

Product Disclosure Statement update

7 DECEMBER 2018

This Product Disclosure Statement (PDS) update amends the following documents, issued on 17 March 2018:

- ANZ Smart Choice Super for QBE Management Services Pty Ltd and their employees – PDS
- ANZ Smart Choice Super for QBE Management Services Pty Ltd and their employees – Fees Guide

Updated information

1. Fees and other costs

ANZ Smart Choice Super for QBE Management Services Pty Ltd and their employees – PDS

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ANZ Smart Choice Super for QBE Management Services Pty Ltd and their employees – Fees Guide

Page reference: 4

Title reference: row labelled 'Administration fee'

Instructions: the following provides updated levies and expense recoveries information.

Levies and expense recoveries – 0.043% p.a. of your balance in each investment option (except for ANZ Smart Choice Cash which is 0%) for the 12 months to 30 June 2018. Estimated to be up to 0.08% p.a. for each investment option (except for ANZ Smart Choice Cash which will be 0%) for the 12 months to 30 June 2019.

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ANZ Smart Choice Super for QBE Management Services Pty Ltd and their employees – Fees Guide

Page reference: 5

Title reference: row labelled 'Indirect cost ratio'

Instructions: the following provides updated information.

The indirect costs estimated for the year ended 30 June 2018 ranged from 0% and 1.38% p.a., depending on the investment option. The range of estimated performance-related fees for the same period was 0% to 1.05% p.a. with the highest estimated performance-related fee relating to OnePath Alternatives Growth.

2. Example of annual fees and costs

ANZ Smart Choice Super for QBE Management Services Pty Ltd and their employees – PDS

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Title reference: Example of annual fees and costs

Instructions: replace the example table and footnotes with the following information.

EXAMPLE – ANZ Smart Choice Super MySuper (1960s Lifestage investment option)		BALANCE of \$50,000
Investment fees	0.44% p.a.	For every \$50,000 you have in the superannuation product you will be charged \$220 each year.
PLUS: Administration fees	\$50 p.a. Plus 0.043%* p.a.	And , you will be charged \$72 each year in administration fees.**
PLUS: Indirect costs for the superannuation product	0.02%† p.a.	And , indirect costs of \$10 each year will be deducted from your investment.
EQUALS Cost of product	\$302	If your balance was \$50,000, then for that year you will be charged fees of \$302 for the superannuation product.**

Note: the Example above is illustrative only.

* Figures based on the actual amount of levies and expense recoveries deducted for the 12 months to 30 June 2018. The levies and expense recoveries are estimated to be up to 0.08% p.a. for the 12 months to 30 June 2019.

† Figure based on the ANZ Smart Choice Super 1960s Lifestage investment option.

**Additional fees may apply. There is currently no contribution fee. The Administration fee is waived if your account balance has a zero balance. If you leave the Superannuation entity you may be charged an Exit fee of \$50 and a buy-sell spread which applies whenever you make a contribution, exit, rollover or make an investment switch. The buy-sell spreads applicable to MySuper Lifestage investment options range from 0.02% to 0.05%. The buy spread for the ANZ Smart Choice Super 1970s Lifestage investment option is currently 0.04% and the sell spread is also 0.04%. On \$50,000, the total cost of the buy and the sell spread is 0.08%, which is equal to \$40.

3. Levies and expense recoveries

ANZ Smart Choice Super for QBE Management Services Pty Ltd and their employees – Fees Guide

Page reference: 7

Title reference: Levies and expense recoveries

Instructions: the following provides updated information.

The Australian Prudential Regulation Authority (APRA) levy for each investment option (except ANZ Smart Choice Cash which was 0%) for the 12 months to 30 June 2018 was 0.006% p.a. and is estimated to be up to 0.01% p.a. for the 12 months to 30 June 2019 (except ANZ Smart Choice Cash which will be 0%).

The expense recovery for the 12 months to 30 June 2018 for each investment option was 0.037% p.a. (except Smart Choice Cash which was 0%) and are estimated to be up to 0.07% p.a. for the 12 months to 30 June 2019 (except ANZ Smart Choice Cash, which will be 0%).

The total levies and expense recoveries are estimated to be up to 0.08% p.a. for each investment option (except for ANZ Smart Choice Cash, which will be 0%) for the 12 months to 30 June 2019.

4. Borrowing costs

ANZ Smart Choice Super for QBE Management Services Pty Ltd and their employees – Fees Guide

Page reference: 7

Title reference: Borrowing costs

Instructions: the following provides updated information.

The estimated borrowing costs for the 12 months to 30 June 2018 for following investment options are:

- OnePath Alternatives Growth* – 0.05% p.a.
- OnePath Geared Australian Shares Index – 2.79% p.a.

*Estimated based on an allocation of 33% to the Fulcrum Diversified Absolute Return Fund.

5. Performance-related fees

ANZ Smart Choice Super for QBE Management Services Pty Ltd and their employees – Fees Guide

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Title reference: Performance-related fees

Instructions: replace the table and footnotes under this section with the following information.

The investment options with performance-related fees, their relevant benchmarks and estimated performance-related fees for the 12 months to 30 June 2018 are noted in the following table:

Benchmark	Performance fee [‡]	Estimated performance-related fee [^] p.a.
Magellan Global		
Dual Hurdle of the MSCI World Net Total Return (AUD) ("Index Relative Hurdle") and the yield of 10-year Australian Government Bonds ("Absolute Return Hurdle")	10% of the excess return above the higher of the Index Relative Hurdle and the Absolute Return Hurdle over each 6 monthly period ending 31 December and 30 June, subject to the High Water Mark being met for the relevant period.	0.20%
OnePath Alternatives Growth*		1.05%[#]
For the underlying funds:		
• GMO Systematic Global Macro Trust – the benchmark is the Bloomberg AusBond Bank Bill Index.	20.155% of outperformance above the benchmark plus base fee.	2.27%
• Man AHL Alpha (AUD) fund – the performance fee is not linked to a benchmark index.	25% of the increase in net asset value over the previous highest closing net asset value subject to a High Water Mark.	1.27%
RARE Infrastructure Value		
An accumulation index comprising the OECD G7 Inflation Index plus 5.5% per annum.	10.25% of the investment returns made in excess of the benchmark, subject to a High Water Mark [§] .	0.00%

[‡] For example, for every \$1,000 you invested in the Magellan Global fund, a \$2.00 performance-related fee would have been charged and deducted by the fund manager from the underlying assets of the investment option for the year ending 30 June 2018. This example is illustrative only.

[^] The performance-related fees are an estimate based on the performance fees of the underlying investment managers for the 12 months to 30 June 2018. Past costs are not a reliable indicator of future costs. The performance-related fee payable by you may differ from year to year.

* The other underlying funds are not listed here as they do not charge a performance fee.

[#] The estimated performance-related fee for OnePath Alternatives Growth is 1.05% p.a., based on the weighted average of the estimated performance-related fees of the underlying investments.

[§] The total performance-related fees will not exceed 0.30% of the average of the daily net asset value of the fund in any financial year.

6. Estimated transaction costs

ANZ Smart Choice Super for QBE Management Services Pty Ltd and their employees – Fees Guide

Page reference: 10 – 11

Title reference: Estimated transaction costs for each investment option

Instructions: replace the table and footnotes under this section with the following information.

These estimated costs are based on the actual costs for the financial year ended 30 June 2018, but may vary in future.

Investment option	Transaction costs (% p.a.)		
	(A) Estimated Gross costs	(B) Estimated costs recovered from Buy-sell spread	(C) = (A) – (B) Estimated costs affecting returns
ANZ Smart Choice 1940s	0.04	0.01	0.03
ANZ Smart Choice 1950s	0.03	0.01	0.02
ANZ Smart Choice 1960s	0.02	0.00	0.02
ANZ Smart Choice 1970s	0.02	0.01	0.01
ANZ Smart Choice 1980s	0.02	0.01	0.01
ANZ Smart Choice 1990s	0.04	0.04	0.00
ANZ Smart Choice 2000s	0.26	0.26	0.00
ANZ Smart Choice Australian Equities	0.02	0.01	0.01
ANZ Smart Choice Australian Fixed Interest	0.13	0.03	0.10
ANZ Smart Choice Cash	0.00	0.00	0.00
ANZ Smart Choice Conservative	0.05	0.01	0.04
ANZ Smart Choice Global Fixed Interest	0.11	0.01	0.10
ANZ Smart Choice Global Property	0.05	0.02	0.03
ANZ Smart Choice Global Smaller Companies	0.10	0.02	0.08
ANZ Smart Choice Growth	0.05	0.00	0.05
ANZ Smart Choice International Equities (Hedged)	0.05	0.02	0.03
ANZ Smart Choice International Equities (Unhedged)	0.03	0.01	0.02
ANZ Smart Choice Moderate	0.05	0.01	0.04
Alphinity Australian Shares [§]	0.11	0.02	0.09
Alphinity Select Leaders [§]	0.20	0.17	0.03
Alphinity Sustainable Investments – Australian Shares [§]	0.05	0.03	0.02
Arrowstreet Global Equity (Hedged)	0.41	0.02	0.39
Bennelong Australian Equities	0.27	0.02	0.25
Bentham Global Income	0.08	0.08	0.00
BT Smaller Companies	0.33	0.03	0.30
Fidelity Australian Equities	0.06	0.03	0.03
Kapstream Absolute Return Income	0.09	0.00	0.09
Karara Capital Emerging Companies	0.17	0.05	0.12

Investment option	Transaction costs (% p.a.)		
	(A) Estimated Gross costs	(B) Estimated costs recovered from Buy-sell spread	(C) = (A) – (B) Estimated costs affecting returns
Legg Mason Diversified	0.16	0.04	0.12
Magellan Global	0.00	0.00	0.00
Merlon Australian Share Income	0.42	0.01	0.41
MFS Global Emerging Markets Shares	0.09	0.08	0.01
MFS Global Equity	0.02	0.02	0.00
Nikko AM Blue Chip Imputation [§]	0.07	0.02	0.05
OnePath Alternatives Growth	0.39	0.06	0.33
OnePath Geared Australian Shares Index	0.14	0.08	0.06
OptiMix Balanced	0.49	0.01	0.48
OptiMix Conservative	0.37	0.01	0.36
OptiMix Growth	0.42	0.01	0.41
OptiMix High Growth	0.33	0.02	0.31
OptiMix Moderate	0.46	0.01	0.45
Perpetual Australian Shares	0.17	0.03	0.14
PIMCO Diversified Fixed Interest	0.27	0.01	0.26
Platinum Asia	0.35	0.04	0.31
Platinum International	0.09	0.03	0.06
RARE Infrastructure Value	0.37	0.01	0.36
Schroder Australian Equity	0.10	0.03	0.07
Schroder Fixed Income	0.16	0.03	0.13
Schroder Real Return	0.19	0.03	0.16
SG Hiscock Property Securities	0.06	0.03	0.03
UBS Balanced	0.17	0.01	0.16
UBS Defensive	0.17	0.03	0.14
Vontobel Global Shares	0.06	0.03	0.03
Walter Scott Global Equity (Hedged)	0.11	0.03	0.08

§ Fund name changed 2 August 2018 from UBS

7. Total ongoing fees and costs

ANZ Smart Choice Super for QBE Management Services Pty Ltd and their employees – Fees Guide

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Title reference: Total ongoing fees and costs for each investment option

Instructions: replace the table and footnotes under this section with the following information.

These estimated costs are based on the actual costs for the financial year ended 30 June 2018 but may vary in future.

Investment option	Total Ongoing Fees and Costs (% p.a.)		
	(D) Investment Fee	(C) Estimated indirect cost ratio	(E) = (D) + (C) Total fees and costs
ANZ Smart Choice 1940s	0.44	0.03	0.47
ANZ Smart Choice 1950s	0.44	0.02	0.46
ANZ Smart Choice 1960s	0.44	0.02	0.46
ANZ Smart Choice 1970s	0.44	0.01	0.45
ANZ Smart Choice 1980s	0.44	0.01	0.45
ANZ Smart Choice 1990s	0.44	0.00	0.44
ANZ Smart Choice 2000s	0.44	0.00	0.44
ANZ Smart Choice Australian Equities	0.44	0.01	0.45
ANZ Smart Choice Australian Fixed Interest	0.50	0.10	0.60
ANZ Smart Choice Cash	0.00	0.00	0.00
ANZ Smart Choice Conservative	0.44	0.04	0.48
ANZ Smart Choice Global Fixed Interest	0.44	0.10	0.54
ANZ Smart Choice Global Property	0.44	0.03	0.47
ANZ Smart Choice Global Smaller Companies	0.50	0.08	0.58
ANZ Smart Choice Growth	0.44	0.05	0.49
ANZ Smart Choice International Equities (Hedged)	0.44	0.03	0.47
ANZ Smart Choice International Equities (Unhedged)	0.50	0.02	0.52
ANZ Smart Choice Moderate	0.44	0.04	0.48
Alphinity Australian Shares [§]	1.00	0.09	1.09
Alphinity Select Leaders [§]	1.00	0.03	1.03
Alphinity Sustainable Investments – Australian Shares [§]	1.00	0.02	1.02
Arrowstreet Global Equity (Hedged)	1.25	0.39	1.64
Bennelong Australian Equities	1.00	0.25	1.25
Bentham Global Income	1.30	0.00	1.30
BT Smaller Companies	1.35	0.30	1.65

Investment option	Total Ongoing Fees and Costs (% p.a.)		
	(D) Investment Fee	(C) Estimated indirect cost ratio	(E) = (D) + (C) Total fees and costs
Fidelity Australian Equities	1.10	0.03	1.13
Kapstream Absolute Return Income	0.90	0.09	0.99
Karara Capital Emerging Companies	1.05	0.12	1.17
Legg Mason Diversified	1.05	0.28 [^]	1.33
Magellan Global [~]	1.65	0.20	1.85
Merlon Australian Share Income	1.16	0.41	1.57
MFS Global Emerging Markets Shares	1.25	0.01	1.26
MFS Global Equity	1.25	0.00	1.25
Nikko AM Blue Chip Imputation [§]	1.05	0.05	1.10
OnePath Alternatives Growth [*]	1.30	1.38	2.68
OnePath Geared Australian Shares Index	1.65 [‡]	0.06	1.71
OptiMix Balanced	0.44	0.48	0.92
OptiMix Conservative	0.90	0.36	1.26
OptiMix Growth	1.00	0.41	1.41
OptiMix High Growth	1.10	0.31	1.41
OptiMix Moderate	0.44	0.45	0.89
Perpetual Australian Shares	1.25	0.14	1.39
PIMCO Diversified Fixed Interest	0.75	0.26	1.01
Platinum Asia	1.98	0.31	2.29
Platinum International	1.80	0.06	1.86
RARE Infrastructure Value [*]	1.40	0.36	1.76
Schroder Australian Equity	1.05	0.07	1.12
Schroder Fixed Income	0.90	0.13	1.03
Schroder Real Return	1.00	0.16	1.16
SG Hiscock Property Securities	1.00	0.03	1.03
UBS Balanced	1.25	0.16	1.41
UBS Defensive	1.15	0.14	1.29
Vontobel Global Shares	1.15	0.03	1.18
Walter Scott Global Equity (Hedged)	1.50	0.08	1.58

[^] This investment option has indirect costs in addition to the transaction costs included in this update.

^{*} Performance-related fees apply to this investment option. Refer to performance-related fees in this update.

[‡] This is the ongoing investment fee charged on the net assets of the investment option. Assuming a gearing ratio of 50%, this would represent an ongoing investment fee on gross assets of 0.825% p.a.

[§] Fund name changed 2 August 2018 from UBS.

[~] The indirect cost includes a performance-related fee of 0.20% p.a.

8. Buy-sell spread

ANZ Smart Choice Super for QBE Management Services Pty Ltd and their employees – Fees Guide

Page reference: 14-15

Title reference: Buy-sell spread guide

Instructions: replace the table and footnotes under this section with the following information.

Please note the following spreads apply from 7 December 2018.

Investment option	Buy spread (%)	Sell spread (%)
ANZ Capital Guaranteed	0.00	0.00
ANZ Smart Choice 1940s	0.02	0.02
ANZ Smart Choice 1950s	0.03	0.03
ANZ Smart Choice 1960s	0.03	0.03
ANZ Smart Choice 1970s	0.04	0.04
ANZ Smart Choice 1980s	0.04	0.04
ANZ Smart Choice 1990s	0.05	0.05
ANZ Smart Choice 2000s	0.05	0.05
ANZ Smart Choice Australian Equities	0.02	0.02
ANZ Smart Choice Australian Fixed Interest	0.05	0.05
ANZ Smart Choice Cash	0.00	0.00
ANZ Smart Choice Conservative	0.02	0.02
ANZ Smart Choice Global Fixed Interest	0.04	0.04
ANZ Smart Choice Global Property	0.05	0.05
ANZ Smart Choice Global Smaller Companies	0.05	0.05
ANZ Smart Choice Growth	0.03	0.03
ANZ Smart Choice International Equities (Hedged)	0.03	0.03
ANZ Smart Choice International Equities (Unhedged)	0.03	0.03
ANZ Smart Choice Moderate	0.02	0.02
Alphinity Australian Shares [§]	0.08	0.08
Alphinity Select Leaders [§]	0.07	0.07
Alphinity Sustainable Investments – Australian Shares [§]	0.06	0.06
Arrowstreet Global Equity (Hedged)	0.21	0.21
Bennelong Australian Equities	0.30	0.30
Bentham Global Income	0.35	0.35
BT Smaller Companies	0.25	0.25
Fidelity Australian Equities	0.25	0.25
Kapstream Absolute Return Income	0.00	0.00
Karara Capital Emerging Companies	0.19	0.19
Legg Mason Diversified	0.20	0.20
Magellan Global	0.10	0.10
Merlon Australian Share Income	0.20	0.20
MFS Global Emerging Markets Shares	0.17	0.17
MFS Global Equity	0.35	0.35
Nikko AM Blue Chip Imputation [§]	0.08	0.08
OnePath Alternatives Growth	0.09	0.09
OnePath Cash	0.00	0.00
OnePath Capital Guaranteed	0.00	0.00
OnePath Capital Stable	0.02	0.02

Investment option	Buy spread (%)	Sell spread (%)
OnePath Geared Australian Shares Index	0.04	0.04
OptiMix Balanced	0.06	0.06
OptiMix Conservative	0.04	0.04
OptiMix Growth	0.07	0.07
OptiMix High Growth	0.07	0.07
OptiMix Moderate	0.05	0.05
Perpetual Australian Shares	0.15	0.15
PIMCO Diversified Fixed Interest	0.03	0.03
Platinum Asia	0.25	0.25
Platinum International	0.25	0.25
RARE Infrastructure Value	0.18	0.18
Schroder Australian Equity	0.25	0.25
Schroder Fixed Income	0.12	0.12
Schroder Real Return	0.20	0.20
SG Hiscock Property Securities	0.08	0.08
UBS Balanced	0.20	0.20
UBS Defensive	0.15	0.15
Vontobel Global Shares	0.13	0.13
Walter Scott Global Equity (Hedged)	0.20	0.20

§ Fund name changed 2 August 2018 from UBS

Any questions?

If you have any questions or require information, please:

- call Customer Services on 1800 249 996, weekdays between 8.30am and 8.00pm (AEST)
- email corporatesuper@anz.com

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