

MEMBER UPDATE

AUGUST 2019

IT'S BEEN A GOOD YEAR
FOR OUR MEMBERS

IMPROVING YOUR
FINANCIAL LITERACY

HAS YOUR INSURANCE
THROUGH YOUR SUPER
BEEN CANCELLED?

WELCOME TO YOUR 2019 MEMBER UPDATE

DELIVERING STRONG RETURNS IN CHANGING TIMES

Thank you for continuing to invest your hard earned superannuation savings with us. We greatly appreciate the trust you have in us and remain committed to working as hard as we can to ensure we meet your expectations, and that of the wider community.

As one of Australia's largest superannuation and investment providers, managing over \$39bn of the superannuation and investment savings of more than 700,000 Australians, we appreciate the responsibility we have and will continue to do what we can to ensure your faith in us is maintained.

As you know, the financial services landscape has changed forever and the key focus of the industry is to rebuild trust. While we are proud of our focus on strong processes and good governance, we continue to find ways to deliver the best possible outcomes for you.

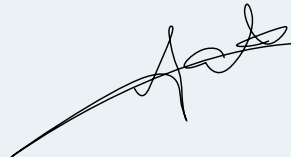
Similarly, investment markets have been fluid over the past 12 months with a number of challenges experienced both domestically and abroad. The good news is that investment returns this financial year have been very strong across the board due to growth assets delivering returns in excess of 11%. We remain focused on ensuring that the investment choices and investment managers we offer on our platforms continue to deliver on their promises, at a competitive price.

The legislative and regulatory environment has seen a number of changes that came into effect on 1 July, 2019. We recommend you pay attention to the government's key legislative change, 'Protecting Your Super', which could mean a big impact to your insurance in particular. For more details and to make sure you don't lose your cover, see page 1 of the enclosed 'Important information and updates'.

Annual statement time offers a perfect opportunity to review and reassess your financial position to ensure it aligns with your investment goals. We recommend you spend time reviewing your investment performance, insurance cover and fees to check how they track and compare against your expectations.

As always, it's great to discuss these issues and the information in your statement with your financial planner. They have the skills, knowledge and expertise to explain the concepts and determine whether they are appropriate for your financial goals and circumstances.

Once again, thank you for another great year and continuing to entrust ANZ Super Advantage with your financial future.



Mark Pankhurst
Head of Superannuation, Pensions and Investments



Look for this icon – it's your key to unlock all the potential of your product

SIX STEPS

TO GET ON TOP OF YOUR SUPER TODAY



STEP 1

Take 5 minutes to **read through your statement**. Check your balance, review your investments and understand how they performed this year and, if applicable, review your insurance cover.



STEP 2

Review your **fees** to understand what you are paying to OnePath and to your financial planner or Employer Plan financial planner.



Speak to your financial planner or your Employer Plan financial planner if you have any questions about the fees you may be paying for financial advice related to your investments.



STEP 3

Make sure your **current investment strategy** still meets your needs.



Speak to your financial planner or your Employer Plan financial planner if your circumstances have changed or you have questions about your strategy.

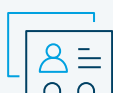


STEP 4

Review your **insurance cover** to ensure the cover is appropriate for your needs and you are not paying for something you no longer require.



Speak to your financial planner or your Employer Plan financial planner to understand the various insurance covers that are available to you.



STEP 5

Check the details of your **beneficiaries** to make sure your money goes to the right people in the event that you pass away.



Complete and return the form available from anz.com/super or by contacting us.



STEP 6

Most importantly, talk to your **financial planner** or your Employer Plan financial planner to find out what each of these steps mean for you.

WE'RE HERE WHEN YOU NEED US



450
THOUSAND¹

customer calls answered
in the past 12 months



160
THOUSAND¹

customer emails answered
in the past 12 months

¹ Figures for the period May 2018 – May 2019. Based on figures for OnePath Pensions and Investment members only.



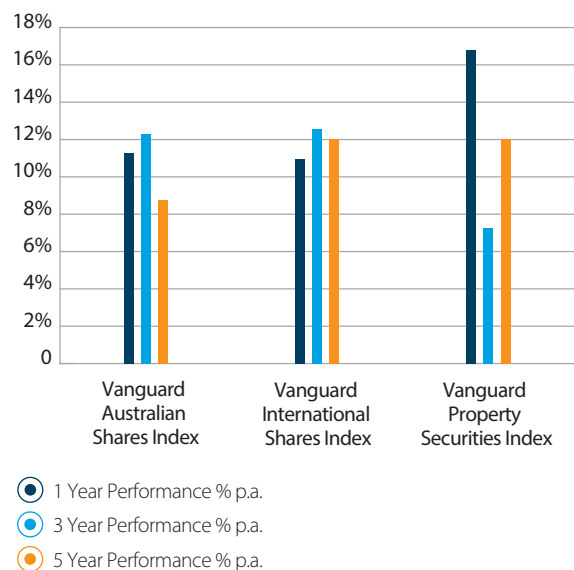
IT'S BEEN A GOOD YEAR FOR OUR MEMBERS

The 2018/2019 financial year was a year of two halves. Share markets through the latter part of 2018 globally were affected by the US Federal Reserve raising interest rates, uncertainties surrounding US-China trade relations and softer company earnings due to slowing economic growth, with the United States S&P 500 Index falling by 14% in the final quarter of 2018. However, since emerging from the sharp December correction, Australian and international shares have rallied strongly. Australian shares were boosted by a surprising result in the Australian Federal Election that removed some uncertainty regarding dividend imputation and the Reserve Bank of Australia cutting interest rates to record low levels. Global shares were supported by the prospect of the US Federal Reserve cutting interest rates.

It is pleasing to see in this volatile environment that the suite of Vanguard single sector funds available through ANZ Super Advantage have continued to perform well, with the Property Securities option generating 16.8% over the year and the Australian Shares option generating over 11.2% over the same period.

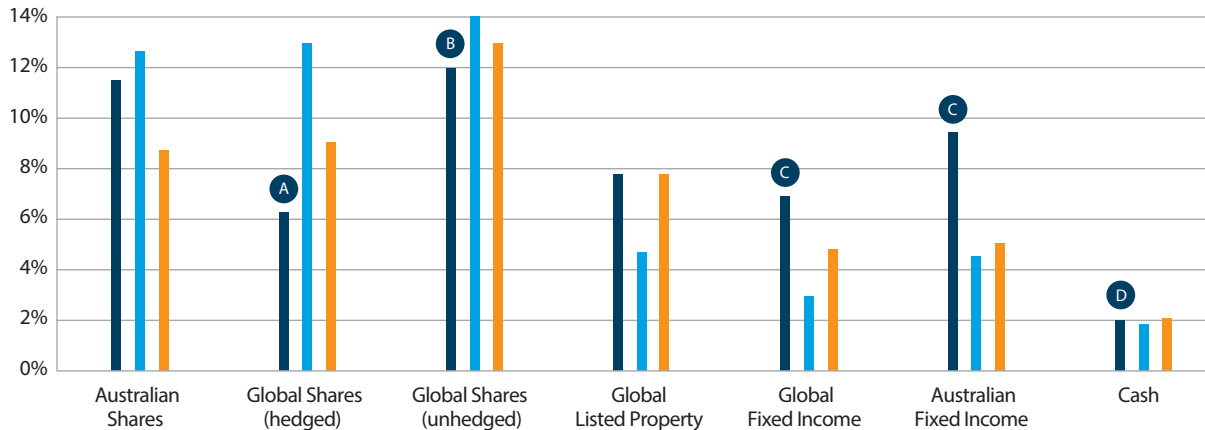
Over five years, the Vanguard single sector funds have returned over 12.2% per year for the International Shares option and over 8.7% per year for the Australian Shares option.

IT'S BEEN A STRONG YEAR FOR VANGUARD SINGLE SECTOR FUNDS²



² The performance information provided above is for ANZ Super Advantage to 30 June 2019. Past performance is not indicative of future performance. The future value of investments may rise and fall with changes in the market. Returns quoted use the unit price which is calculated using the asset values for the relevant month end. Please note that all returns are after the deduction of management fees and expenses, and assume all distributions are re-invested. Where applicable, management fees have been deducted at the highest Entry Fee option rate. No allowance has been made for entry or exit fees. You should consider the level of risk involved with a particular investment and whether the potential returns justify those risks, before investing.

HOW HAVE THE ASSET CLASSES PERFORMED?³



● 1 Year Return % p.a.
 ● 3 Years Return % p.a.
 ● 5 Years Return % p.a.



A

Currency hedging impacted global share returns this year, as the Australian dollar depreciated against most major currencies.



B

12 PERCENT³

Global shares (unhedged) have provided the strongest return this year.



C

Fixed income assets have also done well, boosting returns in more conservative funds.



D

The recent interest rate cuts will lead to reduced returns from the Cash asset class over the short term.

³ Returns are for the period ending 30 June 2019. Indices: Australian shares: S&P/ASX 300 Accumulation | Global shares (hedged/unhedged): MSCI World ex Aust Net | Australian fixed income: Bloomberg AusBond Composite 0+ Yr Index | Global fixed income: Barclays Global Aggregate Bond Index (hedged). Global listed property: FTSE EPRA/NAREIT Developed Rental Index ex Australia (hedged) | Cash: Bloomberg AusBond Bank Bill. Past performance is not indicative of future performance. You should consider the level of risk involved with a particular investment and whether the potential returns justify those risks, before investing. Source: JP Morgan.



Read more about investment markets and fund performance on the ANZ website.



Your annual statement shows how the investment funds you are invested into have been performing over the past financial year. The performance outcomes are in part correlated to the performance of the main asset classes.



HAS YOUR INSURANCE THROUGH YOUR SUPER BEEN CANCELLED?

3 IMPORTANT ADVANTAGES OF STAYING PROTECTED THROUGH YOUR SUPER

- 1 Confidence and peace of mind**
Knowing that you have protection for you and your family.
- 2 Bargaining power**
We've negotiated lower fees on your insurance as a group, which means you're paying less for your insurance cover than you would if you were to arrange insurance outside of your super.
- 3 Tax benefits**
Tax benefits of paying for your insurance pre-tax, which you don't get when you buy insurance outside of super.

CHECK YOUR INSURANCE COVER ON YOUR ANNUAL STATEMENT

Due to recent Federal Government legislation, we were required to cancel your insurance cover on **1 July 2019** if your superannuation account was inactive (meaning we have not received a contribution or rollover) for a continuous 16 month period and you did not opt-in to retain your cover.

We're giving you the opportunity to have your insurance cover reinstated

If you write to us before **1 October 2019**, your insurance cover can re-commence without health evidence and we will backdate it to **1 July 2019** so you'll have no gap in your insurance cover.

Note that underwriting requirements and acceptance by the Insurer will be required if you miss this **1 October 2019** deadline and there will be a gap in your cover.



To discuss your options, call Customer Services on **1800 932 025**, weekdays between 8.30am and 6.30pm (AEST) or email us at customer@onepath.com.au

IMPROVING YOUR FINANCIAL LITERACY

Are you confident when it comes to making informed decisions about your personal finances?

Having the skills and knowledge to manage your money effectively can help you reach your goals and achieve financial independence sooner.

Feeling on top of your affairs can also be good for you in other ways. That's because personal finances are linked to individual and social wellbeing. In fact research shows money worries are a leading cause of stress.

Our financial wellbeing survey of adults in Australia shows individuals with good money management skills tend to feel comfortable about their financial position. What's more, they are confident they can meet their commitments and cope with the unexpected.



TWO SPECIFIC BEHAVIOURS ARE KEY TO FINANCIAL WELLBEING



Active saving

and



Not borrowing for everyday expenses



THINKING SMARTER ABOUT SUPER

If you're like many working Australians, superannuation may well become your largest asset, apart from the home you own.

So you might like to take a look through our Super Learning Centre, which is packed with information about managing and maximising your retirement savings. You can get your questions about superannuation answered and read inspirational stories from people just like you.

GETTING SMARTER ABOUT YOUR OWN ACCOUNT

With ANZ Investor Access you can:

- View your current balance and unit holdings
- Make changes to your contact details
- Access in-depth information for your account, including transaction history
- Request a switch between investment funds

While retirement might be years or decades away, your super may be the key to your financial independence. Therefore, apart from talking with your financial planner or your Employer Plan financial planner, take the time to understand your super and what it can do for you. Taking action today can mean a better lifestyle down the track, when the time comes to down tools.



Discuss your situation with your financial planner or your Employer Plan financial planner



Continue your learning journey at anz.com/superlearning



Log in to ANZ Investor Access at anz.com/investoraccess



Provide your email address to receive useful information in your inbox

Contact us



Call 13 38 63



Email customer@onepath.com.au



Visit anz.com.au

ANZ Super Advantage is a product offered by the Retirement Portfolio Service (ABN 61 808 189 263, RSE R1000986). When you invest in this product, you become a member of the Fund. OnePath Custodians Pty Limited (ABN 12 008 508 496, AFSL 238346, RSE L0000673) is the trustee of the Fund and issuer of this Investor Update for these products.

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 1959* (Cth). Although the issuer is owned by ANZ they are not Banks. 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. Any 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 August 2019 but may be subject to change. You should read the relevant Financial Services Guide (FSG), Product Disclosure Statement (PDS), Member Guide Investment Choice Guide, Insurance Guide and product and other updates available at anz.com/super and consider whether the product is right for you before making a decision to continue to hold the product.

Alternatively you can request a copy of this information free of charge by calling Customer Services on 13 38 63. 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 taxation advice.

The information provided is of a general nature and does not take into account your personal needs, financial circumstances or objectives. Before acting on this information, you should consider the appropriateness of the information, having regard to your needs, financial circumstances or objectives. Opinions expressed in this document are those of the authors only.