmart website which can be used to calculate the effect of fees and costs on account balances. Go to www.moneysmart.gov.au

8. TAX INFORMATION

The following information is a brief summary of some of the taxation issues relevant to Australian tax residents who are individual investors, based on current tax legislation effective as at the date of this PDS. Any future changes in tax legislation or administrative practices could affect the tax treatment of your investment. We recommend that you seek independent tax advice specific to your individual circumstances and note that any tax information is of a general nature and should not be viewed or relied upon as taxation advice. You should note that managed investment schemes do not pay tax on behalf of investors.

The summary below is based on the assumption that the terms of each investor's master trust or wrap service are such that those master trusts or wrap services are ignored for all income tax purposes. Your Service Provider can confirm this.

The Government enacted a regime for the taxation of eligible 'managed investment trusts' (MIT), known as the 'attribution managed investment trust' (AMIT) regime. We have made an election to treat the Fund as an AMIT from 1 July 2017.

An important aspect of the AMIT tax regime is that tax is based on attribution. The taxable income of an AMIT will flow through to investors based on the amount and character of which the responsible entity attributes' to the investor, rather than being necessarily based on the share of the trust income to which the investor is presently entitled and is therefore distributed. Attribution to an investor from an AMIT can include amounts such as interest income, dividend income (franked and unfranked), net realised capital gains, other Australian income and foreign income (including tax offsets such as franking credits and foreign income tax offsets). Such an attribution is made on a fair and reasonable basis.

Another important aspect of the AMIT tax regime is that it enables upward tax cost base adjustments in the event that the amount distributed to an investor is lower than the taxable income that is attributed to that investor. In the event the amount distributed to an investor exceeds the taxable income attributed to the investor, such excess (the "non-assessable amount") will reduce the cost base/reduced cost base of an investor's units. To the extent that distributions of non-assessable amounts in respect of a unit exceed the cost base of that unit, the excess will be taxable to the investor as a capital gain.

It is no longer necessary to distribute all taxable income in order to ensure tax is not imposed on an AMIT, and therefore we may decide to accumulate income, in which case the income will not be distributed but will be reflected in the price of units. However, you will still be assessed on all taxable income attributed to you for the income year, even if you do not receive it in that income year.

In addition to distributions from the Fund, if you withdraw or transfer your units, this is considered a disposal of units for tax purposes requiring you to calculate a capital gain or loss (as applicable). If you held the units for 12 months or more before disposal, you may be entitled to a capital gains tax discount of 50% on any capital gain component if you are an Australian tax resident individual.

At the end of each year, we will issue to investors an AMIT Member Annual (AMMA) Statement. The AMMA Statement will set out the amounts of income attributed by each Fund, and any capital gains or losses from the disposal of units in the Fund to assist Australian tax resident individual investors with the preparation of their tax return.

Your Service Provider will provide you with the necessary tax information at year end. Investors that are not Australian tax resident individuals should seek their own independent tax advice in relation to their Australian tax return obligations.

There is a legislative process for investors to object to an attribution. Should this occur please contact us before lodging an objection with the Commissioner of Taxation.

TAX FILE NUMBER (TFN) OR AUSTRALIAN BUSINESS NUMBER (ABN)

You are not required to supply us with your TFN and ABN. However, your Service Operator may ask you to supply your TFN or ABN. Please refer to the offer document the Service Operator has provided to you.

Foreign Account Tax Compliance Act (FATCA) & Common Reporting Standards (CRS)

FATCA is United States (US) tax legislation that assists the US Internal Revenue Service (IRS) to identify and collect tax from US citizens or US residents for tax purposes that invest in certain financial accounts through non-US entities. If you are a US resident for tax purposes, you should note that OnePath Funds Management is a 'Foreign Financial Institution' under FATCA. We comply with our FATCA obligations, as determined by either the FATCA regulations or any inter-governmental agreement (IGA) entered into by Australia and the US for the purposes of implementing FATCA and any Australian laws and regulations relating to the IGA. Under these obligations, we will have to obtain and disclose information about certain clients to the Australian Taxation Office (ATO) or IRS. In order for us to comply with our obligations, we will also request that you provide certain information about yourself, including your US Taxpayer Identification Number (if applicable).

Since the introduction of FATCA and CRS, we must obtain and disclose information about certain investors to the ATO or IRS. Accordingly, all applicants will be required to answer certain FATCA and CRS questions as part of their application.

As part of your application, your adviser may request identification documents and complete the FATCA and CRS questions contained in the relevant FSC/FPA Identification Form for the type of account you are opening.

9. KEEPING YOU INFORMED

9.1 FUND INFORMATION

As an investor in the Fund, your Service Operator will receive:

- a Quarterly Transaction Statement
- an Annual Tax Statement
- a range of investor communications
- access to onepath.com.au website, which includes education and information about the investment performance and legislative updates, as well as useful calculators and investment tools.

9.2 CONTINUOUS DISCLOSURE

As a disclosing entity, we are subject to ongoing reporting and disclosure obligations in relation to the Fund. Copies of documents lodged with ASIC in relation to the Fund and updates to this PDS may be obtained from our website at onepath.com.au/superandinvestments

Documents include:

- the annual financial report most recently lodged with ASIC by the Fund;
- any half-yearly financial report lodged with ASIC by the Fund after the lodgment of that annual financial report and before the date of this PDS; and
- any continuous disclosure notices given by the Fund after the lodgment of that annual report and before the date of this PDS.

You should consult your Service Operator regularly to ensure you have all of the important information in relation to the Fund. You may also obtain a paper copy of the Fund's continuous disclosure information free of charge by contacting your Service Operator.

9.3 PRIVACY

In this section 'we', 'us' and 'our' refers to OnePath Funds Management Limited, and other members of the IOOF Group.

We are committed to ensuring the confidentiality and security of your personal information. Our Privacy Policy details how we manage your personal information and is available on request or may be downloaded from onepath.com.au/superandinvestments/privacy-policy.aspx

We collect your personal information (including sensitive information) from you in order to manage and administer our products and services. We may need to disclose it to certain third parties. Without your personal information, we may not be able to process your application/contributions or provide you with the products or services you require. Unless you consent to such disclosure we will not be able to consider the information you have provided.

Providing your information to others

The parties to whom we may routinely disclose your personal information (including sensitive information) include:

- an organisation that assists us and/or IOOF to detect and protect against consumer fraud
- any related company of IOOF which will use the information for the same purposes as IOOF and will act under our Privacy Policy
- organisations, including those in an alliance with us, to distribute, manage and administer our products and services, carry out business functions and undertake analytics activities
- organisations performing administration and compliance functions in relation to the products and services we provide
- organisations providing medical or other services for the purpose of the assessment of any insurance claim you make with us (such as reinsurers)
- our solicitors or legal representatives
- organisations maintaining our information technology systems
- organisations providing mailing and printing services
- persons who act on your behalf (such as your agent or financial adviser)
- regulatory bodies, government agencies, law enforcement bodies and courts.

We will also disclose your personal information in circumstances where we are required by law to do so. For example, there are disclosure obligations to third parties under the *Anti-Money Laundering and Counter-Terrorism Financing Act 2006*.

Information required by law

We may be required by relevant laws to collect certain information from you. Details of these laws and why they require us to collect this information are contained in our Privacy Policy at onepath.com.au/superandinvestments/privacy-policy.aspx

Overseas recipients

We may disclose information to recipients (including service providers and related companies) which are (1) located outside Australia and/or (2) not established in or do not carry on business in Australia. You can find details about the location of these recipients in our Privacy Policy at onepath.com.au/superandinvestments/privacy-policy

Marketing and privacy

We and other members of the IOOF Group may use your personal information (including health and other sensitive information) to send you information about our financial products or services from time to time.

We and IOOF may also disclose your personal information (including sensitive information) to related companies, alliance partners and organisations in an arrangement or alliance with us and/or IOOF to jointly offer products or share information for marketing purposes. This is to enable them or IOOF to tell you about a product or service they offer or that a third party with whom they have an arrangement offers.

If you do not want us or IOOF to use and disclose your information as set out above, phone Customer Services on 133 665 to withdraw your consent.

Where you wish to authorise any other parties to act on your behalf, to receive information and/or undertake transactions please notify us in writing.

If you give us personal information about someone else, please show them a copy of this document so that they may understand the manner in which their personal information (including sensitive information) may be used or disclosed by us in connection with your dealings with us.

Privacy policy

Our Privacy policy contains information about:

- when we may collect information from a third party,
- how you may access and seek correction of the personal information we hold about you,
- and how you can raise concerns that we have breached the Privacy Act or an applicable code and how we will deal with those matters.

You can contact us about your information or any other privacy matter as follows:

OnePath

Phone	133 665
Address	GPO Box 5367 Sydney NSW 2001
Email	superprivacy@onepath.com.au

We may charge you a reasonable fee for this.

If any of your personal information is incorrect or has changed please let us know by contacting Customer Services. More information can be found in our Privacy Policy which can be obtained from our website at onepath.com.au/superandinvestments/privacy-policy

9.4 ENQUIRIES AND COMPLAINTS

If you have an enquiry or a complaint regarding your investment, you should contact your Service Operator. If you are unable to resolve this issue or remain unsatisfied then contact OnePath's Wholesale Customer Service team on 1800 031 810 or email us at wholesale.unittrust@onepath.com.au

Further Help – the Australian Financial Complaints Authority (AFCA)

If your concerns have not been resolved to your satisfaction, you can lodge a complaint with AFCA who provides fair and independent financial services complaint resolution that is free to consumers.

Website	www.afca.org.au
Email	info@afca.org.au
Phone	1800 931 678 (free call)
In writing	Australian Financial Complaints Authority GPO Box 3, Melbourne VIC 3001

Time limits may apply to complain to AFCA and so you should act promptly or otherwise consult the AFCA website to find out if or when the time limit relevant to your circumstances expires.

10. OTHER INFORMATION

10.1 OUR LEGAL RELATIONSHIP WITH UNITHOLDERS IN THE FUND

OnePath as responsible entity

As responsible entity of the Fund, we are responsible for operating the Fund in accordance with the Fund's constitution, the *Corporations Act 2001* (Cth) and other relevant laws.

The Constitution

The Fund is established by a constitution, as amended from time to time. The provisions of the constitution are binding on each investor in the Fund and persons claiming through them.

The constitution covers a number of matters, including:

- the nature of units
- how and when withdrawals are processed and any restrictions on the right of unitholders to withdraw
- unitholder meetings
- the circumstances in which we are and are not liable to you
- our indemnification out of the assets of the Fund for the proper performance of our duties in operating the Fund
- the circumstance in which we can terminate the Fund
- distributions; and
- when we can retire as responsible entity of the Fund.

A copy of the Fund's constitution is available on request from Customer Services.

Investor liability

The Fund's constitution limits an investor's liability in relation to the Fund to the value of the units held by that investor. However, as the courts have not yet conclusively determined the liability of investors, we cannot state with certainty that liability is limited to an investor's investment in all circumstances.

The compliance plan

The Fund has a formal compliance plan that sets out the procedures we must follow to ensure that we comply with the Fund's constitution and the Corporations Act. The compliance plan must be independently audited annually.

10.2 ANTI-MONEY LAUNDERING AND COUNTER-TERRORISM LEGISLATION

The *Anti-Money Laundering and Counter-Terrorism Financing Act 2006* (the AML/CTF Act) requires us to identify you and verify your identity before we can provide you with certain prescribed services.

Generally, your financial adviser will undertake these steps, but to enable them to do so you will need to provide certain documents (such as your passport or current driver's licence) for sighting and verification. If you are requesting these services without an adviser, you will need to include certified copies of these documents with your transaction request.

The OnePath Wholesale Application Form provides a full list of the types of documents that will satisfy these requirements.

If you do not provide identifying documents we will not be able to process your transaction.

We may also request further information from you. You must provide all information to us, which we reasonably require in order to manage our money-laundering, terrorism-financing or economic and trade sanctions risk, or to comply with any laws or regulations in Australia or any other country.

We may disclose information to any law enforcement, regulatory agency or court, as required by applicable laws and regulations.

We may delay, block or refuse to process any transaction without incurring any liability if we suspect that:

- the transaction may breach any laws or regulations in Australia or any other country
- the transaction involves any person (natural, corporate or governmental) that is sanctioned or is connected, directly or indirectly, to any person that is sanctioned under economic and trade sanctions imposed by the United States of America, the European Union or any other country
- the transaction may directly or indirectly involve the proceeds of, or be applied for the purposes of, conduct which is unlawful in Australia or any other country.

Customer Services

Contact details

Phone: 1800 031 810 weekdays
between 9.00am and 5.00pm (AEST)

Email: wholesale.unittrust@onepath.com.au

Address: OnePath Funds Management Limited
GPO Box 5306
Sydney NSW 2001

L8184/0220

Contact details

If you have any questions or would like more information about the Fund, please contact us at:

Customer Services

Ph: 1800 031 810 weekdays between 9.00am and 5.00pm (AEST)

Email: wholesale.unittrust@onepath.com.au

Address

OnePath Funds Management Limited

GPO Box 5306

Sydney NSW 2001

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Issued by OnePath Funds Management Limited
ABN 21 003 002 800 AFSL 238342

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