

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

REVIEW OF THE FOUR MAJOR BANKS (THIRD REPORT)

Australia and New Zealand Banking Group Limited

ANZ08QW: ANZ OnePath Masterfund

ANZ OnePath Masterfund has 990,851 member accounts with a total of \$34,448,000,000 (\$34.5 billion) in funds under management. They record 0% investment fees and 0% Investment expenses.

In the hearings you indicated that fees were charged for services provided by platform providers and associated parties.

Please provide the committee with a diagram that maps out all of the entities associated with ANZ OnePath Masterfund.

Answer: Please see the diagram below, *'OnePath MasterFund and Related ANZ Wealth Entities'*. This summarises the investment fund structure, flow of investment funds and the deduction of fees and expenses.

Key entities are:

- OnePath Custodians Pty Limited (**OPC**) – The trustee of the OnePath MasterFund (**Fund**). OPC is responsible for managing the Fund in accordance with its governing rules, relevant laws and prudential requirements;
- OnePath Life Limited (**OPL**) – the issuer to OPC of investment linked life policies and administrator of the Fund. As administrator, it provides specified services (i.e. transaction processing, call centre, member correspondence and complaints management) to OPC under an administration agreement. Some of these services are delivered by other ANZ entities;
- OnePath Funds Management Limited (**OPFM**) – The Responsible Entity (**RE**) of a number of managed investment schemes. The RE operates the managed investment schemes into which the majority of Fund monies are ultimately invested.

At present, all monies in the Fund are invested in various investment-linked life policies issued by OPL to OPC. OPL invests the monies it receives from OPC (less fees and expenses) into managed investment schemes, primarily issued by OPFM, but also in managed investment schemes operated by external managers.

Under the terms of each investment-linked life policy, a policy account is established by OPL for each superannuation member in the Fund.

Fees and expenses are deducted from the member’s policy account, under the terms of the relevant investment-linked life policy, and are reflected in the member’s superannuation account balance in the Fund. Fees and the fact that expenses are charged are disclosed in the Product Disclosure Statement provided to members on joining the Fund. The member’s annual superannuation statement details all transactions on the member’s superannuation account during the year.

OnePath MasterFund and Related ANZ Wealth Entities

