

member update

JULY 2015

INVESTMENT

Investment performance

ONLINE

Welcome to your
new SUPER home

WOMEN AND SUPER

She'll be right mate...

FEDERAL BUDGET

Budget Update

Competitive
performance



YOUR WORLD
YOUR WAY



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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

Our highly-rated super

The ANZ Smart Choice suite of products is part of our award-winning product range:

- ✓ ANZ Smart Choice Super and Pension was awarded the 5 Star 'Outstanding Value' CANSTAR award in the Superannuation category in 2014 and Account Based Pension category in 2015.
- ✓ The ANZ Smart Choice suite was awarded *Money* magazine's 2015 Best of the Best awards for 'Lowest Cost Pension Fund' for the product ANZ Smart Choice Pension – Growth and 'Lowest-Cost MySuper Fund' for the ANZ Smart Choice Super 1960s Lifestage investment option.
- ✓ The Heron Partnership has awarded ANZ Smart Choice Super and Pension 5 Heron Quality Stars for the 2015 Quality Star Rating and 2015 Top 10 Insurance Features.
- ✓ SuperRatings recently recognised ANZ Smart Choice Super's innovative online rollover tool with 'Best New Product for 2015'. This feature was also a key reason why ANZ Smart Choice Super was also recognised as the fastest growing super fund in Australia during 2014, winning the 'Fast Mover' award.
- ✓ Most recently SuperRatings has awarded Gold ratings for the ANZ Smart Choice Super and Pension products and the MySuper product for 2015.

For more information please visit canstar.com.au, moneymag.com.au, superratings.com.au and heronpartners.com.au



Account Based Pensions



Superannuation



WELCOME

WELCOME TO YOUR END OF FINANCIAL YEAR MEMBER UPDATE

I'd like to thank you for your continued support of ANZ's superannuation solutions.

Since opening your MySuper account in the award-winning* ANZ Smart Choice Super, your new super home continues to gain more awards and improved features, including an exciting new investment menu with over 40 carefully selected, well-regarded investment options. As we progress towards moving your OnePath Corporate Super, OnePath Integra Super and ANZ Super Advantage account balance into your ANZ Smart Choice Super home, we look forward to keeping you informed. Find out more about ANZ Smart Choice on page 6.

In the meantime, we continue to work tirelessly in managing both your OnePath Corporate Super, OnePath Integra or ANZ Super Advantage and ANZ Smart Choice Super accounts to our consistently high standard.

COMPETITIVE RETURNS

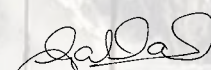
Markets in general continue to deliver solid, positive returns for investors, although recovery has been impacted by events in Europe, particularly in regards to Greece.

Over the past year, our ANZ Smart Choice Super lifestyle investments and OptiMix Diversified Multi-Manager funds have benefited from these strong markets and the continued strengthening of our investment expertise and specialist functions within our investment team.

IN THIS UPDATE

Did you know that most women retire with inadequate retirement savings? We take a look at a few practical steps to help you get the most out of your super. In this edition of your Member Update we also provide information on other changes impacting super as a result of the Federal Budget and what it means to you.

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



Mark Pankhurst
Head of Client and Product Management
ANZ Global Wealth

* The ANZ Smart Choice suite of products is part of our award-winning product range. See 'Our highly-rated super' on Page 2.

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.

INVESTMENT PERFORMANCE UPDATE

OVER THE PAST YEAR, INVESTORS HAVE BENEFITED FROM CONTINUING COMPETITIVE INVESTMENT PERFORMANCE ACROSS A RANGE OF ASSET CLASSES DUE TO IMPROVING MARKET CONDITIONS AND ECONOMIC FACTORS ALTHOUGH RECOVERY HAS BEEN IMPACTED BY EVENTS IN EUROPE, PARTICULARLY IN REGARDS TO GREECE.

DIVERSIFIED FUNDS ARE EXPERIENCING COMPETITIVE GROWTH IN DIFFERENT ASSET CLASSES AT THE SAME TIME – IN PARTICULAR LISTED PROPERTY AND SHARES, BOTH INTERNATIONAL AND AUSTRALIAN



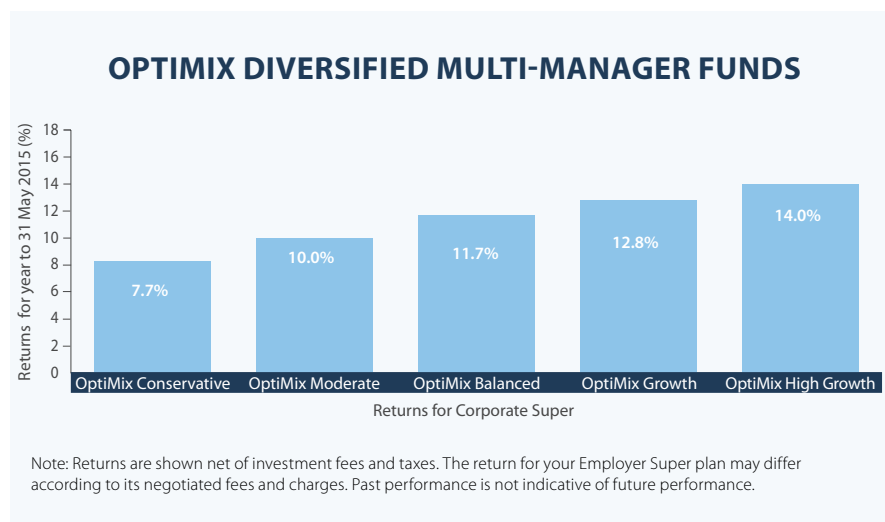
According to funds' research group Morningstar's Australian superannuation survey, the average one-year return for a balanced option at March 2015 was a healthy 12% compared to three years ago when it was only 2.7%*. The graphs on these pages show the current performance of our investment funds.

For more information on OptiMix Diversified Multi-Manager funds visit onepath.com.au

OPTIMIX DIVERSIFIED MULTI-MANAGER FUNDS

We have strengthened the proposition of the OptiMix Diversified Multi-Manager funds available through your account in OnePath Corporate Super, OnePath Integra

Super, ANZ Super Advantage and ANZ Smart Choice Super, with greater contributions from specialists within our investment team and the addition of well-regarded investment consultants to support our capabilities. This, alongside selective changes to our manager line-up, has led to





ANZ SMART CHOICE SUPER LIFESTAGE INVESTMENTS

As part of ANZ’s MySuper strategy to deliver our innovative ANZ Smart Choice Super solution, we have also adopted a smart approach to the way we manage your super, called lifestage investments. Designed to suit no matter where you are in life, your lifestage option selects a mix of investments based on your age and adjusts them as you get older. Your super automatically preparing you for retirement — now that’s smart.

The performance of lifestage investments has been consistently competitive, with the graph below showing the performance of the lifestage investments for the year to 31 May 2015.*

These performance results for both ANZ Smart Choice Super and the OptiMix and OnePath Diversified Funds come after significant work has been done, by enhancing our Chief Investment Office with specialist expertise and increased focus on asset allocation (both strategic and

tactical), manager research and portfolio construction strategies. This process is supported by a dedicated team of asset allocation specialists.

We have also strengthened the governance and decision making structure across all stages of the investment process.

We will continue to look to improve and strengthen our investment offerings to meet our customers’ needs.

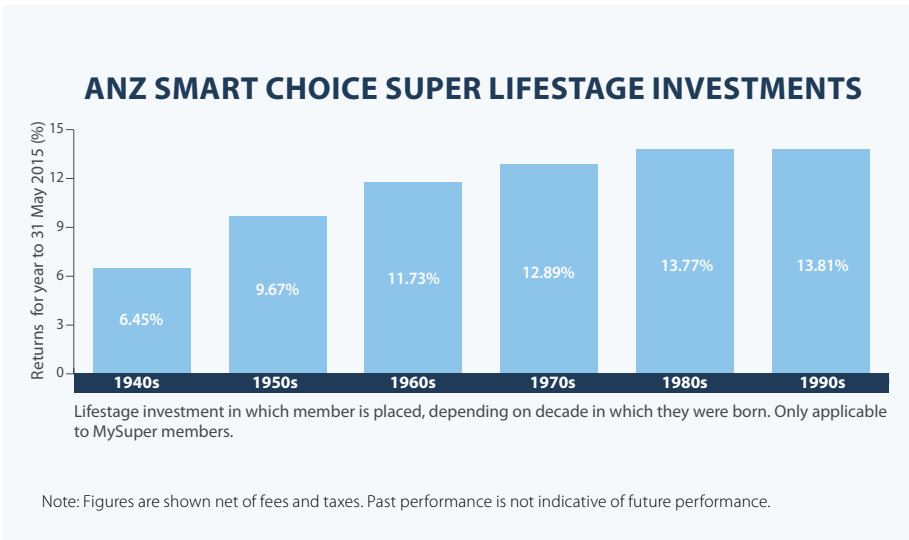
For more information on ANZ Smart Choice Super lifestage investments visit anz.com/smartchoicesuper

an improving risk-return proposition for our members even allowing for volatility around the Greek situation.

The graph on page 4 shows the investment performance of the OptiMix Diversified Multi-Manager funds for the year to 31 May 2015.

The solid results over the past twelve months have come from Tactical Asset Allocation (TAA) value add by being overweight in developed market international shares (unhedged).

* This article has been prepared using the most up-to-date figures available at the time of going to press. June 2015 figures will be available in late July from anz.com





WELCOME TO YOUR NEW SUPER HOME!

COMPULSORY SUPERANNUATION HAS BEEN AROUND FOR 21 YEARS. IN 2013, THE FEDERAL GOVERNMENT FURTHER IMPROVED AND UPDATED THE SUPER SYSTEM, WHICH INCLUDED THE INTRODUCTION OF A COST-EFFECTIVE, EASY-TO-USE MYSUPER ACCOUNT WITH NO ADVISER COMMISSIONS, DIVERSIFIED INVESTMENT OPTIONS, AND A MINIMUM LEVEL OF INSURANCE COVER.

At OnePath, ANZ's specialist product brand for superannuation and insurance solutions, we didn't just want to comply with the reforms. We knew that with the scale and strength of the ANZ Group, we could do better than that for our customers.

So we designed a state-of-the-art SUPER home – the multi award-winning! ANZ Smart Choice Super, built to Government specifications with one of the lowest independently ranked MySuper fees in the market.² Like a new home, ANZ Smart Choice Super allows you to move straight in, or if you prefer to 'renovate', the flexibility to make it uniquely your own with additional features and benefits.

Your ready-made SUPER home is furnished with all the essentials. Insurance cover based on your age to give you peace of mind when you need it most, plus a simple yet smart Lifestage investment strategy with a

pre-selected mix of assets that automatically adjust as you get older to become more conservative over time.

But for those seeking some personal touches, ANZ Smart Choice Super offers flexibility and choice, including over 40 carefully selected investment options from well-regarded fund managers, variable levels of insurance cover for Death, Total & Permanent Disability (TPD) and Income Protection and features innovative mobile technology that allows you to track your super and banking from anywhere in the world anytime³ via ANZ Internet Banking, Grow by ANZ™ and ANZ goMoney®⁴.

It is one great benefit after another with ANZ Smart Choice Super and best of all, you are now part of ANZ which gives you exclusive access to other great banking and lifestyle benefits.

Take a look around the features of your new SUPER home or log on to anz.com/superrenovation to take a virtual tour. You can also access up-to-date information about the renovation and how to take advantage of some of these great new features once you settle into your new SUPER home.

To register for ANZ Internet Banking call **13 12 87**. If you are an existing ANZ Internet Banking user, simply link your ANZ Smart Choice Super account.



Round up your super online

Bring all your money into the one fund easily online. We'll help you track down and round-up all your other super accounts in just a few clicks via ANZ Internet Banking or on your iPad or iPhone with Grow by ANZ™. No more paper forms and no more multiple sets of fees.⁷



COMPETITIVE FEES AND NO HIDDEN CHARGES

ANZ Smart Choice Super's fees are competitively priced and simple to understand. Our lifestage investment options have one of the lowest independently ranked MySuper fees² in the market.



SMART INVESTMENTS AND WIDE INVESTMENT CHOICE

Designed to suit no matter where you are in life, your lifestage option selects a mix of investments based on your age and adjusts them as you get older. Your super is automatically preparing you for retirement – now that's smart. Alternatively, you can take a more active role in your investment decisions. Choose from our wide range of carefully selected, well-regarded options – designed to provide different levels of risk and potential returns.



SMART INSURANCE

Flexible and affordable insurance options that provide automatic Death and TPD cover⁵ for MySuper members based on your age; or the option to increase Death and TPD cover for maximum protection that meet your needs, plus the option to apply for Income Protection⁶ too!



ONLINE ANYTIME³

Keep your superannuation close – at home and on the go. On your desktop with ANZ Internet Banking, on your smartphone with ANZ goMoney® and on your iPad or iPhone with Grow by ANZ™.

Simply register for ANZ Internet Banking on anz.com, visit an ANZ Branch or call 13 12 87.⁸

1 ANZ Smart Choice Super was awarded *Money* magazine's 2015 Best of the Best award for Lowest Cost MySuper fund. For more information please visit moneymag.com.au. ANZ Smart Choice Super was awarded Best New Product and Fast Mover in SuperRating's 2015 product rating. ANZ Smart Choice Super received a MySuper Gold rating in SuperRating's 2015 product rating. SuperRatings does not issue, sell, guarantee or underwrite this product. Go to superratings.com.au for details of its ratings criteria.

2 Research conducted by SuperRatings Pty Ltd, holder of Australian Financial Services Licence No. 311880. Analysis current as at 31 March 2015, and limited to the member, administration and investment management fees of 87 retail, industry, corporate and government MySuper funds. Refer to the ANZ Smart Choice Super Additional Investment Guide (AIG) for further information. For a copy of the SuperRatings research and the latest information, call 13 12 87 or go to anz.com/superfeesgraph

3 Temporary service disruptions may occur.

4 ANZ goMoney® is provided by and is a trademark of ANZ. Grow by ANZ™ is provided by Australia and New Zealand Banking Group Limited (ANZ) ABN 11 005 357 522. ANZ recommends that you read the Grow by ANZ™ Terms and Conditions available at anz.com and consider if this service is appropriate to you prior to making a decision to acquire or use Grow by ANZ™. Super, share investing and insurance are not provided by ANZ, but by entities that are not banks. ANZ does not guarantee them. ANZ goMoney® for Android™ is only available in Google Play™. ANZ goMoney® for iPhone is only available from the App Store. iPhone is a trademark of Apple Inc., registered in the U.S. and other countries. App Store is a service mark of Apple Inc. Android and Google Play are trademarks of Google Inc. Grow by ANZ™ is provided by and is a trademark of ANZ. Apple, the Apple logo, iPhone and iPad are trademarks of Apple Inc., registered in the U.S. and other countries.

5 Death and TPD cover is automatic unless you opt out. Cover is subject to eligibility and may be subject to a pre-existing condition exclusions and loadings.

6 Applications for additional cover will be assessed by the insurer for approval.

7 Before redirecting your super or moving your money into ANZ Smart Choice Super and Pension, you will need to consider whether there are any adverse consequences for you, including exit fees, other loss of benefits (e.g. insurance cover), increase in investment risks and where your future employer contributions will be paid.

8 You will need a Customer Registration Number (CRN) and a Telecode to register for ANZ Internet Banking. To obtain a CRN and Telecode call 13 12 87.

SHE'LL BE RIGHT MATE...

AUSTRALIANS TEND TO BELIEVE THAT "WHATEVER IS WRONG WILL RIGHT ITSELF OVER TIME", WHICH REFLECTS OUR VERY RELAXED ATTITUDE TO LIFE.

HOWEVER, THE REALITY MAY BE FAR FROM THIS

"She'll be right mate..." is an Australian phrase used to express the belief that "whatever is wrong will right itself over time" and reflects our very relaxed attitude to life.

But this is a belief. The reality may be far more serious, in that many Australians will experience some form of injury, illness or death, which can have significant impacts to their way of life or their family's financial security.

Thankfully, insurance is one way to safeguard against the financial impact of unexpected events like these and if you take out insurance within super, it could be a tax-effective way to help make sure you are covered. So, let us take a closer look at **insurance within super**, because a little of your time today could make all the difference to you and your family's life.

Did you know?

Premiums on basic Death and Total & Permanent Disability (TPD) cover offered by the super fund may be paid from before-tax contributions such as Superannuation Guarantee (SG) or Salary Sacrifice arrangements. Contributions caps may apply.

Cardiovascular
disease kills one
Australian every
12 minutes¹



Check your insurance cover to ensure your employer has set up your insurance cover correctly, including: occupation, age, gender, types of insurance and sum insured.

DON'T LET DISABILITY RUIN THE REST OF YOUR LIFE

Meet Lucy and Lyle

Lucy and Lyle are both 34 years of age. Lucy works part-time as an architect, spending the rest of her time renovating their new home, while Lyle works as a landscape gardener. For their fifth wedding anniversary, Lucy and Lyle decided to take the skiing trip in Canada they had always dreamed of. The trip of a lifetime turns into a nightmare when Lyle is seriously injured on the slopes.

Sadly, the serious injury turned out to be a spinal fracture and Lyle is faced with life in a wheelchair.

Aside from dealing with the shock of such a serious injury, the couple has to contend with the costs of surgery, rehabilitation and completely modifying their home and car for Lyle. Luckily for Lyle and Lucy, their financial adviser had assessed their protection needs and ensured they were

both covered, having TPD insurance via their life cover. As Lyle's injury meant that he met a condition of release to access funds in his superannuation account, he was able to access the insurance cover and they were able to extinguish some of the mortgage, pay for modifications to the home and car, as well as pay for some of the rehabilitation that Lyle would require.²

Because they decided to take less cover than their adviser had recommended, Lucy did have to go back to work full-time to cover the rest of Lyle's rehabilitation costs and continue paying the mortgage.

However, the cover that they did have went a long way in reducing their financial burden, allowing Lyle and Lucy more time to focus on important things, like Lyle's rehabilitation.

¹ Heart Foundation Data and Statistics, heartfoundation.org.au
² Terms and conditions apply before release of funds. Each case is assessed independently.



Don't wait until it's too late. For more information on adding additional cover within your super, speak to your financial planner or contact Customer Services.

WHAT TYPES OF INSURANCE COVER ARE OFFERED WITHIN SUPER?

Under the new MySuper reforms introduced in 2013, your employer's super fund has to provide a basic level of 'Death' (or Life) and 'Total and Permanent Disablement' (TPD or invalidity) insurance to eligible MySuper members. Super funds may also offer Income Protection separately within your super.

Insurance is typically sold in 'units' or as a fixed amount of cover ('fixed cover') and the cost of the cover is charged as a premium (referred to as insurance fees in MySuper products). You can apply to take up additional cover in any of the insurance types offered within your employer's super fund. Additional insurance cover is subject to approval by the insurer of the super fund and you may be required to undergo a medical assessment and complete a Personal Health Statement. Furthermore, if you have a pre-existing condition on or prior to the day that you increase your cover or are approved for a new type of cover, the insurer will not pay a benefit on the increased amount or new type of cover.

INSURANCE TYPES

- **Death cover** – also known as term life insurance, pays a set amount of money when the insured person dies.

The money will go to the people you nominate as beneficiaries on your super account.

- **TPD cover** – covers the costs of rehabilitation, debt repayments and the future cost of living if you are totally and permanently disabled. TPD cover is often bundled together with life cover.
- **Income Protection** – replaces the income lost through your inability to work due to injury or illness.

Did you know?

An insurance payout can be structured within your super, as an income stream, to reduce the amount of tax that may be payable and to provide the advantages of a regular income stream. Conditions apply. It is important to check with your financial planner.

EASE THE STRAIN OF SUDDEN LOSS

Meet Elroy and Nina

Elroy and Nina are married with four children aged between 12 and 18. Elroy is 55 years of age and is a company executive earning \$350,000, while Nina is 40 years of age and is a private bank manager earning \$100,000. The family has a comfortable lifestyle and a remaining mortgage of \$400,000.

On the way home from a business trip, Elroy is involved in a serious car accident. Sadly, Elroy doesn't survive the accident and dies on the way to the hospital. Elroy's death is a devastating blow to the family. However, Nina is comforted by the fact that Elroy's financial adviser ensured his insurance through his superannuation was robust enough to make sure the family were cared for in the event of

his death. Elroy's \$2 million payout ensured that Nina could pay off the mortgage, continue the children's education and meet all the funeral costs without financial strain.

Why you may need life cover

Life cover becomes a necessity if you have dependants who rely on you financially or if you have debts which need to be extinguished upon your death. Immediate expenses to take into account include:

- ongoing income for your dependants
- mortgage or other debts
- funeral costs
- medical or hospital costs.

AN ALARMING REALITY FOR WOMEN AND THEIR SUPER

MOST WOMEN RETIRE WITH INADEQUATE SAVINGS TO FUND A 'COMFORTABLE' LIFESTYLE. WHAT CAN THEY DO TO BOOST THEIR SUPER BALANCE?

Australian women are living longer than ever and as a consequence, the length of time spent in retirement years is on the rise too. Today, women retiring at 60 can expect to spend an average of 29 years in retirement.¹

Yet one in three women will retire with no super at all². We also know that the average super account balance for women when they retire is \$90,000 less than the average for men, and 90% of women will retire with inadequate savings to fund a 'comfortable' lifestyle.³

WHY DOES THIS OCCUR?

A major contributor to this issue is 'super baby debt', where taking time off work to have a family means women can miss out on up to \$50,000 in their super.⁴ When women are not at work, employer contributions may stop. Even with part-time work, employers are only obligated to contribute to super if you earn over \$450 a month.

Other contributing factors for women to not build a reasonable amount of retirement savings include: lower pay compared to their male equivalent, running a single-parent household after divorce and inability to be the primary care-giver and in full-time work.

Speak to your financial planner to ensure your retirement strategy is on track.

SO WHAT CAN YOU DO TO IMPROVE RETIREMENT SAVINGS?

1. Consider asking your spouse to make a 'spousal contribution' to your super

If your assessable income is less than \$13,800 for the financial year, your spouse can make a non-concessional (after-tax) contribution on your behalf and claim a maximum tax offset of up to \$540 if your spouse contributes up to a maximum of \$3,000 into your complying super fund.

Please note: eligibility criteria apply. See ATO website for further details.

A spouse for the 'superannuation spouse contributions tax offset' includes a person who, although not legally married to you, lives with you on a genuine domestic basis in a relationship as a couple. It does not include a person to whom you are married but who lives separately and apart from you on a permanent basis.

2. You may be eligible for a Government Co-contribution

Another option to help you 'catch-up' on your super savings is to take advantage of the Government Co-contribution Scheme⁵. You may have decided to return to work part-time after the kids were born, or alternatively return to work full-time. Either way, if you make a non-concessional (after-tax) contribution to your super fund, and earn less than \$50,454 a year (for 2015/2016 year), you will be eligible for a government co-contribution of up to \$500 if you satisfy the requirements.

TFN alert: your super fund cannot accept after-tax contributions, or receive co-contributions on your behalf, if you have not provided your tax file number (TFN) to your fund.

To find out how much co-contribution you may be entitled to, go to the ATO's Super Co-contribution Calculator.

3. Maximise concessional cap limits while you work

Regular super contributions beyond those your employer makes can rapidly increase your final retirement savings. One of the most tax-effective ways is to make contributions 'before-tax' via your employer, with a salary sacrifice arrangement. Limits apply to the total amount in before-tax dollars you may contribute to super (including Superannuation Guarantee contributions made by your employer). Please see the table below for the limits.

Income Year	Cap for those aged under 50 years as at the end of the financial year	Cap for those aged 50-59 as at the end of the financial year	Cap for those aged 60 years or over as at the end of the financial year
2015-16	\$30,000	\$35,000	\$35,000
2014-15	\$30,000	\$35,000	\$35,000
2013-14	\$25,000	\$25,000	\$35,000

See Contribution caps at www.ato.gov.au

For more information on strategies relating to women and how you can achieve greater financial security, go to anz.com/women, or contact Customer Services.

1 2015 Intergenerational Report, 'Australia in 2055'. Page 5. Source: The Commonwealth of Australia.

2 The Association of Superannuation Funds of Australia, 'Help ASFA close the \$92,000 superannuation gender gap this Women's Day', media release, 27 February 2015, accessed April 2015.

3 For the definition of 'comfortable' lifestyle, see ASFA Retirement Standards (May 2015) at superannuation.asn.au

4 ASFA media release 'How the 'super baby debt' eats away at a woman's nest egg' 27 August 2012

5 An income test and work test applies.

WHAT DOES THE FEDERAL BUDGET MEAN FOR YOU?

ON 12 MAY 2015, THE ABBOTT GOVERNMENT DELIVERED ITS SECOND FEDERAL BUDGET. THERE ARE A NUMBER OF ANNOUNCEMENTS OF WHICH YOU SHOULD BE AWARE, THOUGH THERE WERE NO MAJOR CHANGES TO INVESTMENTS OR SUPERANNUATION.

The announcements in this Budget update are proposals unless stated otherwise. These proposals need to successfully pass through Parliament before becoming law and may be subject to change during this process. In this update we look at the Budget proposals that may impact investors and individuals planning for retirement.

Early access to superannuation for people with terminal medical condition from 1 July 2015

The Government has amended the provision for accessing superannuation for people suffering a terminal medical condition. This amendment will extend the life expectancy period from 12 months to 24 months.

Possible implications to consider

If an individual failed to obtain the required medical certification due to the restrictions of the 12-month rule, consider obtaining new medical certification. Whilst the change will allow earlier access to an individual's super it may not provide earlier access to any terminal insurance benefits as part of their super.

If you have insurance within your super, it is important to understand the terms and conditions. Consider maintaining some money in your super account to keep the account open and to pay insurance premiums. Withdrawing your full balance could result in the loss of valuable insurance cover. Refer to your financial planner.

Changes to pension indexation abandoned

In last year's Budget, the Government proposed to change the indexation of pension payments to movements in the

Consumer Price Index (CPI). This proposal is now abandoned. Pensions will continue to be indexed in line with the higher of increases in CPI, male total average weekly earnings and the pensioner and beneficiary living cost index.

Government commitment to continue indexation and not reduce deeming thresholds

The Government has committed to continued indexation of the pension income test free areas and deeming thresholds. The Government also announced that they will not be proceeding with the reduction in the income test deeming rate thresholds as announced in the previous 2014/15 Budget.

Changes to pension asset thresholds and taper rate from 1 January 2017

The Government has legislated increases to the lower pension asset thresholds. However, the asset test taper rate increases from \$1.50 per fortnight for every \$1,000 above this threshold to \$3 per fortnight. This taper rate applied before 20 September 2007. Consequently, the upper asset thresholds reduce.

It is estimated that under the new rules:

- Around 50,000 part pensioners will qualify for a full pension.
- Approximately 91,000 part pensioners will no longer qualify for the pension and a further 235,000 will have their part pension reduced.

Those who no longer qualify for Age Pension because of the changes have guaranteed eligibility for the Commonwealth Seniors Health Card or the Health Care Card.

Tightening overseas absence rules and impact on certain payments, including Age Pension from 1 January 2017

The Government has proposed that recipients of Age Pension, Wife Pension, Widow B Pension and Disability Support Pension (DSP) may have their entitlements decrease if absent overseas for more than 6 weeks (reduced from the current 26 weeks).

After 6 weeks' absence from Australia, pensioners who have lived in Australia for less than 35 years will be paid at a reduced rate proportional to their permanent residence in Australia between the age of 16 and pension age.

Pensioners absent on 1 January 2017 will not be affected by this change unless they return to Australia and make a subsequent trip overseas. The following pensioners will be exempt from these measures:

- Age Pensioners who have lived in Australia, as a permanent resident, for more than 35 years between the age of 16 and their pension age
- DSP recipients who are terminally ill or severely impaired
- Certain Widow B Pension recipients
- Certain Wife Pension recipients.

Possible implications to consider

If you're an Age Pensioner and take an overseas holiday post retirement, you should understand the impact to your entitlements if you are intending to be overseas for more than 6 weeks.

If you have any questions or concerns about how these or any other Budget proposals could affect you and your family, visit www.budget.gov.au or speak to your ANZ Financial Planner. ■

IMPORTANT CHANGES AND INFORMATION

01 STANDARD RISK MEASURE

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/personal/performance/product-updates.aspx

Updated Standard Risk Measures – Corporate Super

Option Name	Risk Band	Risk Label
OnePath Diversified Fixed Interest	2	Low

Updated Standard Risk Measures – Integra Super

Option Name	Risk Band	Risk Label
Challenger Property	6	High
Colonial First State Diversified	6	High
OptiMix Geared Australian Shares	6	High
OptiMix Property Securities	6	High
Platinum International	6	High

Updated Standard Risk Measures – ANZ Super Advantage

Option Name	Risk Band	Risk Label
Colonial First State Diversified	6	High
OptiMix Geared Australian Shares	6	High
Platinum International	6	High

02 NEW INVESTMENT MENU FOR ANZ SMART CHOICE SUPER

ANZ Smart Choice Super now includes an even larger range of carefully selected 'Choose your own' investment options across a wide selection of investment managers and asset classes – designed to suit different levels of risk and potential returns (see following table).

Choose your own						
Diversified – Risk Based	ANZ Smart Choice Conservative	ANZ Smart Choice Growth	ANZ Smart Choice Moderate	Legg Mason Diversifed	OptiMix Balanced	UBS Defensive
	OptiMix Conservative	OptiMix Growth	OptiMix High Growth	OptiMix Moderate	Schroder Real Return	UBS Balanced
Cash	ANZ Smart Choice Cash					
Fixed Interest	ANZ Smart Choice Global Fixed Interest	Bentham Global Income	PIMCO Diversified Fixed Interest	Schroder Fixed Income		
Absolute Return Fixed Income	Kapstream Absolute Return Income					
Australian Property	SG Hiscock Property Securities					
International Property	ANZ Smart Choice Global Property	CBRE Clarion Global Property Securities				
Australian Equities	ANZ Smart Choice Australian Equities	Bennelong Australian Equities	BT Smaller Companies	Fidelity Australian Equities	Karara Capital Emerging Companies	OptiMix Geared Australian Shares
	Perpetual Australian Shares	Schroder Australian Equity	UBS Australian Shares	UBS Sustainable Investments Australian Shares	UBS Select Leaders	
Australian Equity Income	Merlon Australian Share Income	UBS Blue Chip Imputation				
International Equities	ANZ Smart Choice Global Smaller Companies	ANZ Smart Choice International Equities (Hedged)	ANZ Smart Choice International Equities (Unhedged)	Arrowstreet Global Equity (Hedged)	Magellan Global	
	MFS Global Equity	Platinum International	Vontobel Global Shares	Walter Scott Global Equity (Hedged)		
Emerging Market Equities	MFS Global Emerging Markets Shares	Platinum Asia				
Alternatives	GMO Alternatives Growth	Rare Infrastructure Value				

For full details about the ANZ Smart Choice Super investment menu, fund profiles and manager profiles, please review the latest ANZ Smart Choice Super product disclosure statement (PDS) and Additional Information Guide available from anz.com/smartchoicesuper

03 CHANGES TO STRATEGIC ASSET ALLOCATION FOR PERPETUAL FUNDS

This is relevant for OnePath Corporate Super, OnePath Integra Super and ANZ Super Advantage.

Perpetual has made some changes to the strategic asset allocations (SAA) of its diversified funds.

The following funds (referred to collectively as 'the Funds') are impacted:

- Perpetual Conservative Growth
- Perpetual Balanced Growth

The changes to the Funds' strategic asset allocation became effective in May 2014.

Strategic asset allocation changes

Perpetual Conservative Growth					
Asset Class [†]	Previous		New – effective May 2014		Range (%)
	Benchmark (%)	Range (%)	Benchmark (%)	Range (%)	
Cash and enhanced cash*	34	15 – 45	33	15 – 45	
Fixed Income	30	15 – 55	30	15 – 55	
Property	3	0 – 10	5.5	0 – 10	
Australian shares [†]	11	0 – 25	11	0 – 25	
International shares [†]	9	0 – 20	9	0 – 20	
Alternative assets [†]	13	0 – 30	11.5	0 – 30	

Perpetual Balanced Growth				
Asset Class [†]	Previous		New – effective May 2014	
	Benchmark (%)	Range (%)	Benchmark (%)	Range (%)
Cash and enhanced cash*	12	0 – 30	15	0 – 30
Fixed Income	10	0 – 35	10	0 – 35
Property	3	0 – 15	5.5	0 – 15
Australian shares [†]	27	10 – 50	27	10 – 50
International shares [†]	27	10 – 50	27	10 – 50
Alternative assets [‡]	21	0 – 30	15.5	0 – 30

* This fund may invest in enhanced cash funds that allow gearing.

† The fund may gain its exposure to Australian shares by investing in one or more underlying Australian share funds. Where the fund invests in the Perpetual Australian Share Fund, that underlying fund invests primarily in Australian listed or soon to be listed shares but may have up to 20% exposure to stocks outside Australia. The investment guidelines showing the fund's maximum investment in international shares do not include this potential additional exposure. Underlying Australian share funds may use short positions as part of their investment strategy. Currency hedges may be used from time to time.

‡ Perpetual may allocate up to 30% of the portfolio to other assets which may include, but is not limited to, infrastructure, mortgages (including mezzanine mortgages), private equity, opportunistic property, absolute return funds, commodities and real return strategies. Exposure to other assets aims to enhance the fund's diversification and may reduce volatility.

04 PERFORMANCE BENCHMARK CHANGES

This is relevant for OnePath Corporate Super, OnePath Integra Super and ANZ Super Advantage.

The performance benchmarks for certain investment funds have changed.

Fund	Previous Index	New Index
OnePath Alternatives Growth	UBS Bank Bill Index**	Bloomberg AusBond Bank Bill Index
OnePath Cash	UBS Bank Bill Index	Bloomberg AusBond Bank Bill Index
OnePath Diversified Fixed Interest	UBS Composite Bond Index (0+Yr)	Bloomberg AusBond Composite 0+ Yr Index
OnePath Global Property Securities*	UBS Global Real Estate Investors (ex-Australia) Net Total Return Index (hedged to the Australian dollar)	FTSE EPRA/NAREIT Developed Rental ex Australia Net Total Return Index hedged to Australian Dollars
OnePath Mortgages	UBS Bank Bill Index	Bloomberg AusBond Bank Bill Index
OptiMix Australian Fixed Interest	UBS Composite Bond Index (All Maturities)	Bloomberg AusBond Composite (All Maturities) Index
UBS Diversified Fixed Income	50% Barclays Capital Global Aggregate Index (A\$ hedged), 50% UBS Australian Composite Bond Index All Maturities	50% Barclays Capital Global Aggregate Index (A\$ Hedged), 50% Bloomberg AusBond Composite (All Maturities) Index

* The performance benchmark for this Fund was not acquired by Bloomberg. The change to the performance benchmark took effect from 31 March 2015.

** Previously referred to as the "UBS Australian Bank Bill Index" in the Continuous Disclosure Notice – Performance Benchmark Changes – February 2015

05 ANNUAL STATEMENTS FOR SUPER – ADDITIONAL EXPLANATORY NOTES

The following explanatory notes are to be read together with your 2015 Annual Statement for your super account. If you have any further questions about your Annual Statement, please speak to your financial adviser or call Customer Services.

Contributions tax

Contributions tax of 15% will apply to any contributions that you claim as a personal tax deduction (subject to a valid 'Notice of intent to claim a tax deduction' form) or contributions made by your employer (including salary sacrifice contributions).

In calculating the amount of tax payable we may make allowance for deductions available to the fund on transactions such as the payment of insurance premiums.

If you are claiming a tax deduction for personal contributions that you made in the Annual Statement period, the related contributions tax will only appear in the Annual Statement if we received your 'Notice of intent to claim a tax deduction' form by the date requested and the notice has been acknowledged by the Trustee.

What has changed?

On 29 September 2014, all UBS Australia bond indices were acquired by the global and independent index provider Bloomberg Indexes (Bloomberg). As a result, the performance benchmarks for the funds listed in the table below (Funds) have changed names and will now be calculated, maintained and licensed by Bloomberg.

The changes became effective on 29 September 2014.

In addition, the performance benchmark for the OnePath Global Property Securities Fund will change as detailed in the table below.

What is the impact of the changes to the performance benchmarks?

There is minimal impact to the Funds as a result of Bloomberg's acquisition of the UBS Australia bond indices. Other than the change of name, the main change is that the performance benchmarks are now based on Bloomberg's pricing system, the Bloomberg Valuation Service, instead of the pricing used by UBS.

There will be minimal impact to the OnePath Global Property Securities Fund as a result of the performance benchmark change, other than the change of name. The Fund will still use the most comparable index.

The old and new names of the performance benchmarks are outlined in the table below.

Tax at a rate of 15% also applies to the untaxed element of a rollover superannuation benefit and certain foreign super fund transfers. The tax payable is shown on your Annual Statement.

Additional tax for high income earners (Division 293 tax)

An additional 15% tax may apply to certain concessional contributions if your adjusted taxable income exceeds \$300,000. For further information please visit ato.gov.au or speak to your adviser.

Preservation status

Unrestricted Non-Preserved Benefit is the amount of the withdrawal benefit at the close of the reporting period that you can access at any time.

Restricted Non-Preserved Benefit is the amount of the withdrawal benefit at the close of the reporting period that you can access, if you leave an employer who has contributed to this fund on your behalf, or when preserved benefits are payable.

Preserved Benefit is the amount of withdrawal benefit at the close of the reporting period required to be preserved by the Trust Deed and super legislation governing your benefits. Generally, you cannot access this amount until age 65, or once you have reached your preservation age (between age 55 and 60, depending on your date of birth) and you have retired.

The total of the preservation components is net of withdrawal fees and contributions tax payable on contributions that were made up to the end of the reporting period. Please note: where no-TFN contributions tax is payable, the total of the preservation components will differ to the withdrawal amount as no-TFN contributions tax payable is deducted from the withdrawal amount and not from the preservation components.

Super Guarantee (SG) Allocation

The Super Guarantee Allocation is the amount of employee entitlement paid by the Australian Taxation Office (ATO) representing a superannuation guarantee shortfall and any interest for the shortfall. This amount includes the 9.5% (for 2014/15) obligation and any interest earned. The Super Guarantee Allocation may appear on your Annual Statement as either an addition or deduction. An addition represents a payment from the ATO into your account and a deduction may be the correction of a payment received to your account or the recovery of an overpaid Super Guarantee Allocation by the ATO. This Super Guarantee Allocation amount is determined by the ATO, so you should speak to your financial adviser or contact the ATO in relation to the amount paid.

Government contribution

Government contributions can include Government co-contribution and Low Income Super Contribution (LISC). The Government co-contribution is an incentive from the Australian Government designed to assist eligible individuals to save for their retirement. If you are working, your income is less than the prescribed threshold and you made a personal non-concessional contribution to super in 2014/15, you may be eligible for a Government co-contribution. Generally, the maximum co-contribution is \$500 and reduces once your income exceeds the relevant threshold. Additional criteria must be satisfied to be eligible for the Government co-contribution.

The Low Income Super Contribution (LISC) effectively returns any tax paid (up to \$500) on concessional contributions made in a financial year for a low income earner (an individual with an adjusted taxable income of \$37,000 or less in an income year).

The co-contribution may appear on your statement as either an addition or deduction. An addition represents a payment from the ATO into your account and a deduction may be the correction of a payment received to your account or the recovery of an overpaid co-contribution by the ATO. Conditions apply, so you should speak to your financial adviser or contact the ATO in relation to the amount paid.

06 UPDATE TO DISCLOSURE FOR ANZ SMART CHOICE SUPER

Please read this product update carefully as the information in the next section replaces the content under the heading "No nomination, defective nomination or cancelled nomination" in the ANZ Smart Choice Super Additional Information Guide – Employers and their employees dated 11 November 2013.

No nomination, defective nomination or cancelled nomination

If you choose not to make a nomination, do not make a valid nomination, cancel your existing nomination or to the extent your nomination is defective, the Trustee will pay your death benefit to your Legal Personal Representative*, if your estate is solvent. If there is no Legal Personal Representative, or your estate is insolvent, the Trustee will pay your death benefit to your spouse.

If you do not have a spouse, the Trustee will pay your death benefit to one or more of your dependants (as determined by the Trustee) and if no dependants, the Trustee will pay your death benefit in accordance with the relevant law.

* Legal Personal Representative means an executor of the will or administrator of the estate of a deceased person, the trustee of a deceased person, the trustee of the estate of a person under a legal disability or a person who holds an enduring power of attorney granted by a person, however:

- a. subject to paragraph (b) below, a person does not have a Legal Personal Representative unless:
 - i. a grant of probate has been made;
 - ii. letters of administration have been issued; or
 - iii. such equivalent authority as the Trustee determines for jurisdictions outside Australia has been conferred on a person; and
- b. if the Trustee is reasonably satisfied that the value of your estate is less than the amount which the Trustee from time to time specifies as the 'probate limit', then the Trustee may treat a person who does not meet the criteria in (a) but who the Trustee is reasonably satisfied will, in practice, be informally performing the role of executor or administrator of your estate as if they were your Legal Personal Representative.

07 AUSTRALIAN PRUDENTIAL REGULATION AUTHORITY (APRA) LEVY

In 2013, the Federal Government increased the APRA Levy (Levy) paid annually by all APRA regulated superannuation funds. We wish to notify you that OnePath Custodians Pty Limited (Trustee) has now recovered this year's Levy from member accounts.

The amount of the Levy is set to recover the general operational costs of APRA, and will also assist with the implementation of the Government's 'SuperStream' reforms. These reforms are designed to support the superannuation system to operate more efficiently for the benefit of members.

The Levy is an expense to the OnePath MasterFund and is applied each year. The component of the Levy related to SuperStream will cease in 2018.

What does this mean for you?

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

The recovery for the year ending 30 June 2015 occurred on, or around, 28 May 2015. It is estimated the impact on members was 0.01% of unutilised investment options. For example, a member with a balance of \$50,000 will pay \$5.00.

Looking forward to the 2015-16 financial year, the Australian Government is considering collecting the SuperStream component of the levies on a member basis rather than a percentage of a superannuation entity's assets.

What do you need to do?

You do not need to do anything, the Levy and unit price adjustment has already been recovered for the 2014/15 year and we will notify you of the changes made for 2015/16 by the Australian Government, if any.

08 YOUR ANNUAL REPORT IS AVAILABLE ONLINE

In line with ANZ's ongoing commitment to reducing our impact on the environment, your Annual Report will be available online in December 2015 at onepath.com.au > Personal > Forms & brochures > Find a form or brochure or anz.com > Personal > Investing & Super > Resources

09 CHANGES TO DISHONoured CHEQUE PROCESSING PROCEDURE

In response to the declining usage of cheques, the Australian Payments Clearing Association has mandated that banks switch from paper to electronic image exchange as the mechanism to manage cheque payments.

As a result, if dishonoured, the physical cheque will no longer be returned to the customer. The customer will now receive a letter that contains an image of the dishonoured cheque. The new process is effective from 25 May 2015.

As a result of the physical cheque not being returned, the cheque re-presentation process can no longer be supported, and has been removed from ANZ's operating procedures.

10 MEMBER STRONGER SUPER LEVY

To cover some of the costs incurred to comply with the Government's 'Stronger Super' reforms and in line with many other super funds, the Trustee has approved an asset-based levy to be applied against the investments of OnePath MasterFund members in the 2015/16 financial year.

The levy will be a percentage based charge on unithised investment options estimated to be no greater than 0.06%, and applied as a one-time adjustment to the daily unit price. We will confirm the actual charge deducted in the next Member Update.

11 REMINDER FOR MEMBERS OF NON-ONEPATH LIFE INSURED PLANS

The Trustee takes this opportunity to remind members that where their insurance cover is provided with a non-OnePath Life insurer, that, upon leaving their employer, their cover will not automatically continue upon delinking from their employer plan and accordingly, they must effect a Continuation Option with the non-OnePath Life insurer within 60 days of ceasing employment. Alternatively, members are able to apply for new cover with OnePath Life Limited. For more information, please refer to the Product Disclosure Statement (PDS) you received when you joined your employer's super plan or call Customer Services.

12 QUALIFYING RECOGNISED OVERSEAS PENSION SCHEME CHANGES

Her Majesty's Revenue & Customs (HMRC) has recently advised of changes in UK pension laws that impact how Qualifying Recognised Overseas Pension Schemes (QROPS), like the OnePath MasterFund, can retain their qualifying status.

From 6 April 2015, the changes mean that recognised overseas pension schemes have to ensure that pension benefits payable to the member are not payable before the member reaches normal minimum pension age unless the ill-health condition is met.

Unfortunately, the UK requirements may not be compatible with Australian superannuation law relating to the release of superannuation monies. As a result, at the time of publication, the OnePath MasterFund is no longer accepting transfers of monies from UK pension schemes.

HMRC has confirmed that members who transferred pension savings into the OnePath MasterFund prior to 6 April 2015 will remain subject to UK tax on the same basis as if the scheme had retained its qualifying status. They will be able to remain as members and receive a pension paid from the benefits transferred without automatically incurring additional UK tax charges.

ANZ Wealth continues to work with industry bodies and Government who are consulting with HMRC to determine if an exception from the UK requirement can be made available for Australian superannuation funds so they can retain their qualifying status. Further information, when available, will be advised via our website.

13 CHECK YOUR INSURANCE DETAILS

Check your insurance cover to ensure your employer has set up your insurance cover correctly, including: occupation, age, salary (if applicable), gender, types of insurance and sum insured.

14 WHAT HAPPENS IF YOUR EMPLOYER TERMINATES THEIR ANZ SMART CHOICE SUPER PLAN?

This is relevant if your employer has negotiated a tailored insurance arrangement with OnePath Life Limited (OPL).

In the event that your employer establishes a new default employer plan with another super fund, your ANZ Smart Choice Super insurance will be converted to a fixed amount of Choose Your Own cover, and you will be charged at the Choose Your Own cover rates contained in the ANZ Smart Choice Super Insurance Guide for Standard Employers. If however, you are provided with insurance cover through the new default employer plan, you will not be entitled to retain your insurance cover through ANZ Smart Choice Super, and you will need to contact the Trustee to cancel your insurance cover.

Cancellation will be effective the date that your account was delinked from the employer plan, and any Insurance fees subsequent to the delink date will be refunded to your ANZ Smart Choice Super account. Any claim that you make through your ANZ Smart Choice Super insurance cover for an event which occurs after the effective date that your account is delinked will be declined by the insurer. Once the Trustee receives an official written request from your employer to terminate the employer plan in ANZ Smart Choice Super, you will receive a letter from the Trustee advising you of this and the implications upon your insurance cover; importantly, that your tailored cover has been converted to Choose Your Own cover. It will also inform you that you are not entitled to retain this cover if you hold insurance through the employer's new default superannuation plan, and the requirement for you to cancel your ANZ Smart Choice Super cover as soon as possible.


15 ANZ SMART CHOICE SUPER INSURANCE LAPSING

Previously you were advised that you would receive 60 days advanced notification in the event that your insurance was going to lapse. This notification period will now be approximately 30 days advanced warning.

Commencement of Cover in ANZ Smart Choice Super – Lifestage and Default Tailored insurance cover: For cover to start, we must receive an employer contribution for you within 120 days of you first being eligible to join ANZ Smart Choice Super. If we do not receive a contribution within this time frame, you will receive a notification generally giving you a further 30 days for your employer to make a contribution. If by the end of the 30 day notification period we do not receive an employer contribution sufficient to cover all insurance fees due, you will have no entitlement to a Benefit and Cover will not commence.


When does cover cease? – all ANZ Smart Choice Super insurance cover: Insurance Cover will generally cease on the 31st day after the due date of any outstanding insurance fees that remain unpaid. You will receive a notification generally giving you a 30 days warning of your cover lapsing. In the event that you do not pay all outstanding insurance fees by the conclusion of the notification period, your cover will lapse.

ANZ Smart Choice Super

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

 anzsmartchoicesuper@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

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 2015 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 and any product updates 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.