

**ANZ SMART CHOICE  
SUPER**

The MySuper journey  
is now well underway

**INVESTMENT**

Investment performance  
update

**SUPERANNUATION**

Low fees make  
a big difference

**LEGISLATION**

What does the Federal Budget  
mean for you?

# member update

June 2014



Smart super – online anywhere, anytime

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For members who have both an ANZ Smart Choice Super account and either a OnePath Corporate Super, OnePath Integra Super or ANZ Super Advantage account.

## The strength of ANZ

ANZ operates in 33 markets globally with representation in Australia, New Zealand, Asia Pacific, Europe, America and the Middle East. ANZ provides products and services to more than 8 million retail customers worldwide and employs over 47,000 people.

ANZ aims to become a super regional bank. This involves growing in the Asia Pacific region while also remaining very focused on the business and opportunities that exist in Australia and New Zealand.

ANZ has a strong involvement in the community, leading the way with programs targeting financial literacy, indigenous inclusion, the environment, volunteering and sponsorship.

# Welcome

## WELCOME TO YOUR END OF FINANCIAL YEAR MEMBER UPDATE

“ANZ Smart Choice Super delivers low fees, smart investments and insurance, with online access anywhere, anytime\*.”

As a valued customer, I'd like to thank you for your ongoing support of OnePath/ANZ's superannuation solutions.

In 2013 the Government introduced a number of important changes to super, including the introduction of a new default super account called MySuper, which will apply to many Australians.

Over the course of 2013/14 we've been working tirelessly to establish over 186,000 new MySuper accounts in our newly created, award winning MySuper offering, ANZ Smart Choice Super. As you were identified as a MySuper member, a new ANZ Smart Choice Super account was set up for you and since 25 November 2013, all your contributions have been directed to your new ANZ Smart Choice Super account.

This means that for the time being, you will have two accounts, your original OnePath Corporate Super, OnePath Integra Super or ANZ Super Advantage account and the new ANZ Smart Choice Super account. You will continue to have two accounts for a period of time until we transition the balance in your original account over to ANZ Smart Choice Super. We will keep you updated on when the transition will occur.

In the meantime, we'll continue to manage your original account balance to our consistently high standard.

### ANZ Smart Choice Super

In ANZ Smart Choice Super, you will find features that go beyond what is required of a MySuper product.

ANZ Smart Choice Super delivers low fees, smart investments and insurance, with online access anywhere, anytime\*, so you can be more engaged with your super. Turn to page 6 and go online to find out more.

### Latest Updates

Also in this edition of Member Update we provide information on other changes impacting super as a result of the Federal Budget and what this means for you.

Thank you again for choosing OnePath/ANZ for your superannuation needs. We look forward to managing your superannuation now and into the future.

### Craig Brackenrig

Managing Director  
Global Pensions and Investments

\* ANZ does not represent or guarantee that access to ANZ Internet Banking will be uninterrupted. Temporary service disruptions may occur.

## Our highly-rated super

The ANZ Smart Choice suite of products are part of our award winning product range (which includes OnePath's Corporate Super, OnePath's Integra Super and ANZ Super Advantage):

- The ANZ Smart Choice Super retail product was awarded the 5 Star 'Outstanding Value' CANSTAR award in the Superannuation and Account Based Pension categories in 2013.
- Money Magazine awarded ANZ Smart Choice Super retail product the 'Best Innovative Investing Product' as part of their 'Best of the Best' 2014 awards. ANZ Smart Choice Super and Pension retail products also won top awards in the 'Lowest-Cost Default Super Fund' and 'Lowest-Cost Pension Default Fund' categories.
- Most recently SuperRatings have added their awards to the growing list with Gold ratings for the ANZ Smart Choice Super and Pension products and the MySuper product for 2014.

For more information, please visit [canstar.com.au](http://canstar.com.au), [finance.ninemsn.com.au](http://finance.ninemsn.com.au) > money mag and [superratings.com.au](http://superratings.com.au)





# The MySuper journey is now well underway

Some of your key questions answered.

In November 2013, we opened more than 186,000 new MySuper compliant accounts in our recently launched, award winning ANZ Smart Choice Super solution for those customers immediately impacted by the MySuper reforms.

MySuper is a significant Federal Government initiative delivered in response to the fact that many Australians find super complex and confusing. MySuper is designed to be a simple, cost effective superannuation solution that is now the new default super account for the millions of Australian workers who don't make an investment choice within their super.

Based on this, you were identified as a MySuper member and a new ANZ Smart Choice Super account was established for you. In January 2014 you would have received your new member Welcome Kit –and the information you needed to know about the features and benefits of this award winning product.

## Why do I have two accounts – my existing OnePath/ANZ account and my new ANZ Smart Choice Super account?

Under the MySuper reforms your employer must make contributions on behalf of all members who do not exercise a choice of fund, into a MySuper product from 1 January 2014 in order to satisfy their Superannuation Guarantee obligations. In response to the changing needs of our customers we chose to build our new MySuper solution in our award winning ANZ Smart Choice Super product, as it leverages new age digital and mobile technologies as well as ANZ's main online banking systems. This means that as a OnePath Corporate Super, OnePath Integra Super or ANZ Super Advantage customer you can now benefit from the scale, strength, stability and technological innovations delivered by ANZ.

In line with the Federal Government's reform time line, we will ultimately merge your existing OnePath/ANZ account into your new ANZ Smart Choice Super account. Naturally, we will continue to communicate extensively with you before we do this.

In the short term, you will have two accounts and two statements.

When you look at your ANZ Smart Choice Super Annual Statement (for your MySuper account), you will see in the transaction history, all the contributions we have received from you and/or your employer from 25 November 2013\* to 30 June 2014.

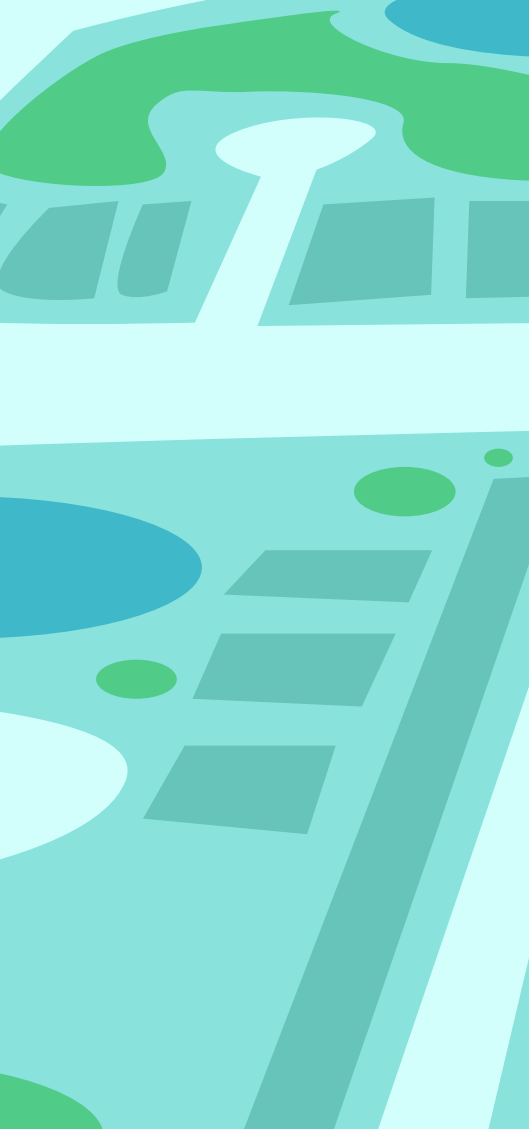
All contributions received from 1 July 2013 to 25 November 2013 will appear on your OnePath/ANZ Annual Statement.

In your Annual Statements, you will see the following message which shows you how this works.

<b>OnePath Corporate Super</b>	<b>New ANZ Smart Choice Super</b>	<b>\$ Your total super balance and contributions as at 30 June 2014</b>
<small>Your contributions and balance from 1 July 2013 to 25 November 2013, can be seen on your OnePath Corporate Super statement</small>	<small>Your contributions and balance from 25 November 2013 to 30 June 2014 can be seen on your ANZ Smart Choice Super statement</small>	

Your new ANZ Smart Choice Super account was established to comply with the Government's MySuper legislative reforms and in time, we will consolidate your balance into your MySuper compliant ANZ Smart Choice Super account.

\* The date your MySuper account was established.



### How long will I have two accounts?

You will continue to have two accounts for a period of time until we transition your existing account balance in OnePath's Corporate Super, OnePath's Integra Super or ANZ Super Advantage, into your new ANZ Smart Choice Super account.

That's why you will receive two Annual Statements:

- original OnePath/ANZ account; and
- new ANZ Smart Choice Super account.

For OnePath Corporate Super customers, your account will be transitioned over the coming months. Other products will follow shortly thereafter and must be completed before 1 July 2017. We aim to have this process completed well before that deadline. We will keep you fully briefed and updated on the expected dates for transition as we get closer to the time.

### Why has my insurance cover remained in my existing account?

For most MySuper members, you will retain your existing insurance cover within your original OnePath/ANZ account and you will see all your insurance details under the Insurance section in your OnePath or ANZ Super Advantage Annual Statement.

As previously advised, prior to November 2013, if your OnePath/ANZ super balance was not sufficient at the time to cover your insurance premiums for two years; or your level of cover was required to be upgraded to comply with the MySuper minimum standards of insurance, your insurance policy would have been cancelled within your original OnePath/ANZ account and a new insurance policy created and established for you in your new ANZ Smart Choice Super account. This was to ensure that you continue to have insurance cover within your super. This was further explained in your Initial Notification Letter sent to you when your ANZ Smart Choice Super account was established.

### Can I decide to close my OnePath/ANZ account, and transfer my super balance to ANZ Smart Choice Super?†

For OnePath Corporate Super customers we will do this on your behalf very shortly.

For other customers we will be doing this for you at a later date. If you choose to consolidate your OnePath/ANZ account into your ANZ Smart Choice Super account, earlier than the transition date planned for the OnePath/ANZ product you are in, then your insurance will be cancelled in your OnePath/ANZ account and depending on your circumstances, new cover may be established for you in your ANZ Smart Choice Super account. We recommend you seek financial advice to ensure all your insurance cover is maintained.

### Am I paying fees and charges on both accounts?

Although you have two accounts, you will only be charged one set of member fees. Generally, where a second fee has been charged, a member fee rebate will be applied to your original OnePath/ANZ account (please see the Important information in your Annual Statement flyer which will be sent to you with your OnePath/ANZ annual statement).

As your super investments are now in two accounts and will continue to be managed in both accounts, investment management fees and any buy/sell spread costs associated with these, will still apply.

### How do I get online access to manage my ANZ Smart Choice Super account?

It's easy. You can simply 'link' your account via ANZ Internet Banking using the 'Update details' tab or by calling Customer Services on 1800 146 129. You can then manage your super via ANZ Internet Banking, plus keep track of your super on the go with ANZ goMoney™ and the new Grow by ANZ™ app for iPhone and iPad users.

### Is there someone I can speak to if I have any more questions?

You can speak to us by calling the relevant number listed below, depending on the product you are invested in:

#### **ANZ Smart Choice Super**

13 12 87 (option 1) weekdays between 8.30am and 6.30pm (AEST)

#### **OnePath Corporate Super**

1800 627 625 weekdays between 8.30am and 8pm (AEST)

#### **OnePath Integra Super**

133 665 weekdays between 8.30am and 6.30pm (AEST)

#### **ANZ Super Advantage**

13 38 63 weekdays between 8.30am and 6.30pm (AEST)

Alternatively, you can speak with your Financial Adviser or go online to [anz.com/mysuper](http://anz.com/mysuper), to find out more about the MySuper legislation and ANZ Smart Choice Super.

### Can I still discuss my super and insurance needs with my employer plan's Financial Adviser?

Of course. ANZ is a strong believer in the benefits of seeking expert financial advice from a fully licenced and credentialed Financial Adviser. It is important to discuss these matters with your Financial Adviser. Your Financial Adviser's details can be found on your statement or in your ANZ Smart Choice MySuper Welcome Kit. ■

#### **ANZ Smart Choice Super**

- Online anytime‡
- Low fees
- Smart investments and insurance

† Before re-directing your super or moving your money into your ANZ Smart Choice Super account, you will need to consider whether there are any adverse consequences for you, including exit fees, other loss of benefits (e.g. insurance cover) or increase in investment risks.

‡ ANZ does not represent or guarantee that access to ANZ Internet Banking will be uninterrupted. Temporary service disruptions may occur.

# Smart super – online anywhere, anytime\*

You can benefit by taking control of your super online, via ANZ Internet Banking, ANZ goMoney™ and the new Grow by ANZ™ app.

There's no doubt that we're all doing more online via our mobiles or other devices. Likewise, more and more of our members are going online to manage their super as well as their banking, and taking care of other financial matters. It's obvious – it's just easier and more convenient online!

ANZ Smart Choice Super offers online functionality making it easier than ever for you to engage with your super with online member servicing, transacting and monitoring performance.

Anywhere, anytime\* you can:

- monitor performance
- track contributions
- compare and change investment options<sup>^</sup>
- consolidate your super into one account<sup>^</sup>
- use retirement calculators<sup>^</sup>
- manage beneficiary nominations<sup>^</sup>
- update personal details<sup>^</sup>.



## Get online now

It's easy to manage your ANZ Smart Choice Super account online. You can simply 'link' your account to your ANZ Internet Banking through the 'Update details' tab or call 1800 146 129.

\* ANZ does not represent or guarantee that access to ANZ Internet Banking will be uninterrupted. Temporary service disruptions may occur.

<sup>^</sup> Service not available on ANZ goMoney™

# Investment performance update

## ANZ Smart Choice Super Lifestage investments – MySuper default.

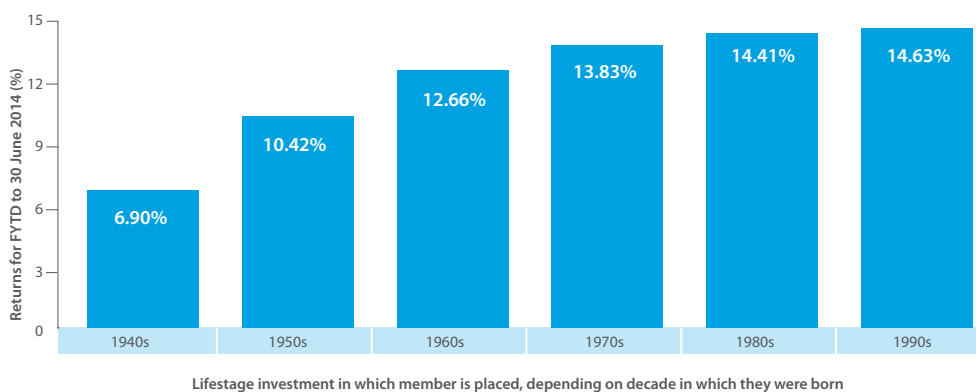
As part of ANZ's MySuper strategy to deliver our innovative ANZ Smart Choice Super product solution, we also adopted an innovative 'smart' approach to the way we manage your investments. MySuper customers now have all their new contributions received since 25 November 2013 invested in our innovative ANZ Smart Choice Lifestage investments.

In simple terms, depending on which decade you were born in, we now automatically

invest your money into a fund tailored to meet the needs of your super over the life of your investment. We actively manage your investment and continue to manage it over your life, as you age. The principle works on the basis that the younger you are, the longer you have until retirement and as such we increase your exposure to growth styled assets that tend to deliver better returns over much longer periods of time. As you get older, we adjust down the

risk of your investment into more defensive assets such as bonds, fixed interest and cash investments so your retirement savings are much less likely to be exposed to short term market fluctuations and shocks as you near retirement.

We have listed the performance of the decade based funds below. Simply identify which fund relates to you.



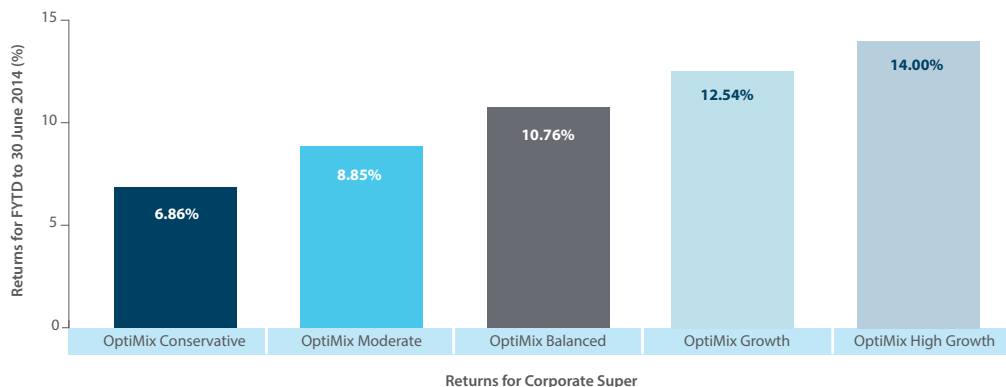
**Note:** All returns quoted are net of fees and taxes. Past performance is not a reliable indicator of future performance.

## OptiMix Diversified Multi-Manager funds

The OptiMix Diversified Multi-Manager funds have produced consistently strong returns, mainly due to the robust performance of the

Australian and Global equity markets. The graph below shows that OptiMix Conservative, OptiMix Moderate, OptiMix Balanced, OptiMix

Growth and OptiMix High Growth funds have all delivered solid returns for the financial year ended 30 June 2014. ■



**Source:** Net unit price returns for Corporate Super, for the period ending 30 June 2014. For published performance figures for Integra Super, go to [onepath.com.au](http://onepath.com.au) > Personal > Performance & updates > Fund details, unit prices and performance history. For published performance figures for ANZ Super Advantage go to [anz.com](http://anz.com) > Personal > Investing & super > Resources

**Note:** Figures are shown net of taxes and fees. The return for your employer super plan may differ according to its negotiated fees and charges. Past performance is not indicative of future performance.







# Low fees make a big difference

When it comes to fees, there can be big differences from fund to fund. With ANZ Smart Choice Super, you can rest easy knowing more of your money is working for you with our super low fees.

A recent report on superannuation fees by Australian independent think tank, The Grattan Institute\*, created a fair degree of media attention upon its release and for good reason.

The report concluded that 'Australians pay far too much for their superannuation'. In fact, an average 30-year old will lose more than \$250,000 (or a quarter of their super balance) to fees by the time they reach retirement.

According to SuperRatings, the average Australian superannuation fund charges fees of 1.45% (or \$725 per annum on a \$50,000 super balance). The Grattan Institute's

recommendation is to 'target fees at 0.5%' – a move with potential to save \$10 billion a year, increase competition amongst funds and importantly, help address the issue of adequacy in Australian retirement incomes.

They also concluded that the main drivers in boosting superannuation balances, was not investment returns, but fees – declaring members balances 'would perform better still if they simply chose a superannuation fund with low fees'.

\* Minifie, J., Cameron, T., and Savage, J. 2014, Super sting: how to stop Australians paying too much for superannuation, Grattan Institute ISBN: 978-1-925015-55-3. All material published or otherwise created by Grattan Institute is licensed under a Creative Commons Attribution-NonCommercial-ShareAlike 3.0 Unported License.

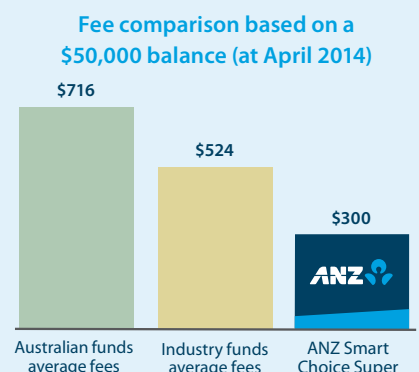
## Online Tip

You don't need to wait until you receive your Annual Statements to keep track of your fees. Just log onto ANZ Internet Banking, click on your super account and select 'Transactions' from the Snapshot page.

### LOW FEES ARE A BETTER GUIDE TO FUTURE RETURNS THAN PREVIOUS RETURNS

On average, the Grattan Institute's report states, "high-fee funds earn lower net returns than others, without reducing risk".

With low annual fees of just \$50 and 0.5% on your balance, the report helps to reinforce what ANZ Smart Choice Super is all about – to provide you a great value-for-money product with leading online visibility and engagement. That way, you can be confident you're making a smart decision with your money.



Source: Superratings Fees Analysis – April 2014.

# Understanding contributions

The more you put into your super, the more you're likely to get out of it.

At its most basic form, superannuation is a disciplined long term vehicle for us to save towards a better retirement.

However, there's a tendency to assume that what our employer contributes into our account is where super starts and ends.

The reality is that for many of us, relying on these payments alone may not be enough to fund the lifestyle we desire.

Many Australians remain reluctant to top up their super, particularly earlier in their working lives – due perhaps to the feeling that retirement can seem a long way off, a lack of realisation that it is actually their money, or general confusion surrounding how to contribute to super.

Along with complex industry jargon, shifting legislation and the technicalities of taxation, it is enough to put off most people.

By breaking down the complexity, we can hopefully provide you with the basics to properly understand your options when it comes to making contributions to your superannuation.

## OTHER TYPES OF CONTRIBUTIONS

Other types of contributions include Government Co-contribution and Low Income Superannuation Contribution\*. For more information on how you can benefit from these, please refer to pages 11-12. ■

\* The Government has proposed to abolish the Low Income Superannuation Contribution from 1 July 2013, but this has not yet been legislated.

## CONTRIBUTIONS

There are two basic types of contribution categories:

- Before-tax (or concessional) and
- After-tax (or non-concessional).

### 1. Before-tax contributions

- These are known as 'concessional' contributions
- Generally, this is a tax-effective way to contribute to your super
- In most cases, taxed at just 15% in the superannuation fund which may be lower than your marginal tax rate
- Types of concessional contributions include:
  - The 9.25% Superannuation Guarantee (or SG) payments generally made by your employer (increasing to 9.5% in 2014/15)
  - Salary sacrifice payments done through your employer
  - Personal contributions you make (for which the ATO allows a tax deduction, for example – commonly sole traders).
- There are limits that restrict how much you and your employer can contribute each year:
  - If you're under 60<sup>†</sup> you can contribute up to \$25,000. From 1 July 2014, if you're under 50<sup>†</sup>, the limit will be increased to \$30,000.
  - For those 60<sup>†</sup> plus, it is currently \$35,000. However, from 1 July 2014, those aged 50<sup>†</sup> or more will receive this higher limit.

<sup>†</sup> Age at the end of the relevant financial year.

### 2. After-tax contributions

- These are known as 'non-concessional' contributions

Generally, these are paid from your after-tax income or existing savings – so you've already paid tax at your marginal tax rate

- Types of non-concessional contributions include:
  - Any personal contributions you make (which the ATO does not allow a deduction)
  - Payments made by your spouse into your account
  - Before-tax contributions made that have exceeded your concessional contributions cap (see left) that are not refunded.
- Unlike before-tax contributions, you're not restricted to the same caps, instead a higher cap applies:
  - \$150,000 in 2013/14, increasing to \$180,000 in 2014/15; or
  - If you're less than 65, as at the start of the financial year, you can bring forward up to two years of after-tax contributions
  - If you exceed these limits, that portion will be subject to tax at your highest marginal tax rate plus Medicare levy.

**If you are thinking about making additional contributions to your super over and above your employer's mandatory payments it is important that you know your contributions caps to ensure you don't exceed them and pay additional tax.**

Salary sacrifice can be an effective way to boost your super. It's an agreement between you and your employer, so check with them first to see if it's an available option for you. You can read more about salary sacrifice by going online and accessing our fact sheets.

# What does the Federal Budget mean for you?

## Legislated superannuation contributions caps and thresholds

### CONTRIBUTIONS CAPS

#### You can grow your super by making additional contributions

To help you save for your retirement, the Government allows you to make additional contributions into your super.

While additional contributions can be a great way to boost your super, it's important to know the limits (or caps) that apply to before-tax and after-tax contributions and to keep an eye on your payments, as exceeding the caps may have tax consequences. See the table titled 'Updated superannuation thresholds' below.

#### Exceeding the Contribution caps

##### Concessional contributions

Excess concessional contributions from 1 July 2013 will be included in an individual's assessable income and taxed at their marginal tax rate. An individual will be entitled to a tax offset equal to 15% of their excess concessional contributions. An interest charge also applies to accounts for the deferral of tax. Individuals can elect to withdraw up to 85% of their excess concessional contributions from their superannuation accounts. Depending upon the amount withdrawn there may be an impact on the non-concessional contributions cap.

##### Non-concessional contributions

Excess non-concessional contributions may be taxed at 46.5% for 2013/14 and 49%<sup>1</sup> from 2014/15. Please refer to the next page for more information on the proposed superannuation changes.

#### Updated superannuation thresholds

Year	2013/14	2014/15
General concessional contributions cap	\$25,000	\$30,000
Temporary concessional contributions cap	\$35,000 <sup>2</sup>	\$35,000 <sup>3</sup>
Non-concessional contributions cap	\$150,000	\$180,000
Non-concessional contributions cap – bring forward <sup>4</sup>	\$450,000	\$540,000
CGT cap contribution limit	\$1,315,000	\$1,355,000
Low rate cap	\$180,000	\$185,000
<b>The Government co-contribution</b>		
Maximum entitlement	\$500	\$500
Taper rate <sup>5</sup>	3.33c per \$1	3.33c per \$1
Lower income threshold	\$33,516	\$34,488
Higher income threshold	\$48,516	\$49,488

<sup>1</sup> This includes the Temporary Budget Repair Levy that is scheduled to cease on 30 June 2017.

<sup>2</sup> Age 60 or over as at 30 June 2014.

<sup>3</sup> Age 50 or over as at 30 June 2015.

<sup>4</sup> The 'Bring forward amount' allows people under age 65 (at the start of the financial year) to 'bring forward' two years' contributions caps. This effectively creates a three year block where total non-concessional contributions cannot exceed three times the first financial year's non-concessional contributions cap. The bring forward amount is automatically triggered when contributions exceed the non-concessional contributions cap amount in a financial year.

<sup>5</sup> The Taper rate determines how much the maximum co-contribution is reduced for each \$1 of total income that exceeds the lower income threshold. The maximum co-contribution completely phases out when the total income reaches the upper income threshold.



When Joe Hockey stood in front of Parliament and spoke about 'fixing the Budget together', he confirmed that the 2014/15 Federal Budget was going to be a tough one for many Australians.

In particular, 'the end of the age of entitlement' could see a reduction in welfare payments and concessions to many low-to-middle income households. Also, high income earners will be asked to pay more tax over the next three years from 1 July 2014.

In terms of new spending, the two main commitments were to infrastructure and medical research, which will be funded by respective levies on petrol and doctor visits.

A major boost was also provided to businesses, with a reduction in the company tax rate from 1 July 2015.

Although most of these Budget measures are yet to be legislated, it's always a good idea to be aware of what changes may be coming and what they might mean for you and your family. So, let's look at the key proposed changes and how they could affect you.

## WHAT ARE THE KEY BUDGET CHANGES?

### Taxation changes

#### Temporary Budget Repair Levy applied to high-income earners

The top marginal tax rate for individual taxpayers will increase by 2% to 47% (or 49% including Medicare levy) for three years commencing 1 July 2014.

The increased top marginal tax rate will apply if you earn in excess of \$180,000 per annum. In other words, if you earn \$200,000 per year, only \$20,000 is taxed at the higher rate.

#### Reduction in the company tax rate

The Government has re-stated its commitment to cutting the company tax rate by 1.5% from 1 July 2015, from 30% to 28.5%.

For large companies (with income greater than \$5 million p.a.), the reduction will offset the cost of the Government's Paid Parental Leave levy of 1.5%. This levy will not be imposed on smaller companies (with income less than \$5 million p.a.), which may help improve cash flow and profitability.

### Proposed Social Security changes

#### Increase of Age Pension age

The Age Pension qualifying age will continue to rise by six months every two years from the qualifying age of 67 (from 1 July 2023), gradually reaching a qualifying age of 70 by 1 July 2035.

Individuals born before July 1958, will not be affected by this change. Department of Veterans' Affairs service pension age is also not impacted.

It is also proposed that:

- eligibility thresholds for Pensions and Pension-related payments will be maintained for three years from 1 July 2017
- from 1 September 2017, indexation of Pension payments will be based on the Consumer Price Index; and
- deeming thresholds used in the pension income test to be reduced to \$30,000 for singles and \$50,000 for couples from 20 September 2017.

#### Deeming rules for Account Based Pensions

It has been legislated that from 1 January 2015, the social security deeming rules applying to financial investments will also apply to certain Account Based Pensions (including transition to retirement pensions) for the purposes of the social security income test. 'Grandfathering rules' will apply for Account Based Pensions started before 1 January 2015 that are held by existing income support recipients as at 1 January 2015. These income streams will be assessed under the existing rules, that is, the annual payment less the social security deductible amount.

#### Commonwealth Senior Health Card (CSHC) Program

The Government has proposed several changes to the CSHC program, including the following:

- From September 2014, the qualifying income limits for the CSHC are to be indexed to the Consumer Price Index and CSHC holders will no longer receive the Seniors Supplement. However, CSHC holders will continue to receive the Clean Energy Supplement and access the Pharmaceutical Benefits Scheme (and the lower threshold for the extended Medicare threshold).
- From 1 January 2015, income from superannuation account based income streams will be included in the definition of income for the CSHC. Existing superannuation account based income streams held by CSHC holders before 1 January 2015 will be assessed under the existing rules.

#### Higher education and Higher Education Loan Program (HELP) system changes

There is a raft of proposed changes from 1 January 2016, which could see tertiary education costs rise if education providers are able to set their own tuition fees, and if proposed HELP support changes are passed through Parliament.

These changes may create a greater emphasis on parents (and grandparents) saving for their children's education costs. So, to ensure you effectively save for the cost of education, please speak to your Financial Adviser today.

### Proposed Superannuation changes

#### Increase of Superannuation Guarantee (SG)

From 1 July 2014, the SG rate will increase to 9.5% p.a. However, the Government has proposed changes to the schedule for increasing the SG rate to 12%. These changes will now see the SG rate reach 12% three years later than currently legislated.

For employees, these changes may allow you to effectively manage your contribution caps for the 2014/15 financial year. For employers, it gives you added certainty on the level of SG contributions you may need to make from 1 July 2014.

#### Preservation Age increase

In response to the recommendation in the National Commission of Audit report for a phased increase to the superannuation preservation age, the Government has stated that this measure will be considered by the Financial Systems Inquiry and the Tax White Paper process.

#### Government Low Income Superannuation contribution (LISC)

A Government contribution of up to \$500 (non-indexed) is payable for persons with adjusted taxable income of up to \$37,000 (non-indexed) (conditions apply). This contribution effectively offsets the tax (up to \$500) on concessional contributions.

The Government has proposed to discontinue the LISC for contributions made on or after 1 July 2013. Also, the Government has indicated superannuation incentives for low income earners will be revisited once the Budget is back in a strong surplus.

#### Excess non-concessional contributions tax

It is proposed that superannuation members will now be able to withdraw any non-concessional superannuation contributions (and related earnings) made after 1 July 2013 that breach the non-concessional contributions cap.

If this option is chosen, excess contributions tax will not be payable and any associated earnings will be taxed at the individual's marginal tax rate.

This change will help anyone who breaches the non-concessional contribution caps from 1 July 2013. Excess non-concessional contributions left in the Fund will be taxed at the top marginal rate plus the Medicare levy. ■

If you have any questions or concerns about how these or any other Budget proposals could affect you and your family, please refer to [budget.gov.au](http://budget.gov.au) or speak to your Financial Adviser.

# Important changes and information

## STANDARD RISK MEASURE

This information is relevant to Corporate Super, Integra Super and ANZ Super Advantage only.

Since 2013 we have adopted the Standard Risk Measure which is based on the industry best practice guidelines to allow investors to compare investment funds that are expected to deliver a similar number of negative annual returns over any 20-year period.

The Standard Risk Measure is not a complete assessment of all forms of investment risk, for instance it does not detail what the size of a negative return could be or the potential for a positive return to be less than an investor may require to meet their objectives.

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 their chosen investment fund(s).

Risk band	Risk label	Estimated number of negative annual returns over any 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 than 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

For further information, refer to our website at [onepath.com.au](http://onepath.com.au) > Personal > Performance & updates > Product updates or for ANZ Super Advantage refer to: [anz.com](http://anz.com) > Personal > Investing & super > Resources

### Updated Standard Risk Measure – Corporate Super

Option Name	Risk Band	Risk Label
OnePath Global Emerging Markets Shares	7	Very high
Challenger Property	7	Very high
OptiMix Property Securities	7	Very high
Vanguard Property Securities Index	7	Very high

Option Name	Risk Band	Risk Label
OptiMix Geared Australian Shares	7	Very high
OptiMix Global Emerging Markets Shares	7	Very high
OptiMix Growth	6	High
BlackRock Scientific Diversified Growth	6	High
Schroders Balanced	6	High
OnePath Alternatives Growth	6	High
OnePath Balanced	5	Medium to high
OptiMix Moderate	5	Medium to high
Platinum International	5	Medium to high

### Updated Standard Risk Measure – Integra Super

Option Name	Risk Band	Risk Label
OnePath Global Emerging Markets Shares	7	Very high
Challenger Property	7	Very high
OptiMix Property Securities	7	Very high
Vanguard Property Securities Index	7	Very high
OptiMix Geared Australian Shares	7	Very high
OptiMix Global Emerging Markets Shares	7	Very high
OptiMix High Growth	6	High
OnePath High Growth	6	High
OptiMix Growth	6	High
BlackRock Scientific Diversified Growth	6	High
Schroders Balanced	6	High
OnePath Alternatives Growth	6	High
OnePath Balanced	5	Medium to high
OptiMix Moderate	5	Medium to high
OptiMix Australian Fixed Interest	4	Medium
Platinum International	5	Medium to high

### Updated Standard Risk Measure – ANZ Super Advantage

Option Name	Risk Band	Risk Label
OnePath Global Emerging Markets Shares	7	Very high
Challenger Property	7	Very high
OptiMix Property Securities	7	Very high
Vanguard Property Securities Index	7	Very high
OptiMix Geared Australian Shares	7	Very high
OptiMix Global Emerging Markets Shares	7	Very high
OptiMix Growth	6	High
BlackRock Scientific Diversified Growth	6	High
Schroders Balanced	6	High
OnePath Alternatives Growth	6	High
OnePath Balanced	5	Medium to high
OptiMix Moderate	5	Medium to high
Platinum International	5	Medium to high

## GOVERNMENT INCREASES TO THE AUSTRALIAN PRUDENTIAL REGULATION AUTHORITY (APRA) LEVY

In 2013 the Federal Government increased the APRA Levy (Levy) to be paid by superannuation funds. The Levy is set to recover the operational costs of APRA and other specific costs, such as, implementing the Government's 'SuperStream' reforms. The SuperStream reforms are designed to make the superannuation system operate more efficiently for the benefit of members.

The Levy is an expense to the OnePath MasterFund and will apply each year. The component of the Levy related to SuperStream will only apply to 2018.

### What does this mean for you?

The Trustee will recover the Levy from members by deducting it from the unit price of each investment option (excluding cash, term deposits and guaranteed products).

The first recovery for the year ending 30 June 2013 occurred at the end of August 2013.

A subsequent recovery for the year ending 30 June 2014 occurred on 1 May 2014. The impact on members was approximately 0.01% of funds under management in unitised investment options. For example, a member with a balance of \$50,000 paid approximately \$5.

The Levy for future years will be assessed and charged annually.

### What do you need to do?

You do not need to do anything, the unit price adjustment takes place automatically.

## SUPERANNUATION INSURANCE CHANGES

### Did you know that some insurance definitions have changed?

From 1 July 2014, changes to the *Superannuation Industry (Supervision) Act 1993* (SIS Act) mean that a trustee of a superannuation fund can only provide new insurance cover to members where the insured event is consistent with a relevant SIS Act Condition of Release.

These changes mean that the Trustee has had to update insurance policies where insurance is offered through superannuation products.

The below content applies to new Total and Permanent Disability (TPD) cover taken up from 1 July 2014 for members whose insurance arrangements are still provided by OnePath Life Limited (OPL) through the Corporate Super, Integra Super or ANZ Super Advantage products.

The definition changes only relate to insurance provided through these products by OPL. Where your OPL insurance cover is provided through the ANZ Smart Choice Super product, these changes do not apply to you and the terms and conditions that were advised to you at the time your ANZ Smart Choice insurance was established still apply.

Where insurance cover is provided by an insurer other than OPL, you should contact Customer Services or refer to the website.

The information relating to insurance contained below is provided for summary purposes only. Please refer to the Product Disclosure Statement (PDS) for details of insurance. To the extent of any inconsistency with the relevant insurance policies, the terms and conditions of the policies will prevail.

### When do the definition changes apply and who do they apply to?

Where the Trustee has been required to amend the insurance policies to comply with the changes to the SIS Act, these insurance definition changes apply to all new cover provided to new and existing members from 1 July 2014.

For an existing member who is insured by OPL and has continuously held a type of cover (ie: TPD or Terminal Illness) which was established before 1 July 2014, that cover will not be affected by these changes and the member will continue to be covered by and be able to claim under the previous policy terms. However, where a member applies for new TPD cover through the Corporate Super, Integra Super or ANZ Super Advantage products from 1 July 2014, the new TPD definition outlined below will apply and new Terminal Illness definition will also apply to any existing Terminal Illness cover.

Increases to existing cover held as at 30 June 2014 are also not impacted by these changes.

### What are the new definitions?

#### Terminal Illness definition

“Terminal illness” or “Terminally ill” means all of the following (i) to (iv) have been satisfied in respect of an insured member

- i. the insured member suffers from an illness or injury;
- ii. two medical practitioners (at least one of whom is a specialist practising in an area related to the illness or injury suffered by the insured member), have certified in writing (‘written certification’), either jointly or separately, that the illness or injury will, despite medical treatment, be likely to lead to the death of the insured member within 12 months from the date of such written certification (the ‘certification period’);
- iii. for each of the written certification, the certification period has not ended;
- iv. the written certification by both medical practitioners must be dated during the period the insured member is insured for death cover under the policy.

#### For a Total and Permanent Disability Benefit to be paid, the following conditions will apply.

Please refer to your Product Disclosure Statement to determine whether “Totally and Permanently Disabled” definition 1 or definition 2 applies to you.

“Totally and permanently disabled (TPD) – definition 1” means:

#### Part 1 – Unlikely to return to work

If the insured member is engaged in a gainful occupation, business, profession or employment when suffering an injury or illness and, as a result of that injury or illness, he or she is:

- a. totally unable to engage in any occupation, business, profession or employment for a period of six consecutive months; and
- b. determined by us at the end of that six month period (or such later time agreed between the Insurer and the Trustee), to be permanently incapacitated to such an extent as to render him or her unlikely ever to engage in any gainful occupation, business profession or employment, for which he or she is reasonably suited by education, training or experience.

OR

#### Part 2 – Permanent impairment

If the insured member is engaged in a gainful occupation, business, profession or employment when suffering an injury or illness and, as a result of that injury or illness, he or she:

- suffers a permanent impairment of at least 25% of whole person function as defined in the American Medical Association publication ‘Guides to the Evaluation of Permanent Impairment’, 4th edition, or an equivalent guide to impairment approved by the Insurer; and
- is disabled to such an extent, as a result of this impairment, that they are unlikely ever again to be able to engage in any occupation, business, profession, or employment for which they are reasonably suited by their education, training or experience.

OR

#### Part 3 – Specific Loss

As a result of illness or injury, the insured member has suffered the total and permanent loss of the use of:

- i. two limbs (where limb is defined as the whole hand or the whole foot);
- ii. the sight in both eyes; or
- iii. one limb and the sight in one eye.

AND

the Insurer has determined that the insured member is permanently incapacitated to such an extent as to render him or her unlikely ever to engage in any gainful occupation, business, profession or employment, for which he or she is reasonably suited by education, training or experience.

OR



#### Part 4 – Loss of Independent Existence

As a result of an injury or illness, the insured member suffers loss of independent existence, and the Insurer has determined that the insured member is permanently incapacitated to such an extent as to render him or her unlikely ever to engage in any gainful occupation, business, profession or employment, for which he or she is reasonably suited by education, training or experience.

‘Loss of independent existence’ means the Insurer has determined the insured member is totally and irreversibly unable to perform at least two of the following five ‘activities of daily living’ without the assistance of another adult person:

- i. Bathing and/or showering;
- ii. Dressing and undressing;
- iii. Eating and drinking;
- iv. Using a toilet to maintain personal hygiene;
- v. Getting in and out of bed, a chair or wheelchair, or moving from place to place by walking, wheelchair or with the assistance of a walking aid.

OR

#### Part 5 – Cognitive loss

As a result of illness or injury, the insured member suffers cognitive loss, and the Insurer has determined that the insured member is permanently incapacitated to such an extent as to render him or her unlikely ever to engage in any gainful occupation, business, profession or employment, for which he or she is reasonably suited by education, training or experience.

‘Cognitive loss’ means the Insurer has determined a total and permanent deterioration or loss of intellectual capacity has required the insured member to be under continuous care and supervision by another adult person for at least six consecutive months and, at the end of that six month period, they are likely to require permanent ongoing continuous care and supervision by another adult person.

“Totally and permanently disabled (TPD) – definition 2” means:

#### Part 1 – Not applicable to definition 2

#### Part 2 – Permanent impairment

If the insured member is engaged in a gainful occupation, business, profession or employment when suffering an injury or illness and, as a result of that injury or illness, he or she:

- suffers a permanent impairment of at least 25% of whole person function as defined in the American Medical Association publication ‘Guides to the Evaluation of Permanent Impairment’, 4th edition, or an equivalent guide to impairment approved by the Insurer; and

- is disabled to such an extent, as a result of this impairment, that they are unlikely ever again to be able to engage in any occupation, business, profession, or employment for which they are reasonably suited by their education, training or experience.

OR

#### Part 3 – Specific Loss

As a result of illness or injury, the insured member has suffered the total and permanent loss of the use of:

- i. two limbs (where limb is defined as the whole hand or the whole foot);
- ii. the sight in both eyes; or
- iii. one limb and the sight in one eye.

AND

the Insurer has determined that the insured member is permanently incapacitated to such an extent as to render him or her unlikely ever to engage in any gainful occupation, business, profession or employment, for which he or she is reasonably suited by education, training or experience.

OR

#### Part 4 – Loss of Independent Existence

As a result of an injury or illness, the insured member suffers loss of independent existence, and the Insurer has determined that the insured member is permanently incapacitated to such an extent as to render him or her unlikely ever to engage in any gainful occupation, business, profession or employment, for which he or she is reasonably suited by education, training or experience.

‘Loss of independent existence’ means the Insurer has determined the insured member is totally and irreversibly unable to perform at least two of the following five ‘activities of daily living’ without the assistance of another adult person:

- i. Bathing and/or showering;
- ii. Dressing and undressing;
- iii. Eating and drinking;
- iv. Using a toilet to maintain personal hygiene;
- v. Getting in and out of bed, a chair or wheelchair, or moving from place to place by walking, wheelchair or with the assistance of a walking aid.

OR

#### Part 5 – Cognitive loss

As a result of illness or injury, the insured member suffers cognitive loss, and the Insurer has determined that the insured member is permanently incapacitated to such an extent as to render him or her unlikely ever to engage in any gainful occupation, business, profession or employment, for which he or she is reasonably suited by education, training or experience.

‘Cognitive loss’ means the Insurer has determined a total and permanent deterioration or loss of intellectual capacity has required the insured member to be under continuous care and supervision by another adult person for at least six consecutive months and, at the end of that six month period, they are likely to require permanent ongoing continuous care and supervision by another adult person.

## PRIVACY LAW CHANGES

In this section ‘we’, ‘us’ and ‘our’ refers to OnePath Custodians Pty Limited and other members of the ANZ Group.

From 12 March 2014, a new set of privacy principles regulates how OnePath entities and members of the ANZ Group (we) will collect, use, store and disclose your personal information provided as part of your investment with us.

We have updated our Privacy Policy and our Privacy disclosures to reflect these changes.

#### Updated information about OnePath’s Privacy Policy

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/aboutOnePath/privacy-policy.aspx](http://onepath.com.au/aboutOnePath/privacy-policy.aspx)

We collect your personal information from you in order to manage and administer our products and services and 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 include:

- an organisation that assists us and/or ANZ to detect and protect against consumer fraud
- any related company of ANZ which will use the information for the same purposes as ANZ and will act under ANZ’s Privacy Policy

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- an organisation that is in an arrangement or alliance with us and/or ANZ to jointly offer products and/or to share information for marketing purposes (and any of its outsourced service providers or agents), to enable them or us and/or ANZ to provide you with products or services and/or to promote a product or service
- organisations performing administration
- 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. Examples of such laws are:

- The *Family Law Act 1975* (Cth) enables certain persons to request information about your interest in a superannuation fund
- There are disclosure obligations to third parties under the *Anti-Money Laundering and Counter-Terrorism Financing Act 2006*.

### Overseas recipients

We or ANZ 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 and at [onepath.com.au/aboutOnePath/privacy-policy.aspx](http://onepath.com.au/aboutOnePath/privacy-policy.aspx)

### Information required by law

ANZ 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 OnePath's Privacy Policy at [onepath.com.au/aboutOnePath/privacy-policy.aspx](http://onepath.com.au/aboutOnePath/privacy-policy.aspx)

### Life risk – sensitive information

For life risk products, where applicable, we may collect health information with your consent. Your health information will only be disclosed to service providers or organisations providing medical or other services for the purpose of underwriting, assessing the application or assessing any claim.

### Privacy consent

We and other members of the ANZ Group may send you information about our financial products and services from time to time. ANZ may also disclose your information to its related companies or alliance partners to enable them or ANZ to tell you about a product or service offered by them or a third party with whom they have an arrangement.

You may elect not to receive such information at any time by contacting Customer Services.

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 or ANZ 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 may be used or disclosed by us or ANZ in connection with your dealings with us or ANZ.

### Privacy policy

OnePath's Privacy policy contains information about:

- when we or ANZ 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 or ANZ has breached the Privacy Act or an applicable code and how we and/or ANZ will deal with those matters.

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

OnePath  
GPO Box 75  
Sydney NSW 2001  
Email: [privacy@onepath.com.au](mailto:privacy@onepath.com.au)

If any of your personal information is incorrect or has changed, please let OnePath know by contacting Customer Services. More information can be found in our Privacy Policy which can be obtained from its website at [onepath.com.au/aboutOnePath/privacy-policy.aspx](http://onepath.com.au/aboutOnePath/privacy-policy.aspx) or [anz.com/privacy](http://anz.com/privacy)

## OPTIMIX AND ONEPATH DIVERSIFIED FUNDS CHANGES

**This information is relevant to Corporate Super, Integra Super and ANZ Super Advantage only.**

Following an extensive review of the OptiMix and OnePath diversified funds, strategic asset allocation changes were implemented in December 2013. These changes were implemented to enable the impacted funds to continue to meet their investment objectives, and deliver more consistent returns by offering increased diversification opportunities.

### New strategic asset allocations by fund

OptiMix Conservative		
Asset Class <sup>†</sup>	Benchmark (%)	Range (%)
Cash	20	13-27
Australian fixed interest	18	11-25
International fixed interest	20	13-27
International property securities	3	0-10
Australian shares	12	5-19
International shares	10	2-18
Alternative assets	17	5-29

<sup>†</sup> The maximum exposure to growth assets for the OptiMix Conservative fund is 42%.

OptiMix Moderate		
Asset Class <sup>†</sup>	Benchmark (%)	Range (%)
Cash	8	0-16
Australian fixed interest	14	6-22
International fixed interest	17	9-25
International property securities	3	0-11
Australian shares	20	12-28
International shares	19	10-28
Alternative assets	19	5-33

<sup>†</sup> The maximum exposure to growth assets for the OptiMix Moderate fund is 64%.

OptiMix Balanced		
Asset Class <sup>†</sup>	Benchmark (%)	Range (%)
Cash	4	0-12
Australian fixed interest	8	0-16
International fixed interest	9	1-17
International property securities	3	0-12
Australian shares	29	20-38
International shares	27	18-36
Alternative assets	20	6-34

<sup>†</sup> The maximum exposure to growth assets for the OptiMix Balanced fund is 84%.

OptiMix Growth		
Asset Class	Benchmark (%)	Range (%)
Cash	0	0-9
Australian fixed interest	4	0-13
International fixed interest	6	0-14
International property securities	3	0-12
Australian shares	35	26-44
International shares	34	24-44
Alternative assets	18	4-33

OptiMix High Growth		
Asset Class	Benchmark (%)	Range (%)
Cash	0	0-9
Australian fixed interest	0	0-9
International fixed interest	0	0-9
International property securities	3	0-13
Australian shares	43	33-53
International shares	42	32-52
Alternative assets	12	3-28

OnePath Balanced		
Asset Class†	Benchmark (%)	Range (%)
Cash	8	0-16
Australian fixed interest	14	5-23
International fixed interest	17	8-26
International property securities	3	0-11
Australian shares	20	12-28
International shares	19	10-28
Alternative assets	19	5-33

† The maximum exposure to growth assets for the OnePath Balanced fund is 64%.

OnePath Managed Growth		
Asset Class†	Benchmark (%)	Range (%)
Cash	4	0-12
Australian fixed interest	8	0-17
International fixed interest	9	0-18
International property securities	3	0-12
Australian shares	29	20-38
International shares	27	18-36
Alternative assets	20	6-34

† The maximum exposure to growth assets for the OnePath Managed Growth fund is 84%.

OnePath High Growth		
Asset Class	Benchmark (%)	Range (%)
Cash	0	0-9
Australian fixed interest	0	0-9
International fixed interest	0	0-9
International property securities	3	0-13
Australian shares	43	33-53
International shares	42	32-52
Alternative assets	12	3-28

ANZ Diversified Stable		
Asset Class†	Benchmark (%)	Range (%)
Cash	20	13-27
Australian fixed interest	18	10-26
International fixed interest	20	12-28
International property securities	3	0-10
Australian shares	12	5-19
International shares	10	2-18
Alternative assets	17	5-29

† The maximum exposure to growth assets is 42%.

**Please note:** The maximum range for Alternative assets shown in the tables above is effective from 1 October 2014, prior to this date a lower maximum applies. For more details please refer to [onepath.com.au](http://onepath.com.au) > Personal > Performance & updates > Product updates

### Investments in alternative assets

Each of the above funds, as well as the funds listed below, have investments in alternative assets:

- OnePath Capital Stable
- ANZ Wholesale Income.

Alternative assets may include investments such as private equity, infrastructure, real estate and hedge funds. These types of assets provide increased diversification, but may require a longer period of time to liquidate (i.e. more than 30 days). Since early December 2013, each of the funds, and the funds listed above, have a limited exposure to assets with varying liquidity. It is expected that these investments will allow the funds to deliver more consistent returns.

There are costs associated with investing in Alternative assets, these are explained in the PDS.

## RUSSELL DIVERSIFIED FUNDS CHANGES

The information following is relevant to ANZ Super Advantage only.

Russell Investments has undertaken a review of the strategic asset allocation for its range of diversified funds. The changes to the funds are shown below and became effective 1 May 2014.

### New strategic asset allocations by fund

The new asset allocation and ranges for the funds are reflected in the tables following.

Russell Balanced		
Asset Class	Benchmark (%)	Range (%)
Australian shares	29	15-45
International Shares	29.5	15-45
Property	4.5	0-20
Fixed Interest and Cash	26.5	10-50
Alternatives	10.5	0-35

Underlying fund: Russell Balanced Fund

Russell Conservative		
Asset Class	Benchmark (%)	Range (%)
Australian shares	11.5	0-25
International Shares	11.5	0-25
Property	3	0-20
Fixed Interest and Cash	64	30-90
Alternatives	10	0-25

Underlying fund: Russell Conservative Fund

Russell Diversified 50		
Asset Class	Benchmark (%)	Range (%)
Australian shares	21	10-35
International Shares	21	10-35
Property	3	0-20
Fixed Interest and Cash	45	20-70
Alternatives	10	0-30

Underlying fund: Russell Diversified 50 Fund

Russell Growth		
Asset Class	Benchmark (%)	Range (%)
Australian shares	34.5	20-60
International Shares	34.5	20-60
Property	5	0-30
Fixed Interest and Cash	10.5	0-30
Alternatives	15.5	0-35

Underlying fund: Russell Growth Fund

## BLACKROCK FUNDS

This information is relevant to Corporate Super, Integra Super and ANZ Super Advantage only.

### BlackRock Scientific Diversified Growth fund changes

BlackRock has undertaken a review of their investment strategies. The changes to the funds are shown below and became effective 18 December 2013.

**Strategic asset allocation change**

The new asset allocation and ranges for the funds are reflected in the table following:

BlackRock Scientific Diversified Growth		
Asset Class	Benchmark (%)	Range (%)
Cash	7	0-15
Australian fixed interest	9	
Australian inflation-linked bonds	3	0-25
Developed markets fixed interest	4	
Emerging markets fixed interest	3	0-20
Australian shares	41	30-50
International developed markets shares (unhedged)	8	
International developed markets shares (hedged)	11	10-35
Emerging markets shares	4	0-10
Global listed infrastructure (unhedged)	5	0-10
Global real estate (REITs)	5	0-10

Underlying fund: BlackRock Scientific Diversified Growth fund

For more details regarding investment fund changes refer to [onepath.com.au](http://onepath.com.au) > Personal > Performance & updates > Product updates

**BlackRock Scientific Australian Equity Asset Allocation**

The fund's investment strategy aims to remain fully exposed to the Australian equity market, with cash exposure being maintained at a minimum, which will, wherever practicable, be equitised using share price index futures.

**BlackRock Scientific International Equity Asset Allocation**

The fund's investment strategy aims to remain fully exposed to the international developed equity market, with cash exposure being maintained at a minimum, which will, wherever practicable, be equitised using share price index futures.

**MAPLE-BROWN ABBOTT FUND**

This information is relevant to Corporate Super only.

**Maple-Brown Diversified fund changes Strategic asset allocation change**

The new asset allocation and ranges for the fund became effective 28 February 2014 and is reflected in the table following:

Maple-Brown Abbott Diversified		
Asset Class	Benchmark (%)	Range (%)
Australian equities	38	20-60
International equities	22	10-35
Property trusts	8	0-15
Fixed interest	22	10-50
Alternative assets	3	0-5
Cash	7	0-25

**BT WHOLESALE ASIAN SHARE FUND**

This change is only relevant to ANZ Super Advantage.

The underlying investment manager for the BT Wholesale Asian Share Fund (Fund) has changed from MFS International (U.K) Limited to J O Hambro Capital Management Group (JOHCM) (a wholly owned subsidiary of BT Investment Management). The new manager was appointed effective from 11 March 2014.

There is no change to the investment objective, asset allocation, benchmark, buy/sell spreads and management fees. The investment strategy under the new manager is outlined below.

**Investment Strategy**

As manager of the Fund, JOHCM's investment process for Asian shares aims to add value through fundamental stock selection. JOHCM focuses on identifying and owning quality long-term sustainable growth companies and is benchmark agnostic. These core holdings are combined with cyclical holdings that are valuation driven with consideration for current macro-economic conditions. The Fund will typically hold between 40 and 55 stocks.

The Fund has assets that are denominated in foreign currencies. This means that changes to the Australian dollar relative to foreign currencies may affect the value of the assets of the Fund. The Fund's foreign currency exposure will generally not be hedged to the Australian dollar but JOHCM may do so from time to time. JOHCM does not intend to use currency trading as an additional source of Fund returns.

**ONEPATH GLOBAL SHARES FUND – CHANGE OF INVESTMENT MANAGER**

This information is relevant to Corporate Super, Integra Super and ANZ Super Advantage only.

ANZ Wealth's internal investment research team regularly reviews and monitors the underlying investment managers of the investment funds offered by OnePath. Regular reviews assist in ensuring each underlying investment manager's performance continues to meet the needs of our current and future investors.

From 19 June 2014, Vontobel Asset Management Inc., US (Vontobel) replaced UBS Global Asset Management (Australia) Ltd as the underlying investment manager of the Fund.

**Who is Vontobel?**

Vontobel Holding AG, is a company dating back to 1924, which has been listed on the Swiss Stock Exchange since 1986.

As a global investment management firm, Vontobel is dedicated exclusively to managing long-only global equity portfolios. Vontobel's investment expertise is rooted in its passion for active asset management. Vontobel has approximately US\$44 billion in assets under advisement, as of 31 December 2013.

**OPTIMIX INVESTMENT MANAGER CHANGES**

This information is relevant to Corporate Super, Integra Super and ANZ Super Advantage only.

A number of OptiMix funds have been impacted by investment manager changes. These include all OptiMix diversified funds plus the relevant sector funds. Diversified funds are: OptiMix Balanced, OptiMix Conservative, OptiMix Growth, OptiMix High Growth and OptiMix Moderate.

OptiMix's active approach to researching and monitoring investment managers is an integral part of the OptiMix investment process and ensures the optimal mix of investment managers is appointed to achieve the best outcome for investors. This active approach has resulted in a number of recent investment manager changes to the following asset classes:

**International Shares**

Investment Managers added	
Manager	Date
UBS Global Asset Management	Dec-13
Vontobel Asset Management	Jun-14
LVS Asset Management	Jun-14
MFS Investment Management	Jun-14

Investment Managers removed	
Manager	Date
Aberdeen Asset Management	Nov-13
Aurora Asset Management	May-14
Realindex Investments	Jun-14
China Asset Management	May-14
Harvest Global Investments	May-14
Quant Management Associates	Jun-14
Robeco Institutional Asset Management	Jun-14
Schroders Investment Management	Jun-14
Epoch Investment Partners	Jun-14



Funds impacted by the change: All OptiMix diversified funds, OptiMix Global Emerging Markets Shares, OptiMix Global Smaller Companies Shares and OptiMix Global Shares.

#### International Fixed Interest

Investment Manager added	
Manager	Date
Pacific Investment Management Company	Feb-14

Investment Managers removed	
Manager	Date
Amundi Asset Management	Nov-13
Omega Global Investors	Feb-14

Funds impacted by the change: All OptiMix diversified funds.

#### Alternative Assets

Investment Managers added	
Manager	Date
Man Group	Dec-13
Brigade Capital Management	Dec-13
OZ Management	Dec-13
Anchorage Capital Group	Dec-13
Wellington Management Company	Dec-13
Bentham Asset Management	Dec-13
Amundi Asset Management (Alternatives Defensive)	Dec-13
Odey Asset Management	May-14
Berkshire Property Advisors	May-14

Investment Managers removed	
Manager	Date
Amundi Asset Management (Alternatives Growth)	Dec-13
Goldman Sachs	Dec-13
BlueCrest Capital Management	Mar-14

Funds impacted by the change: All OptiMix diversified funds.

#### Australian Shares

Investment Managers removed	
Manager	Date
Patersons Asset Management	Dec-13
Fairview Equity Partners	Dec-13
RARE Infrastructure	Dec-13
Perennial Investment Partners	Jan-14
Montgomery Investment Management	Jan-14

Funds impacted by the change: All OptiMix diversified funds, OptiMix Australian Shares and OptiMix Geared Australian Shares.

#### Australian Fixed Interest

Investment Manager removed	
Manager	Date
Aberdeen Asset Management	Nov-13

Funds impacted by the change: All OptiMix diversified funds.

## ONEPATH GLOBAL EMERGING MARKETS SHARES FUND – CHANGE OF INVESTMENT MANAGER

This information is relevant to Corporate Super, Integra Super and ANZ Super Advantage only.

ANZ Wealth's internal investment research team regularly reviews and monitors the underlying investment managers of the investment funds offered by OnePath. Regular reviews assist in ensuring underlying investment managers' performance continues to meet the needs of our current and future investors. This led to a change for the OnePath Global Emerging Markets Shares Fund.

In June 2014, Massachusetts Financial Services Company (MFS Investment Management) replaced UBS Global Asset Management (Australia) Ltd as the underlying investment manager of the OnePath Global Emerging Markets Shares Fund (the Fund).

MFS is a subsidiary of Sun Life Assurance Company of Canada. As of 31 December 2013, MFS managed AUD \$461 billion for millions of individuals and hundreds of institutions in more than 75 countries.

The transition to MFS as the underlying investment manager took place on 19 June 2014. For more details regarding investment fund changes refer to [onepath.com.au](http://onepath.com.au) > Personal > Performance & updates > Product updates

OR

[anz.com](http://anz.com) > Personal > Investing & super > Resources

## ONEPATH CAPITAL GUARANTEED FUND

Each year an interest rate is declared which is capitalised and added to the value of your investment. The declared rate is based on a weighted average of the earning rate of the Fund over the last three years after management fees and taxes. The declared rate cannot be negative. The minimum recommended investment horizon for the fund is three years.

Corporate Super					
Annual declared returns as at 30 June (%p.a.)					
2014	2013	2012	2011	2010	
5.50	4.95	4.20	1.25	0.00	

Annualised performance ending 30 June 2014.

The annualised performance is the compound average return of the annual declared return over periods of three and five years ending 30 June 2014.

3 years (%)		5 years (%)	
4.88		3.16	

Integra Super					
Annual declared returns as at 30 June (%p.a.)					
2014	2013	2012	2011	2010	
5.05	4.42	3.66	0.71	0.00	

#### Annualised performance ending 30 June 2014

The annualised performance is the compound average return of the annual declared return over periods of three and five years ending 30 June 2014.

3 years (%)		5 years (%)	
4.38		2.75	

Past performance is not a reliable indicator of future performance. While every care has been taken in the preparation of this information, no warranty is given as to the correctness of the information contained in the table and no liability is accepted by OnePath Custodians, OnePath Life or any other related entity for any error or omission.

## YOUR ANNUAL REPORT IS AVAILABLE ONLINE

In line with our ongoing commitment to reducing our impact on the environment, your Corporate Super and Integra Super Annual Report will be available online after November at [onepath.com.au](http://onepath.com.au) > Personal > Forms & brochures > Find a form or brochure

Your Annual Report for your ANZ Super Advantage account will be available at [anz.com](http://anz.com) > Personal > Investing & super > Resources, then refer to Financial reports and annual statements.

## MEMBER STRONGER SUPER LEVY

This information is relevant to Corporate Super, Integra Super and ANZ Super Advantage only.


In line with many competitors, the Trustee has approved a 0.03% levy to be applied against unitised investment options of all OnePath MasterFund members to cover some of the costs incurred to comply with the Federal Government's 'Stronger Super' reforms.

The Levy will be applied as a one-time adjustment to a daily unit price before the end of the 2014 calendar year.

## IMPORTANT TRUSTEE INFORMATION ONLINE

As part of the Stronger Super reforms, Registrable Superannuation Entities are required to publish specific information on their websites in accordance with the *Superannuation Industry (Supervision) Act 1993*. OnePath Custodians Pty Limited as Trustee of your superannuation fund has recently published this information online. To find out more about OnePath Custodians Pty Ltd please go to [onepath.com.au](http://onepath.com.au) > About OnePath > Help > Trustee information or for ANZ Super Advantage, please go to [anz.com](http://anz.com) > Personal > Investing & super > OnePath ownership and follow the OnePath website link.

### ANZ Smart Choice Super

 13 12 87 (option 1) weekdays between 8.30am and 6.30pm (AEST)

 anzsmartchoice@anz.com

### Corporate Super

 1800 627 625 weekdays from 8.30am and 8pm (AEST)

 corpsuper@onepath.com.au

### Integra Super

 133 665 weekdays from 8.30am and 6.30pm (AEST)

 customer@onepath.com.au

### ANZ Super Advantage

 13 38 63 weekdays between 8.30am and 6.30pm (AEST)

 customer@onepath.com.au

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OnePath Custodians Pty limited (ABN 12 008 508 496, AFSL 238346, RSE L0000673) is the trustee and issuer of this Member Update. The issuer is a wholly owned subsidiary of Australia and New Zealand Banking Group Limited (ABN 11 005 357 522) (ANZ). ANZ is an authorised deposit taking institution (Bank) under the Banking Act (Cth). Although the issuer is owned by ANZ it is not a bank. Except as described in the relevant Product Disclosure Statement (PDS), an investment with the issuer is not a deposit or other liability of ANZ or its related group companies and none of them stands behind or guarantees the issuer or the capital or performance of an investment. An investment is subject to investment risk, including possible repayment delays and loss of income and principal invested. Returns can go up and down. Past performance is not indicative of future performance.

This information is current as at June 2014 but may be subject to change. Updated information will be available free of charge by contacting Customer Services on 13 12 87 (ANZ Smart Choice Super) or 1800 627 625 (Corporate Super) or 133 665 (Integra Super), or 13 38 63 (ANZ Super Advantage).

Taxation law is complex and this information has been prepared as a guide only and does not represent taxation advice. Please see your tax adviser for independent tax advice.

The information is of a general nature and does not take into account an investor's personal needs, financial circumstances or objectives. Before acting on this information, an investor should consider the appropriateness of the information, having regard to their needs, financial circumstances and objectives. An investor should read the relevant PDS available at anz.com and onepath.com.au and consider whether that particular product is right for them before making a decision to acquire or continue to hold the product. The examples used in this Member Update are hypothetical and are not meant to illustrate the circumstances of any particular individual.