The Super Advantage

MAGAZINE | JANUARY 2010

In this issue…

Welcome to the first edition of The Super Advantage magazine for 2010

Since the low point of March 2009 the economy has continued to gradually recover and this has meant renewed confidence for investors as it does seem that the worst is behind us. Fortunately, Australia has weathered the storm reasonably well and in this edition of The Super Advantage we take a look at why this is the case and what lies ahead for the Australian and international economies.

Often the start of a new year is a good time to tick items off your 'to do' list. Your list might include consolidating your super into your ANZ Super Advantage account, taking some time to revise your superannuation strategy to ensure you're on the right track or looking into life insurance options that might suit you.

To assist you we've included an article on 'Your super journey through life' which looks at what to consider in your super and investment strategies at each stage in life and, depending on what point you are currently at, key tips to ensure you achieve the financial security and comfort you want in retirement.

Another important component of financial security is protection from the unexpected. In this edition we look at the issue of underinsurance. Many Australians are quick to insure their car or the contents of their home but many neglect to insure their wealth and their family's lifestyle. While the process of looking into life insurance may seem daunting it really is an important element of your financial plan. Your ANZ Financial Planner* can assist you to determine the appropriate insurance options for you and your family.

As you may be aware, ANZ recently acquired the global ING Group's 51% shareholding in ING Australia Limited which now operates as ANZ's Australian specialist wealth management and protection business.

I would like to assure you that the change in ownership does not change our longstanding commitment to our customers. There will be no change to the conditions of your superannuation account and providing you with the best service possible and continuing to meet your superannuation needs remains our key focus.

Yours sincerely

Ross Bowden
General Manager
Superannuation & Investments

Did you know your super is with a top rated product?

ANZ Super Advantage has the highest ratings that can be attained from a number of independent research houses including Chant West, Selecting Super and the Heron Partnership.† These ratings are determined on the basis of a broad range of criteria including organisational strengths, investments, fees, insurance, administration, member services and employer services.

SELECTING SUPER QUALITY RATING AAA

Chant West Multi-Manager 5 RATING

2009/10 The Heron Partnership Quality Star Rating

An update from ANZ and ING Australia

From May 2002 until late 2009, ING Australia operated as a joint venture between Australia and New Zealand Banking Group Limited (ANZ) and the global ING Group (ING). ANZ recently purchased all of ING's shareholding in ING Australia Limited (ING Australia), and now owns 100% of the company. ING Australia now operates as ANZ's Australian specialist wealth management and protection business.

During the transition there are likely to be changes to the names of companies, products, investment funds and investment options that are operated by ING Australia and its subsidiaries. Information about these changes and other transition updates will be made available in future investor communications and on our website, anz.com. Your ANZ Financial Planner may also notify you of these changes.

* ANZ Financial Planners are representatives of Australia and New Zealand Banking Group Limited ABN 11 005 357 522, the holder of an Australian Financial Services Licence.
† Selecting Super Quality Rating of AAA, Chant West rating of 5 apples for ING's OptiMix Manage the Manager process and The Heron Partnership, 'Heron 5 Quality Star Rating' 2009/10. For more information visit www.selectingsuper.com.au, www.chantwest.com.au and www.heronpartners.com.au

Economic outlook - reasons for optimism

Emmanuel Calligeris, Chief Investment Officer, Multi-Strategies Group, ING Investment Management, provides an expert's view on what lies ahead for both the Australian economy and global sharemarkets.

Are we correct in saying 2009 was a year of recovery?

In 2009 we saw unprecedented global fiscal stimulus programs put in place to deal with the impact of the Global Financial Crisis. These included a rapid lowering of official interest rates, liquidity provisions for the banking sector, government asset purchases from distressed financial institutions and stimulus programs intended to encourage consumers to spend again.

These actions prevented the collapse of the global financial system, restored liquidity in credit markets and created a footing from which economies could commence a recovery. With the financial support of governments around the world, banks have also been able to resume lending, albeit at a more measured and conservative level.

Why are some countries at different stages of the cycle?

During the year it became apparent that the economies of some countries were more resilient than others. A number of emerging economies only suffered a mild recession. Many of these economies benefited from having much lower debt levels to begin with - unlike the US or the UK. Furthermore, emerging countries such as China, India and Russia were supported by strong domestic growth, which cushioned them from the impact of lower global trade.

Why has Australia been labelled 'the lucky country'?

Australia was definitely one of the stronger economies in 2009. There are a number of reasons for this.

1. The Federal Government's $20 billion stimulus program ensured that Australia only suffered a minor decrease in economic activity and this has helped to maintain the unemployment rate below 6%. The program included cash bonuses to households, a generous first home buyers' grant and an allocation to infrastructure and construction projects.
2. Many companies strengthened their balance sheets by reducing their debt levels and raising capital. They also undertook cost cutting initiatives, such as reduced capital expenditure and staff cuts. This restored confidence in Australian companies and both the sharemarket and credit market rebounded strongly.
3. Official interest rates were cut aggressively from a high of 7.25% in March 2008 to a low of 3.0% by April 2009. The rate cuts, together with a dramatic reduction in oil prices, benefited consumers and businesses in the form of reduced expenditure.
4. The other benefit from Australia's interest rate environment has been the flow of international money into short-term securities, as our interest rates were higher relative to other countries. The recent rate rises have served to further cement the attraction of Australia as an investment destination.
5. China's demand for commodities persisted which meant Australia's resources industry continued to prosper.
6. The Australian dollar appreciated strongly against the US dollar. This too was appealing to foreign investors as investments in Australian dollars delivered a capital appreciation when converted back into their local (home) currency.

What do you see the global investment landscape looking like in 2010?

Some countries are still fragile, but most economic indicators are beginning to point in the right direction. Even so, governments globally have implemented unprecedented large fiscal stimulus programs which have created a long-term debt burden. The financial lifelines that were handed out in 2009 will disappear in 2010 and economic momentum may slow as a result of this fiscal fade.

The US has a large debt overhang courtesy of bank bailouts. It is also suffering from a high unemployment rate and a depressed housing market. We expect the US to continue to experience sub-par growth in 2010. Continental Europe and the UK will also need to deal with high unemployment and weak consumer spending.

How do you see sharemarkets performing over the next 12 months?

In terms of sharemarket performance we have seen a divergence across different countries. In 2009, emerging markets were the front-runners courtesy of more resilient economic growth. The fundamentals remain supportive of further price appreciation in 2010.

The same applies to the Australian sharemarket which has rebounded sharply in 2009. Any sell-off may be temporary as there are a number of factors which should underpin performance in 2010. These include ongoing demand for resources, healthier corporate balance sheets, a low interest rate environment (even with the expected rate rises), continuation of government spending on infrastructure, and the strength of our local banking sector.

Sharemarkets of developed economies may pause for breath if corporate earnings don't meet expectations. The Australian dollar will also play a factor in performance expectations as further rises against the US dollar will have a negative impact on investment returns for Australian investors from overseas markets.

Where will the Australian economy go from here?

Australia is one of a few countries in the world that has started to raise interest rates. It is a sign that our economy has rebounded quickly. The Reserve Bank of Australia (RBA) will be keen to ensure a more orderly recovery without inflationary pressures. We expect official interest rates in Australia to increase to at least 4.5% by the middle of 2010 and then the RBA may potentially pause to monitor the effect on the economy before raising rates again.

China, much like Australia, may also choose to increase interest rates to temper growth and avoid an inflation problem. A pull back in Chinese economic activity may see some weakening in commodity prices, however it shouldn't have a drastic impact on the general trend in resources demand.

Your super journey through life

When you retire, super is likely to be your main source of income. Unfortunately, many people fall short of the estimated $535,000* required at age 65 to fund a comfortable retirement.

It's never too early, or too late, to start preparing for retirement – after all, it could mean the difference between a local or overseas holiday or even just being able to eat out from time to time. Where do you see yourself in retirement and what path will you take to achieve this?

The useful tips below will help guide you through the superannuation life stages. At any age, it's important to work with an ANZ Financial Planner who will consider your personal circumstances and goals.

Your 20s and 30s – establishing your home and career

At this point in your life, retirement is probably one of the last things on your mind. However setting up the foundations of a strong super account now can help make a significant difference to your lifestyle at retirement.

- **Consolidate your super accounts.** Chances are you're probably going to have quite a few jobs before you retire and don't forget all those part-time jobs you had when you were studying. Keeping all your super in one place is not only easier to manage but may mean you pay less in fees. You can even search for lost super at www.ato.gov.au/superseeker
- Many members receive automatic **insurance cover** via their super. You may like to speak with your ANZ Financial Planner to ensure this cover meets your needs, especially as your lifestyle starts to change.
- As you change jobs, make sure you **take your ANZ Super Advantage account with you** so you don't end up with multiple accounts.
- **Create a budget and stick to it.** Setting aside money to put into super and contributing on a regular basis is a lot easier when it's built into your budget.
- If you're earning less than $61,920 p.a. and make an after-tax super contribution, you might be eligible for a **Government Co-contribution** of up to $1,000. Visit anz.com/anzatwork > Online Financial Education for more information.

Looking to consolidate your super or take your super account with you when you change jobs?

It's easy! Simply fill in the Rollover Form or the Fund Nomination Form in the enclosed flyer, 'Don't hang your super out to dry' and return it to us. We'll then do all the work for you.

Contributing to your super is simple

You can make regular or one-off after-tax contributions via BPAY® or internet banking – see page six for details of how to contribute.

While retirement may seem like a long way off, getting started early and putting a little into your super now may make the difference between a modest or comfortable retirement at age 60.

* Assumptions: Based on ASFA Retirement Living Standard Research – June quarter NSW 2009. Based on a single person, retirement at age 65, female life expectancy. Assumes 7% p.a. return is reinvested. Regular payment is made annually at end of year and is indexed by 3% p.a. Calculations do not take into account any tax payable or age pension. Assumes that the retiree owns their home when they retire.

Meet Christina and Linda

From 25 years of age, Linda contributes $2,000 p.a. to her super, earning an average of 8% p.a.

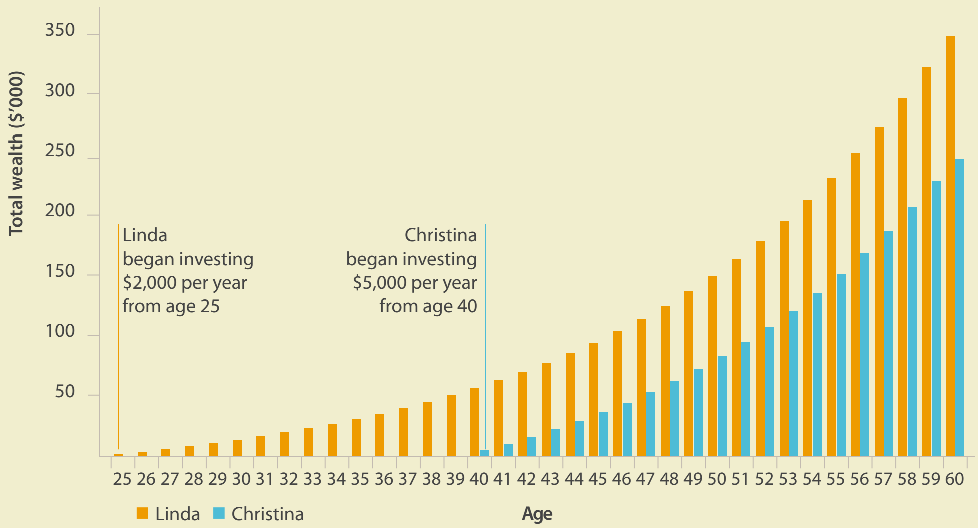
Christina won't start actively contributing to her super until she turns 40, at which point she'll put $5,000 p.a. for the next 20 years, also earning 8% p.a.

Both Linda and Christina plan to retire at 60 years of age. The graph shows how their wealth will grow over time.

As you can see, although Linda contributed a smaller amount each time, she'll have more superannuation upon retirement because she commenced contributing earlier than Christina. Linda has taken advantage of compound returns, that is, she was generating earnings on previous earnings.

	Investment amount	Years invested	Total invested	Value at age 60
Linda	$2,000	35 years	$70,000	**$350,000**
Christina	$5,000	20 years	$100,000	**$250,000**

Growth of wealth over time



This example is for illustrative purposes only.

Assumptions: Calculations do not take taxation, fees and charges into consideration and assume both investors earned 8% p.a. The results may vary if different dollar amounts are invested and if the return earned is higher or lower than 8% p.a. at different times.

Your 40s and 50s – growing your family, growing your super

At this stage of life you'll typically have more financial stability and potentially an increased capacity for investing. Being less than 25 years away from retirement, now is your opportunity to build on your super to fund a comfortable retirement.

- **Setting up a regular investment plan** is not only more convenient than making a lump-sum contribution, it can save you money over the long term too. By investing a fixed amount at regular intervals, you can lower the risk of investing at the wrong time. As a result the cost is 'averaged' out over time. However, there are a number of methods to contribute more to your super and making regular after-tax contributions is just one of them. See page six for details of how to contribute via BPAY and internet banking.

- Pay less tax by arranging for your employer to **salary sacrifice** pre-tax salary directly into your super account. You may save money where the 15% contributions tax is less than your personal marginal income tax rate (up to 46.5%).

  It's easy to set up. Simply speak to your employer to find out how you can start salary sacrificing. Please note that salary sacrifice contributions are included in your concessional contributions cap, which limits how much you and your employer can contribute before additional tax is charged. Your ANZ Financial Planner can help ensure your super strategy is tax effective.

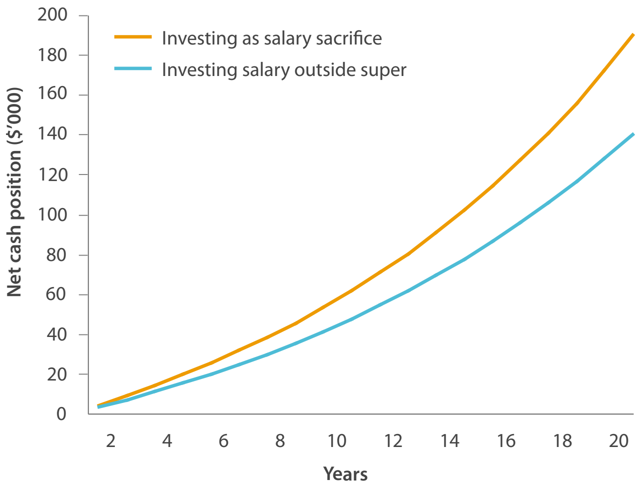
- Now that your family and financial circumstances may have changed it's a good time to **review your insurance** with your ANZ Financial Planner to ensure you're protecting what's most important to you. See page seven for further information.

Retirement isn't too far off, so it's a good time to review your super strategy with your ANZ Financial Planner. It's never too late to start making additional contributions to help ensure that you will have enough for a comfortable retirement.

Meet Carol

Carol, 40 years of age, is keen to start saving for retirement. She considers whether to invest $5,000 p.a. of her pre-tax income outside of super or salary sacrifice the amount into super. Carol decided to take advantage of the tax benefits of salary sacrificing by contributing $5,000 of her pre-tax salary directly into her super. She achieves an additional $49,312 in her retirement savings by the time she's 60.

Value over 20 years



This example is for illustrative purposes only.

Assumptions: Marginal tax rate outside super is 31.5% (including Medicare Levy) until 60 years of age. Capital gains tax (CGT) and income tax is taken into account at all times. CGT discount for 12 month ownership applied (50% in personal name, 33.33% in super fund). All earnings are reinvested (less tax for income). Tax rate inside super (including on contributions) is 15%. Returns from the portfolio are 8% (5% capital gain, 3% income) both inside and outside super. 20% of the income from the portfolio is franked.

55 and over – on the road to retirement

You may now have fewer financial obligations than you did earlier in life, your children may have left home and you may have almost paid off your mortgage. There's never been a better time to look at methods of boosting your super as you start to think about retirement.

- **Speak to your ANZ Financial Planner** about where you see yourself in retirement and how you can ensure you are financially ready.
- **Transition to retirement** (TTR) strategies enable you to 'transition' towards retirement by reducing work hours while supplementing reduced employment income with pension income. There are a number of effective TTR pension and salary sacrifice strategies which can also help you to boost your retirement savings or increase your disposable income if you decide to work less hours.
- **Super contribution rules change** for members age 65 and over. Generally speaking, a 'work test' applies to voluntary contributions between the ages of 65 and 75. Your employer is only obliged to pay 9% Superannuation Guarantee (SG) contributions up to age 70, however they can continue to make contributions (even after age 75) as long as they are mandated under an industrial agreement or award. Speak to your employer, your ANZ Financial Planner or contact us for more information.
- The **concessional contributions cap is doubled** to $50,000 p.a. for members age 50 and over. Contribution caps limit how much you and your employer can contribute to super before additional tax is charged. This provides you with an opportunity to boost your super with pre-tax salary sacrifice contributions before you retire without incurring additional tax. Speak to your ANZ Financial Planner or visit anz.com.au/wealth/super to learn more about the concessional contributions cap.
- Super withdrawals are **tax free on or after age 60** and investment earnings are tax free in the pension phase. The main ways to **access your super** are as an income stream, a lump sum, or a combination of both. An income stream allows you to receive regular pension payments from your investment. A lump sum can be an appealing option, however you should ensure that your savings will provide for you throughout your retirement.

Remember, everyone's personal situation and investment time horizon will differ. Also, there are many different types of retirement products available and the right one depends on what you're looking for. It is important to speak to an ANZ Financial Planner who can tailor a strategy to meet your financial goals.

Meet Mark

Mark, aged 55, is looking to build his super savings before retiring at age 65. Mark earns $70,000 p.a. and his living expenses are around $40,000 p.a. He currently has about $300,000 in super (67% taxable component and 33% tax free).

The strategy

Mark utilises his super account balance to establish a TTR pension. By salary sacrificing into his super and supplementing his income by drawing a TTR pension, Mark can further boost his retirement savings whilst satisfying his immediate living costs.

Commencing February 2010, Mark salary sacrifices $28,767 to his super fund and draws a super pension of $7,600 for the remainder of the financial year. For each subsequent financial year leading up to retirement, Mark salary sacrifices as much as he can without exceeding his concessional contribution cap and draws a super pension of $19,055 p.a. (indexed).

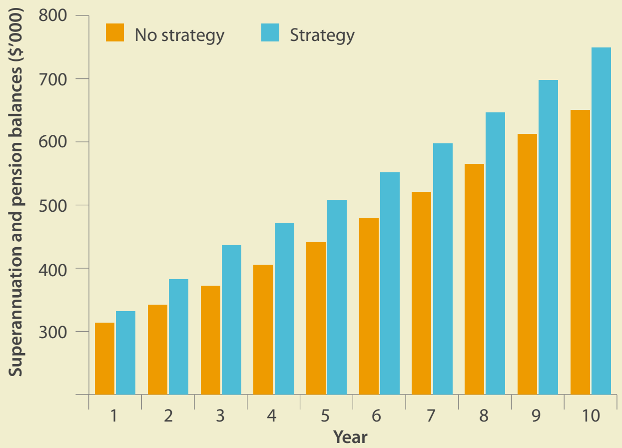
Mark's forecasted super benefits to retirement

Mark's strategy would increase his retirement savings (at age 65) by $98,980. In addition, his cashflow has also increased by $6,927 over the same period. By implementing the strategy Mark has achieved an additional benefit of $105,907 after 10 years.

Mark's ANZ Financial Planner explains that by contributing to super and implementing a TTR strategy, he will benefit from:

- having the amount that he salary sacrifices into his super taxed at only 15% compared to his marginal tax rates
- the investment earnings on his TTR pension account being tax-exempt compared to being taxed at 15% in his super account or at marginal tax rates for investments held outside of super
- receiving 33% of his TTR pension payments made prior to age 60 tax free, given the TTR pension's purchase price would be made up of a 33% tax-free component (a 15% tax offset applies to the remaining TTR pension payments which represent the taxable component)
- his TTR pension payments being tax free from age 60.

Super and pension balance



This example is for illustrative purposes only.

Assumptions: Salary, salary sacrifice and expenses are indexed by 3% p.a. Average Weekly Ordinary Time Earnings are indexed by 4% p.a. The superannuation guarantee is assumed unchanged at 9% of the original earnings base. Accumulated superannuation benefits return 7% p.a. net of tax, fees and charges and pension balances return 7.78% p.a. net of tax, fees and charges. No taxation deductions have been claimed. Qualifying private hospital cover is in place. The entire superannuation balance is converted to a TTR pension.

Contributing to your super at any life stage is simple

You can make regular or one-off after-tax contributions via BPAY® or internet banking using the details below:

BPAY®	
Biller code	564 625
Reference No.	13* + reference number
Internet banking	
BSB	012 911
Account No.	000 564 625
Reference No.	MV* + member number
Account name	Your name

* For a listing of other contribution codes that may be used, please refer to the ANZ Super Advantage Member Guide, available at anz.com/wealth/super

Protect what's most important to you

Facing the facts about underinsurance

No one likes to be negative or think the worst might happen. However, the reality is that sickness and injury can affect people of all ages and lifestyles at any time.

No matter who you are, we all want to protect what's important in our lives – whether that's our family, house, income, car or other assets.

Are you and your family prepared if the worst occurred? What debt and financial responsibilities would be left behind? How long would the family savings last?

Uncovered – Australia's underinsurance crisis

Australia has a significant underinsurance problem which was highlighted by the Victorian bushfires and Queensland floods in 2009. Both catastrophes were a serious reminder of how unpredictable life can be.

Two-thirds of Australian families with dependent children living at home do not have enough life cover to meet expenses for more than one year if the breadwinner were to die.*

Did you know that on average only 55% of Australians have life insurance and only 31% have income protection insurance?*

Insurance and your superannuation fund

Many members of super funds receive an automatic basic level of life insurance cover via their superannuation account. Your employer may even subsidise the cost of premiums by making additional contributions.

While a basic level of cover will provide some support, it may not be enough to cover you and your family in the case of a serious accident or illness which leaves you unable to work.

For example, one unit of Basic Death and Total and Permanent Disablement Cover (TPD) with ANZ Super Advantage for a 36 year old member is $46,000 for $1.10 per week. Multiples of cover (up to four units) are available.

How long could your family maintain its current lifestyle if you were unable to work or were no longer around to support them anymore? Keep in mind that an Australian family spends $537,000 on raising two children from birth to 21 years†.

Protect what's important to you

Your personal and financial situation will change throughout your life. It is important that you regularly review your insurance arrangements and ensure they meet your current and changing needs. Don't risk the assets and lifestyle which you value.

Ensure you have enough cover to protect what's important to you:

- Check your current insurance cover in your half yearly statement (enclosed with this magazine) or by logging in to Investor Access at anz.com/wealth/super
- Speak to your ANZ Financial Planner who can help you calculate the right amount of insurance cover for your personal situation.

Learn more about insurance through your ANZ Super Advantage account at anz.com/wealth/super

To apply for cover or increase your cover, simply download a form from anz.com/wealth/super or speak to your ANZ Financial Planner.

Meet Sarah

Sarah, and her husband Jason, have three children. Sarah balances her work as a nurse with regular trips to their beach house down the coast.

When returning home from work one day, Sarah was involved in a serious car accident. She never thought she'd be the one in the hospital bed.

When the doctors confirmed a broken neck – and that she would never walk again – she worried about her ability to provide for her family, as she could no longer work as a hospital nurse.

Fortunately, because Sarah was insured for Death and TPD insurance, she was able to claim an after-tax lump-sum benefit of $400,000.

This meant the family could look to pay off the mortgage, install ramps in the family home, cover medical expenses and start intensive rehabilitation.

Sarah also used some of the money to pay her tuition in advance for a business degree which she studies by correspondence – giving her a chance at a new career.

This example is for illustrative purposes only.

Types of insurance available through your ANZ Super Advantage account

- **Death cover** provides peace of mind that your beneficiaries will receive the support they need in the unfortunate event of your death or diagnosis of a terminal illness.

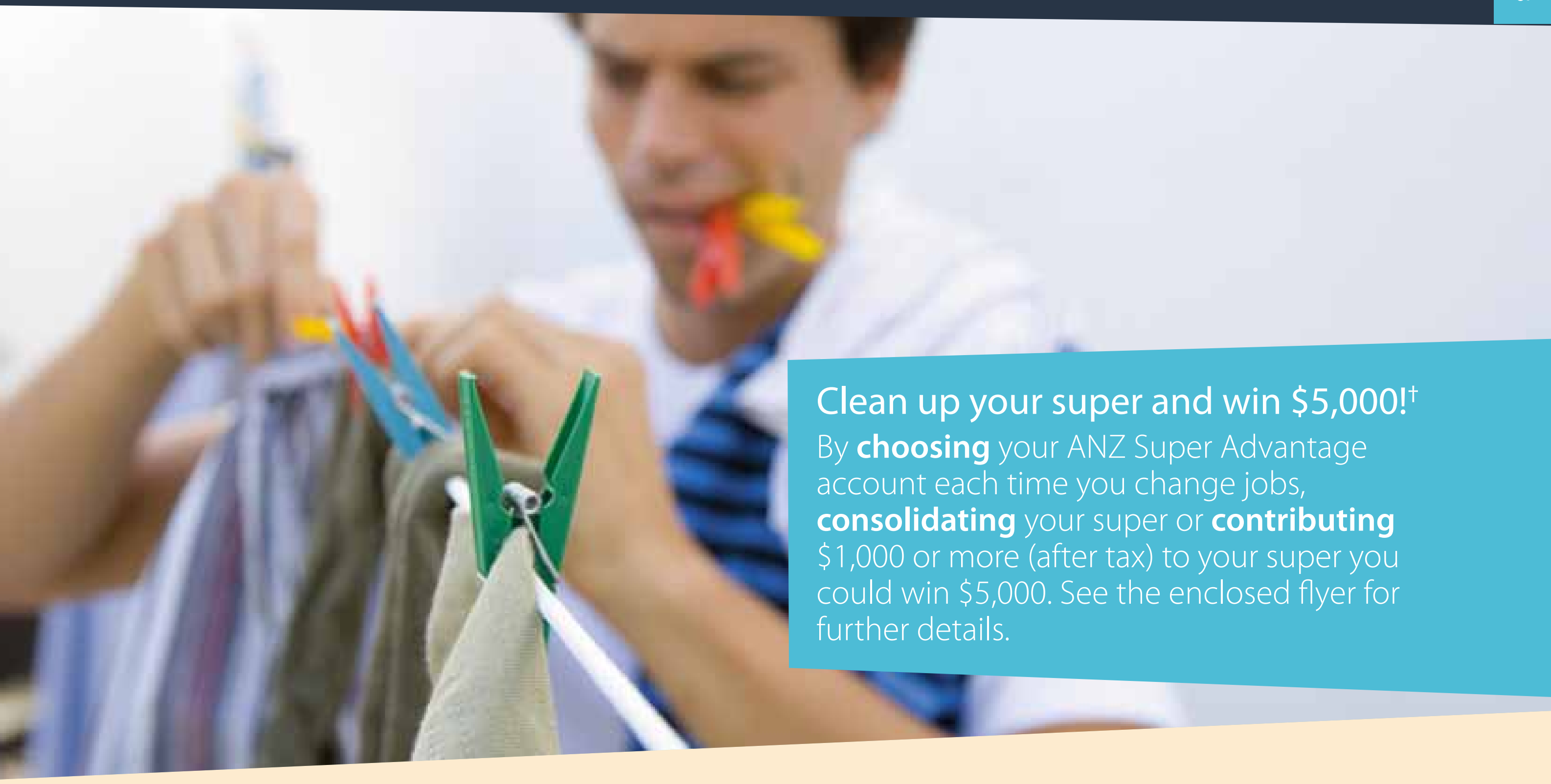
  It can allow your family to pay off any debts, fund potentially expensive medical care, cover the kids' school fees and maintain their current lifestyle.
- **Total and Permanent Disablement cover** protects your lifestyle if you are permanently disabled and unable to work as a result of sickness or injury.

  Benefits can be used to eliminate debts, pay any ongoing medical expenses, replace lost income and make any necessary modifications to your home.
- **Group Salary Continuance cover** provides a regular income paid monthly, after a waiting period, if you are unable to work due to temporary illness or injury for up to two years.

  This can help support you should you need to take time off work to recover after any annual or sick leave is exhausted.

Refer to the ANZ Super Advantage Product Disclosure Statement (Insurance Guide) available at anz.com/wealth/super for the full definitions and conditions applying to Death cover, Total and Permanent Disablement cover and Group Salary Continuance cover.

* IFSA survey, Investigating Income Protection Insurance in Australia, July 2006.
† 'Honey I calculated the kids' AMP.NATSEM Income and Wealth Report, December 2007.



Clean up your super and win $5,000![†]

By **choosing** your ANZ Super Advantage account each time you change jobs, **consolidating** your super or **contributing** $1,000 or more (after tax) to your super you could win $5,000. See the enclosed flyer for further details.

Don't hang your super out to dry

Unlike laundry, we all hope our superannuation piles up over time! Below we outline a few simple ways to potentially make a big difference to your retirement savings.

Choose your ANZ Super Advantage account every time you change jobs

You'll avoid having a basket load of different super accounts by simply arranging for your new employer to direct their compulsory employer super contributions to your ANZ Super Advantage account. You can do this easily by completing the Fund Nomination Form in the enclosed flyer, 'Don't hang your super out to dry'.

Why choose ANZ Super Advantage?

Choose ANZ Super Advantage and continue to have access to:

- a highly rated* super solution
- a wide range of investment funds
- comprehensive insurance options
- competitive fees
- online education and transaction services
- an exclusive package of discounted banking benefits, fee savings, bonus interest and rewards through anz@work.

Consolidate your super into your ANZ Super Advantage account

Things get messy when dirty clothes are spread all over the place – same goes with superannuation. You'll have confidence that all your superannuation is in one place and that you're not paying multiple sets of fees and collecting paperwork from numerous providers. Again, it's easy to consolidate your accounts by filling in the Rollover Form in the enclosed flyer, 'Don't hang your super out to dry'.

Contribute to your ANZ Super Advantage account

You can give your super a boost and save for a comfortable retirement by making regular or one-off after-tax contributions to your super. Conveniently, you can contribute via BPAY® or internet banking – it takes less time than hanging out a load of washing!

You can make regular or one-off after-tax contributions via BPAY® or internet banking using the details below:

BPAY®	
Biller code	564 625
Reference No.	13[‡] + reference number
Internet banking	
BSB	012 911
Account No.	000 564 625
Reference No.	MV[‡] + member number
Account name	Your name

Remember to discuss any potential super strategies with your ANZ Financial Planner.

* Selecting Super Quality Rating of AAA, Chant West rating of 5 apples for ING's OptiMix Manage the Manager process and The Heron Partnership, 'Heron 5 Quality Star Rating' 2009/10. For more information visit www.selectingsuper.com.au, www.chantwest.com.au and www.heronpartners.com.au

† Terms and conditions apply and are available at www.ing.com.au/wincash. The promoter is ING Custodians Pty Limited (ABN 12 008 508 496, AFSL 238346, RSE L0000673). Authorised under NSW Permit No. LTPS/09/11126 and ACT TP09/04765.

‡ For a listing of other contribution codes that may be used, please refer to the ANZ Super Advantage Member Guide, available at anz.com/wealth/super

Product and legislative updates

Enhancements to OptiMix funds

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 are appointed to achieve the best outcome for investors. This active approach has resulted in a number of recent investment manager changes.

Did you know?

Lonsec Research has recently upgraded the suite of OptiMix Funds to 'Highly Recommended' as part of their 2010 Multi-Manager Review. This is the highest possible rating that can be assigned by Lonsec.

OptiMix Global Fixed Income

Wellington Management Company, LLP (Wellington) and Omega Global Investors Pty Ltd (Omega) have been appointed as managers to the global fixed income portfolio effective November 2009.

Funds impacted by the change:

- OptiMix Balanced
- OptiMix Conservative
- OptiMix Growth
- OptiMix Moderate.

OptiMix Global Inflation Linked Fixed Interest Bonds

Crédit Agricole Asset Management Australia Limited (CAAM) has been appointed as a manager to the global inflation linked fixed interest bonds portfolio effective November 2009, and Sinopia Asset Management (Asia Pacific) Limited (Sinopia) has been removed.

Funds impacted by the change:

- OptiMix Balanced
- OptiMix Conservative
- OptiMix Growth
- OptiMix Moderate.

OptiMix Global Shares

Aberdeen Asset Management Ltd. (Aberdeen), RealIndex Investments (RI) and Aurora Sandringham Global Earnings Trust (Aurora) have been appointed as managers to the global shares portfolio effective December 2009, and Franklin Templeton Investments, AllianceBernstein L.P. and Capital International, Inc. have been removed.

Funds impacted by the change:

- OptiMix Balanced
- OptiMix Conservative
- OptiMix Global Shares
- OptiMix Growth
- OptiMix High Growth
- OptiMix Moderate.

OptiMix Global Smaller Companies

Epoch Investment Partners, Inc. (Epoch) has been appointed as a manager to the global smaller companies portfolio effective December 2009, and AXA Rosenberg (AXA) has been removed.

Funds impacted by the change:

- OptiMix Balanced
- OptiMix Conservative
- OptiMix Global Smaller Companies Shares
- OptiMix Growth
- OptiMix High Growth
- OptiMix Moderate.

Barclays Global Investors funds

On 2 December 2009, BlackRock, Inc. acquired Barclays Global Investors (BGI) and changed the BGI investment fund names listed below to reflect the new company name.

The underlying funds into which the corresponding ING Australia investment funds invest have changed their names as per the below table.

Previous fund name	New fund name
Barclays Global Investors Diversified Growth	BlackRock Scientific Diversified Growth
Barclays Global Investors Australian Shares	BlackRock Scientific Australian Equity
Barclays Global Investors International Shares	BlackRock Scientific International Equity

The names of the corresponding ING Australia investment funds on the ANZ Super Advantage investment menu will be changed in the future to align them with the new names of the underlying funds. This, as well as the update of the ANZ Super Advantage Product Disclosure Statement, will take place during 2010. Until this change is made to the PDS, website references, client statements etc. will continue to include 'BGI' in their names.

Please note, the investment objective and strategy, asset allocation, benchmark, range and minimum time horizon of these funds have not changed.

Correction to the Product Disclosure Statement

Barclays Global Investors was recently listed incorrectly as a manager of Australian Shares in the OptiMix specialist investment managers table in the Supplementary Product Disclosure Statement No.1 dated 2 November 2009. We apologise for this error. Barclays Global Investors was removed as a manager effective 8 July 2009. Please regularly refer to anz.com/wealth/super > Resources for the latest product updates.

Trans-Tasman retirement savings portability scheme

The Government has signed a memorandum of understanding with New Zealand to establish a trans-Tasman retirement savings portability scheme. Currently, members of Australian superannuation funds may only transfer their retirement savings within the Australian superannuation system. The trans-Tasman portability scheme will allow transfers of superannuation savings between eligible Australian superannuation funds and New Zealand KiwiSaver funds.

The final details of the scheme, including the start date, are yet to be decided. An update will be posted at anz.com/wealth/super when more information is available.

Henry tax review

Australians are likely to see some changes to our superannuation and retirement income system following a report in May 2009 to government by Treasury Secretary Dr Ken Henry. Changes recommended include increasing super preservation and the Age Pension age to 67 years, making means testing for the Age Pension fairer and addressing the risk of outliving superannuation savings. The Federal Government is expected to provide an initial response in the first quarter of 2010.

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