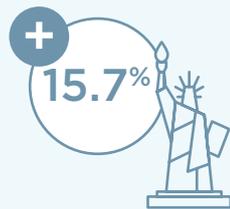


MARKETS AT A GLANCE

FOR THE 12 MONTHS TO SEPTEMBER 30, 2018

SHARES

The US is still the locomotive driving global sharemarket performance. Global shares finished the year at 12.9% in hedged terms.



US SHARES

Trade tensions have had limited impact on business confidence and the economy remains very strong with the bull run enduring even as the US central bank continues to nudge up rates.



EUROPEAN SHARES

Political drama has overshadowed positive economic fundamentals in the year, but returns were still positive. Europe's central bank is likely to keep interest rates on hold until at least the middle of 2019.



EMERGING MARKETS

Despite a more testing global backdrop, particularly a stronger US dollar and higher rates, shares in emerging markets still delivered solid returns.



AUSTRALIAN SHARES

The Australian economy performed well. Company profits have been solid at 8.2% in 2018 and similar growth is expected next year. House prices are slowly declining, but government spending on large-scale infrastructure projects, mainly in NSW has helped balance that.

FIXED INTEREST (BONDS)

Amid increased geopolitical uncertainty the flight to safety kept bond markets in check.



INTERNATIONAL FIXED INTEREST

Weaker economic activity outside of the US limited the rise in global bond yields.



AUSTRALIAN FIXED INTEREST

Stronger returns in Australian fixed interest reflected the Reserve Bank of Australia's guidance of no change to interest rates and weak inflation and wages growth. Declining house prices in Sydney and Melbourne also make it unlikely that rates will tighten this year.



INTERNATIONAL PROPERTY

International property and infrastructure underperformed shares, due to gradually rising US bond yields.



INFRASTRUCTURE

AUSTRALIAN DOLLAR/US DOLLAR

The \$A/\$US remains under pressure due mainly to the US dollar's strength. Factors putting downward pressure on the exchange rate include the RBA keeping rates on hold and weaker Chinese economic growth. Bulk commodity prices have been strong and are putting upward pressure on the Australian dollar.



Source: JP Morgan & ANZ Wealth. Currency - Bloomberg & ANZ Wealth

Yearly returns to September 30, 2018.

Index information: global shares - MSCI World ex Australia Net Index (hedged to AUD) | US shares - US S&P 500 | European shares - MSCI Europe | emerging market shares - MSCI Emerging Markets Index (Net) in AUD | Australian shares - S&P / ASX 300 Accumulation | international - fixed interest - Bloomberg Barclays Capital Global Aggregate (hedged to AUD) | Australian - fixed interest - Bloomberg AusBond Composite 0+ Yr Index | international property - FTSE EPRA/NAREIT Developed Rental Index ex Australia (hedged) | infrastructure - FTSE Developed Core infrastructure 50/50 Net Hedged to AUD.

This information is issued by OnePath Funds Management Limited (OFM) ABN 21 003 002 800 AFSL 238342. OFM is a wholly owned subsidiary of Australia and New Zealand Banking Group Limited (ANZ) ABN 11 005 357 522 but is not a bank. The information is general in nature and does not take into account a potential investor's personal needs, objectives and financial circumstances. This information is not to be construed as investment or financial product advice, and should not be relied upon as a substitute for professional advice. Before acting on this information, potential investors should consider the appropriateness of the information, having regard to their objectives, financial situation and needs. Potential investors should read the relevant Product Disclosure Statement (PDS) available at onepath.com.au and consider whether the particular product is right for them. Although all the information in this document is obtained in good faith from sources believed to be reliable no representation of warranty, express or implied is made as to its accuracy or completeness. Whilst care has been taken in preparing this material, ANZ and its related entities do not warrant or represent that the information, opinions or conclusions contained in this document ("information") are accurate. To the extent permitted by law, ANZ and its related entities do not accept any liability from the use of the information. Past performance is not indicative of future performance. The value of investments may rise or fall and the repayment of subscribed capital is not guaranteed.