

IMPORTANT CHANGES AND INFORMATION

30 JUNE 2016

Below we outline any significant product or regulatory changes that may impact your ANZ Smart Choice Super* account. It is important you take time to review these changes and understand what they may mean for you.

1. THE BIG CHANGES IN THE FEDERAL BUDGET

As the Australian population ages, key issues around preparedness for retirement have become more important than ever.

Superannuation is the big focus of the Government's 2016–17 budget. It proposes to introduce a raft of changes it claims will refocus super on supporting those at risk of relying on the age pension. The proposed measures apply from 1 July 2017 unless otherwise stated.

In delivering the budget, Treasurer Scott Morrison identified tax concessions for the wealthy were his target, but said "96 per cent of Australians with super will be unaffected by or be better off as a result of the superannuation changes we have announced".

These proposals need to successfully pass through Parliament before becoming law and may be subject to change during this process.

FOR MORE INFORMATION ON THE BUDGET PROPOSALS AND HOW THEY MAY IMPACT YOU, GO TO BUDGET.GOV.AU, ANZ.COM/SMARTCHOICE > CLICK ON YOUR RELEVANT SUPERANNUATION OR RETIREMENT SOLUTION > DOWNLOADS AND SPEAK TO YOUR FINANCIAL ADVISER

2. 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 2016 at anz.com/smartchoice > click on your relevant superannuation or retirement solution > Downloads.

If you would like to receive a hard copy (free of charge), please contact Customer Services.

3. UPDATE TO BENEFICIARY NOMINATION DISCLOSURE

The following information in the next section replaces the content under the heading "No nomination, defective nomination or cancelled nomination" in the ANZ Smart Choice Super and Pension Additional Information Guide 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.

4. TERMINAL MEDICAL CONDITION

The following investment and regulatory information is relevant for members with a super account or a pension account with preserved or restricted non-preserved benefits.

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 extends the life expectancy period from 12 months to 24 months.

POSSIBLE IMPLICATIONS TO CONSIDER

- If you have failed to obtain the required medical certification to meet the terminal illness definition due to the restrictions of the 12 month rule, consider obtaining new medical certification. Whilst the change allows earlier access to your super it may not provide earlier access to any terminal illness insurance benefits as part of your 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.

5. UPDATES TO YOUR DUTY OF DISCLOSURE

The information relating to insurance contained in this document is provided for summary purposes only. Please refer to the relevant PDS for details of insurance cover. To the extent of any inconsistency with the relevant insurance policies, the terms and conditions of the policies will prevail.

WHAT IS THE REASON FOR THE CHANGES?

The *Insurance Contracts Amendment Act 2013* (Cth) has amended the *Insurance Contracts Act 1984* (Cth) as it relates to an insured's 'Duty of Disclosure' to an insurer.

WHAT IS THE NEW DUTY OF DISCLOSURE?

Duty of disclosure

The Trustee who enters into a life insurance contract in respect of your life has a duty, before entering into the contract, to tell the Insurer anything that they know, or could reasonably be expected to know, may affect the Insurer's decision to provide the insurance and on what terms.

The Trustee has this duty until the Insurer agrees to provide the insurance.

The Trustee has the same duty before they extend, vary or reinstate the contract.

The Trustee does not need to tell the Insurer anything that:

- reduces the risk the Insurer insures you for; or
- is of common knowledge; or
- the Insurer knows or should know as an Insurer, or
- the Insurer waives your duty to tell the Insurer about.

You must disclose relevant information

You must tell the Insurer, anything you know, or could reasonably be expected to know, that may affect the Insurer's decision to provide the insurance on what terms.

If you do not do so, this may be treated as a failure by the Trustee to tell the Insurer something they the Trustee must tell the Insurer.

If you provide relevant information to the Trustee rather than the Insurer, the Trustee will provide the information you give the Trustee to the Insurer. The Trustee will do this so that you comply with your obligation to provide relevant information to the Insurer.

IF YOU DO NOT TELL THE INSURER SOMETHING

In exercising the following rights, the Insurer may consider whether different types of cover can constitute separate contracts of life insurance. If they do, the Insurer may apply the following rights separately to each type of cover.

If the Trustee does not tell the Insurer anything the Trustee is required to, and the Insurer would not have provided the insurance or entered into the same contract with the Trustee if the Trustee had told the Insurer and the Trustee, the Insurer may avoid the contract within three years of entering into it.

If the Insurer chooses not to avoid the contract, the Insurer may, at any time, reduce the amount of insurance provided. This would be worked out using a formula that takes into account the fees that would have been payable if the Trustee had told the Insurer and everything it should have.

However, if the contract provides cover on death, the Insurer may only exercise this right within three years of entering into the contract.

If the Insurer chooses not to avoid the contract or reduce the amount of insurance provided, the Insurer may, at any time vary the contract in a way that places the Insurer in the same position it would have been in if you had told the Insurer and the Trustee everything you should have.

However this right does not apply if the contract provides cover on death.

If the failure to tell the Insurer is fraudulent, the Insurer may refuse to pay a claim and treat the contract as if it never existed.

WHAT DO YOU NEED TO DO?

If you submit an application for new insurance cover or you make an alteration to existing insurance cover, you will need to ensure you disclose all relevant information to the Trustee and the Insurer on your application in accordance with the 'Duty of Disclosure' section above.

6. ARE YOU STILL COVERED?

This applies to members insured by OnePath Life Limited.

Have your personal circumstances changed? If so, have you told us – because it may mean that you are no longer insured.

Did you know that even though you have continued to pay your insurance fees, a change in your personal circumstances may mean that you are no longer covered? It is important that you continue to advise us of any changes in your personal or working circumstances.

For instance, does one of the following apply to you – if so, you may no longer be covered.

- Have you permanently retired from the workforce?
- Have you commenced active service in the defence forces of any country?
- Were you a visa holder, and has your visa expired?
- Have you transferred to the Pension or Transfer to Retirement (TTR) division of another super fund?
- Have you been working overseas for more than two years?
- Have you been on employer-approved leave for a period of two years or more?
- Have you been travelling overseas for more than two years?
- Were you not at work on the day that your cover commenced?
- Have you permanently departed Australia?

Please make sure that you contact Customer Services to advise us of changes in your circumstances

7. ANNUAL AUSTRALIAN PRUDENTIAL REGULATION AUTHORITY (APRA) LEVY AND STRONGER SUPER LEVY

APRA AND STRONGER SUPER LEVIES

All Australian Prudential Regulation Authority (APRA) regulated superannuation funds are charged an APRA Levy. The amount of the APRA Levy for the 2015/16 financial year recovered the general operational costs of APRA, as well as some of the costs associated with implementing the Government's 'SuperStream' reforms. The SuperStream reforms are designed to support the superannuation system to operate more efficiently for the benefit of members.

The APRA Levy is applied as an asset-based levy of less than 0.01% against the investments of the OnePath MasterFund in the 2015/16 financial year.

To cover some of the costs incurred to comply with the Government's 'Stronger Super' reforms and consistent with the approach taken by many superannuation funds across the industry, the Trustee also approved a Stronger Super Levy which is an asset-based levy estimated to be less than 0.03% that is applied against the investments of the OnePath MasterFund in the 2015/16 financial year.

For members invested in OnePath MasterFund products, the Trustee recovered the APRA and Stronger Super Levies in June 2016 by deducting them from the unit price of each your investment option(s) (excluding cash, term deposits and guaranteed products which do not have a unit price).

The total impact of both levies on members is less than 0.04% of the value of the unitised investment options. For example, a member with a balance of \$50,000 will pay less than \$20.00.

These levies are not shown in your statement as they are charged as a deduction from the unit price of each of your investment option(s) and not directly from your account balance.

8. DIVERSIFIED FUNDS: REVIEW OF ASSET RANGES

Following a recent review of the ANZ Smart Choice Super diversified funds' strategic asset allocation ranges, an increase in the range for diversified funds has been implemented, effective 31 May 2016.

WHICH FUNDS ARE IMPACTED BY THIS CHANGE?

The following funds, referred to collectively as 'the Funds' will be affected:

Life Stage Investment options:

- 1940s
- 1950s
- 1960s
- 1970s
- 1980s
- 1990s.

Diversified – Risk based:

- ANZ Smart Choice Super Conservative
- ANZ Smart Choice Super Moderate
- ANZ Smart Choice Super Growth
- OptiMix Conservative*
- OptiMix Moderate*
- OptiMix Balanced*
- OptiMix Growth*
- OptiMix High Growth*

* Only for ANZ Smart Choice Super for employers and their employees and ANZ Smart Choice Super for QBE Management Services Pty Ltd and their Employees.

CHANGE IN THE ASSET ALLOCATION RANGE FOR THE FUNDS

ANZ Wealth's investment research team regularly reviews the strategic asset allocation of its funds. Following a recent review, effective 31 May 2016, an increase in the asset allocation ranges for diversified funds will be implemented.

The increase in the asset allocation ranges provides an enhanced ability to add value to the Funds' portfolio through the active asset allocation process, and also improves portfolio management efficiency. (Active asset allocation is the process of increasing or decreasing exposure to relevant asset classes within permitted strategic asset allocation ranges).

This change is to ensure the Funds can continue to meet their investment objectives and deliver more consistent returns by offering increased diversification opportunities. It does not change the Funds' investment strategies, investment objectives or level of investment risk. There is no changes to benchmark allocations at this time.

WHAT DOES THE CHANGE IN THE ASSET ALLOCATION RANGE MEAN FOR INVESTORS?

For existing investors, these changes took place automatically on 31 May 2016. Investors are not required to take any action.

STRATEGIC ASSET ALLOCATION BY FUND

The revised range for strategic asset allocation ranges for each of the Funds is outlined in the tables below.

LIFE STAGE INVESTMENT OPTIONS

1940s		
Asset Class	New effective 31 May 2016	
	Min Range (%)	Max Range (%)
Cash	24	60
Australian fixed Interest	12.5	38.5
Global fixed Interest	4.5	30.5
Global Property Securities	0	10
Australian shares	1	27
International shares	0	17

1950s		
Asset Class	New effective 31 May 2016	
	Min Range (%)	Max Range (%)
Cash	3	44
Australian fixed Interest	0.5	36.5
Global fixed Interest	0	31.5
Global Property Securities	0	19
Australian shares	4	40
International shares	1	37

1960s		
Asset Class	New effective 31 May 2016	
	Min Range (%)	Max Range (%)
Cash	0	32
Australian fixed Interest	0	36.5
Global fixed Interest	0	33.5
Global Property Securities	0	19
Australian shares	8.5	54.5
International shares	6.5	52.5

1970s		
Asset Class	New effective 31 May 2016	
	Min Range (%)	Max Range (%)
Cash	0	27.5
Australian fixed Interest	0	30.5
Global fixed Interest	0	30
Global Property Securities	0	19
Australian shares	16.5	62.5
International shares	12.5	58.5

1980s		
Asset Class	New effective 31 May 2016	
	Min Range (%)	Max Range (%)
Cash	0	25
Australian fixed Interest	0	28
Global fixed Interest	0	28
Global Property Securities	0	19
Australian shares	20	66
International shares	16	62

1990s		
Asset Class	New effective 31 May 2016	
	Min Range (%)	Max Range (%)
Cash	0	25
Australian fixed Interest	0	27
Global fixed Interest	0	27
Global Property Securities	0	19
Australian shares	21	67
International shares	17	63

Diversified – Risk based

ANZ Smart Choice Super Conservative		
Asset Class	New effective 31 May 2016	
	Min Range (%)	Max Range (%)
Cash	24	60
Australian fixed Interest	12.5	38.5
Global fixed Interest	4.5	30.5
Global Property Securities	0	10
Australian shares	1	27
International shares	0	17

ANZ Smart Choice Super Moderate		
Asset Class	New effective 31 May 2016	
	Min Range (%)	Max Range (%)
Cash	0	41
Australian fixed Interest	0	36
Global fixed Interest	0	32
Global Property Securities	0	19
Australian shares	5.5	41.5
International shares	3	39

ANZ Smart Choice Super Growth		
Asset Class	New effective 31 May 2016	
	Min Range (%)	Max Range (%)
Cash	0	29
Australian fixed Interest	0	33.5
Global fixed Interest	0	31.5
Global Property Securities	0	19
Australian shares	13	59
International shares	10	56

OptiMix Conservative*		
Asset Class†	New effective 31 May 2016	
	Min Range (%)	Max Range (%)
Cash	7	43
Australian fixed interest	5	31
International fixed interest	7	33
Global Property/ Infrastructure securities	0	12
Australian shares	0	25
International shares	0	23
Alternative shares	5	29

† The maximum exposure to growth assets for the OptiMix Conservative Fund is 42%. International shares may include exposure to emerging market and/or global small cap securities.

OptiMix Moderate*		
Asset Class†	New effective 31 May 2016	
	Min Range (%)	Max Range (%)
Cash	0	31
Australian fixed interest	0	32
International fixed interest	0	35
Global Property/ Infrastructure securities	0	12
Australian shares	2	38
International shares	1	37
Alternative shares	5	33

† The maximum exposure to growth assets for the OptiMix Moderate Fund is 64%. International shares may include exposure to emerging market and/or global small cap securities.

OptiMix Balanced*		
Asset Class†	New effective 31 May 2016	
	Min Range (%)	Max Range (%)
Cash	0	31
Australian fixed interest	0	32
International fixed interest	0	35
Global Property/ Infrastructure securities	0	12
Australian shares	2	38
International shares	1	37
Alternative shares	5	33

† The maximum exposure to growth assets for the OptiMix Balanced Fund is 84%. International shares may include exposure to emerging market and/or global small cap securities.

OptiMix Growth*		
Asset Class†	New effective 31 May 2016	
	Min Range (%)	Max Range (%)
Cash	0	23
Australian fixed interest	0	27
International fixed interest	0	29
Global Property/ Infrastructure securities	0	12
Australian shares	12	58
International shares	11	57
Alternative shares	4	33

† International shares may include exposure to emerging market and/or global small cap securities.

OptiMix High Growth*		
Asset Class†	New effective 31 May 2016	
	Min Range (%)	Max Range (%)
Cash	0	23
Australian fixed interest	0	23
International fixed interest	0	23
Global Property/ Infrastructure securities	0	12
Australian shares	20	66
International shares	19	65
Alternative shares	3	28

† International shares may include exposure to emerging market and/or global small cap securities.

* Only for ANZ Smart Choice Super for employers and their employees and ANZ Smart Choice Super for QBE Management Services Pty Ltd and their Employees.

9. ARE YOUR CONTACT DETAILS UP TO DATE? IT'S IMPORTANT TO STAY IN TOUCH!

It is important that you stay in touch with us and keep your account active, so you do not become 'lost'.

You may be classified as a 'lost member' if

- we have made one or more attempts to send written communications to you at your last known address and

- we believe on reasonable grounds that you can no longer be contacted at any address known to the fund; and
- you have not contacted us (by written communication or otherwise) within the last 12 months of your membership of the fund; and
- you have not accessed details about your account online within the last 12 months of your membership of the fund; and
- we have not received a contribution or rollover from you, or on your behalf, in the last 12 months of your membership of the fund.

We are required to report 'lost members' to the ATO. Additionally, we are required to transfer a lost member's account to the ATO if:

- the account balance is less than \$4,000 (\$6,000 from 31 December 2016)
- we have insufficient records to pay an amount to the member.'

If your account does become 'lost' and paid to the ATO you will lose any insurance associated with the account, and will need to contact the ATO about payment options.

If you have not provided your phone number or email address, you can do so via ANZ Internet Banking, or by calling or emailing us.

10. UNDERSTANDING YOUR ANNUAL STATEMENT

Your annual statement is now available for you via ANZ Internet Banking. The following explanatory notes are to be read together with your 2016 Annual Statement. If you have any further questions, please 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. 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 www.ato.gov.au or speak to your financial planner.

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 2015/16) 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 planner 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 \$51,021 p.a. for 2016/17, and you make personal contributions to super, you may be eligible for a Government co-contribution. Generally, the maximum co-contribution is \$500 and reduces once your income exceeds \$36,021 for 2016/17. The ATO will pay 50 cents for every dollar of personal non-concessional contributions up to your maximum entitlement. 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). Both co-contribution and LISC amounts 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 planner or contact the ATO in relation to the amount paid.

The following information is only applicable to members in ANZ Smart Choice Super for employers and their employees and ANZ Smart Choice Super for QBE Management Services Pty Ltd and their employees.

11. EMPLOYER CONTRIBUTION OBLIGATIONS FOR SUPERSTREAM COMPLIANCE

SuperStream is a government reform aimed at improving the efficiency of the superannuation system. As part of the SuperStream reforms, employers must make super contributions on behalf of their employees by submitting data and payments electronically in a consistent and simplified manner prescribed by the Australian Tax Office (ATO).

WHEN DOES YOUR EMPLOYER HAVE TO START USING SUPERSTREAM?

All large to medium-sized employers (with 20 or more employees) were required to meet their SuperStream obligations from 31 October 2015. Small employers (fewer than 20 members) are required to comply from 28 October 2016.

WHAT DOES THIS MEAN FOR YOU?

SuperStream is a significant benefit for employers and their employees as it simplifies the employer super contribution experience by streamlining how payments can be made.

Your employer should liaise directly with the ATO in relation to the specific requirements.

WHAT DO YOU NEED TO DO?

You do not need to do anything, the obligation for compliance is with your employer, however payments received by employers that do not comply with SuperStream obligations may be rejected.

12. STANDARD RISK MEASURE

We have adopted the Standard Risk Measure which is based on the industry 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 ongoing 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).

HOW TO READ AN INVESTMENT PROFILE

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 anz.com > Personal > Investing & Super > Resources

UPDATED STANDARD RISK MEASURES

Fund Name	Risk Band	Risk Label
ANZ Capital Guaranteed	2	Low
ANZ Smart Choice Conservative	3	Low to medium
ANZ Smart Choice Global Fixed Interest	4	Medium
ANZ Smart Choice Global Smaller Companies	7	Very high
ANZ Smart Choice Moderate	6	High
ANZ Smart Choice 1950s	5	Medium to high
Bentham Global Income	5	Medium to high
CBRE Clarion Global Property Securities	7	Very high
OnePath Alternatives Growth	6	High
OnePath Capital Stable	4	Medium
OptiMix Balanced	6	High
OptiMix Conservative*	4	Medium
Platinum Asia	7	Very high
Platinum International	7	Very high
Rare Infrastructure Value	7	Very high
Schroder Real Return	4	Medium
UBS Defensive	5	Medium to high

* Irrespective of the fund name being 'Conservative', the Standard Risk Measure of the fund is 4. This means it has been estimated that the fund may have 2 to less than 3 negative annual returns over any 20 year period.

13. 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 and accordingly, they must effect a Continuation Option with the non-OnePath Life insurer within the time specified by the insurer (normally 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.

14. 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.

15. 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.

16. CHANGES TO THE GMO ALTERNATIVES GROWTH FUND

Due to GMO – the underlying fund manager – no longer accepting additional money, we are pleased to announce that we have added two new underlying fund managers to manage the assets of the GMO Alternatives Growth fund ('the Fund') through ANZ Smart Choice Super from 25 September 2015.

We have also changed the name of the Fund to the OnePath Alternatives Growth Fund.

ADDITION OF NEW INVESTMENTS TO COMPLEMENT THE GMO STRATEGY

ANZ's internal investment research team regularly reviews and monitors the underlying investment managers of the investment funds offered through ANZ Smart Choice for employers and their employees. Regular reviews ensure the investment funds continue to meet the needs of our current and future members. This change follows a recent review.

WHO ARE THE NEW UNDERLYING FUND MANAGERS?

The two funds noted below were added in order to complement the existing GMO Fund and create a multi-manager alternatives fund:

- AQR Wholesale Managed Futures Fund ('AQR Fund'); and
- Man AHL Alpha (AUD) Fund ('Man AHL Fund').

Both funds implement strategies which seek to identify and exploit upward or downward trends across a broad selection of global developed and emerging markets. The funds are well rated by external research houses and have solid long-term performance track records.

WHAT ARE THE BENEFITS OF THIS CHANGE?

- We can continue to receive new money into the Fund
- Access to a more diversified portfolio of highly rated fund managers and strategies, reducing single investment manager risk
- Investors will benefit from the diversification offered as a result of the Man AHL and AQR managed future strategies being added to the Fund to complement the strategy of the existing GMO Fund.

- Broader exposure to the investment opportunities available in global developed and emerging markets, and sectors including equities, bonds, credit, currencies and commodities.

Fund assets will be diversified across the three underlying Funds according to what we believe is the appropriate blend.

Investors saw no change in the number of units they held, nor did they see a transaction appear in their accounts. The unit prices of the Fund continued post transition, i.e. unit prices were not restarted or reset.

WERE THERE ANY COSTS ASSOCIATED WITH TRANSITIONING INVESTMENTS TO THE TWO NEW FUNDS?

One of the new underlying funds has a sell spread which will be factored in to the unit price of the Fund at the time of the transition. The cost of this sell spread to the Fund is likely to represent less than 0.03% of the Fund's assets under management.

WAS THERE A CHANGE TO THE ONGOING FEE?

There was no change to the Ongoing Fee.

WERE THERE ANY CHANGES TO PERFORMANCE BASED FEES?

The Fund does not pay performance fees directly. However, performance fees may be payable from the underlying investment funds to the underlying fund managers.

The following table shows the performance fees of the underlying funds:

Underlying Fund	Performance Fee (applicable to the outperformance above the benchmark)
GMO Systematic Global Macro Fund	20.111%
AQR Wholesale Managed Futures Fund	20%
Man AHL Alpha Fund	25%

WERE THERE ANY CHANGES TO THE BUY/SELL SPREADS?

The buy/sell spread costs are updated to reflect the costs of the new underlying investments.

Fund	Previous buy/sell spread	New buy/sell spread after the transition
OnePath Alternatives Growth	0%/0%	0% buy/0.03% sell

ONEPATH ALTERNATIVES GROWTH FUND REVISED FUND PROFILE

Investment objective – unchanged

The Fund aims to produce a portfolio that seeks to outperform the Bloomberg AusBond Bank Bill Index.

Description – unchanged

The Fund is suitable for investors seeking high total return over a medium to long term period and who are prepared to accept higher variability of returns.

Investment strategy – new

The Fund is a multi-manager solution that seeks to provide returns with low correlation to equity markets by investing in a portfolio of alternative investment strategies. The underlying fund investments are managed by leading alternative investment managers that undertake Global Macro and Managed Futures strategies offering broadly diversified exposure to developed and emerging equity, bond, credit, currency and commodity markets.

The multi-manager portfolio is designed to deliver more consistent returns with less risk than would be achieved if investing with a single manager.

The underlying funds are:

- GMO Systematic Global Macro Trust (Global Macro)
- AQR Wholesale Managed Futures Fund (Managed Futures)
- Man AHL Alpha (AUD) Fund (Managed Futures).

Minimum time horizon – unchanged

5 years

Standard Risk Measure – changed

6 – High

Asset allocation – new

From the transition date, OnePath has allocated across the GMO Fund, AQR Fund, Man AHL Fund and Cash. Investors continue to hold the same asset class exposure (alternative investments) and OnePath continually reviews the composition of the portfolio to ensure that it remains robust and meets the investment objective

Asset class	Benchmark (%)	Range (%)
Alternative assets*	100	95–100
Cash	0	0–5

* Underlying funds may hold cash inside their portfolios.

17. UBS NAME CHANGE

UBS Global Asset Management have changed the name of their business division to UBS Asset Management. The name of the responsible entity has correspondingly changed from UBS Global Asset Management (Australia) Ltd to UBS Asset Management (Australia) Ltd.

There is no impact to existing investors as a result of the UBS name change.

18. CHANGES TO HOW INSURANCE FEES ARE DEDUCTED

Prior to 1 March 2016, and for those members with insurance within ANZ Smart Choice Super, insurance fees were deducted monthly in advance from their ANZ Smart Choice Super account, **proportionately across their investment option(s) in line with their future investment strategy.**

HOW DOES THIS IMPACT EXISTING MEMBERS?

From March 2016 onwards, insurance fees continue to be deducted monthly in advance, but now in **proportion to the balance across all of your investment option(s).** In the event that fees cannot be deducted from a specific investment option(s), the fees are deducted proportionately across all of your remaining investment option(s).

Members who do not currently have insurance cover with ANZ Smart Choice Super are not impacted.

* ANZ Smart Choice Super is a suite of products consisting of ANZ Smart Choice Super and Pension, ANZ Smart Choice Super for employers and their employees and ANZ Smart Choice Super for QBE Management Services Pty Ltd and their employees (together "ANZ Smart Choice Super"). ANZ Smart Choice Super and Pension is a retail product issued pursuant to the PDS dated 11 November 2013. ANZ Smart Choice Super for employers and their employees and ANZ Smart Choice Super for QBE Management Services Pty Ltd and their employees are both MySuper compliant employer products issued pursuant to separate PDSs dated 25 May 2015. This publication relates to members in the retail product as well as members in a MySuper division of each MySuper compliant product.

Customer Services



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



Email
anzsmartchoice@anz.com

OnePath Custodians Pty Limited (ABN 12 008 508 496, AFSL 238346, RSE L0000673) is the trustee of the Fund and issuer of this information. 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 issuers are owned by ANZ it is not a Bank.

Except as described in the relevant Product Disclosure Statement (PDS), an investment with the issuers is not a deposit or other liability of ANZ or its related group companies and none of them stands behind or guarantees the issuers 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.

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

This information is current as at July 2016 but may be subject to change. You should read the relevant FSG, PDS, product and other updates and consider whether the product is right for you before making a decision to acquire or continue to hold the product. Updated information will be available free of charge by calling Customer Services on 13 12 87.

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