



Grow your future
2014 Annual Report

YEAR ENDED 31 DECEMBER 2014

2014 year in review

A year of strong returns

The Balanced Growth option returned 9.2% for Accumulation members and 10.0% for Account Based Pensions. Aggressive Growth returned 10.0% and 10.7% respectively.

A history of strong returns

1st or 2nd quartile performance for all investment options for five-year average returns.

Lowest fees in the market

In December, research company Chant West again rated fees for the Scheme's current ANZ employee sections the lowest in Australia. Other sections also remain competitive.

Your Scheme continues to grow

More than 32,000 members and nearly \$3.6 billion in assets under management.

Your future continues to grow

\$229 million in contributions received and \$302 million added to member accounts in investment returns.

SG contribution rate increases

On 1 July 2014, the SG contribution rate increased to 9.5% and is scheduled to stay at this rate for four years.

A fund for life

Our **RBA Section** lets you stay with the Scheme even when you leave ANZ.

Our **ABP Section** helps you convert your super to a regular income when you retire or may help to give your super a boost before you get there.

Find out more at www.anzstaffsuper.com

Membership at the end of 2014

Employee members

2014 = 19,010

2013 = 19,424

Retained Benefit Account (RBA) members

2014 = 12,282

2013 = 11,836

Spouse Contribution Account (SCA) members

2014 = 258

2013 = 259

Account Based Pension (ABP) and Transition to Retirement Account Based Pension (TRAP) members

2014 = 539

2013 = 416

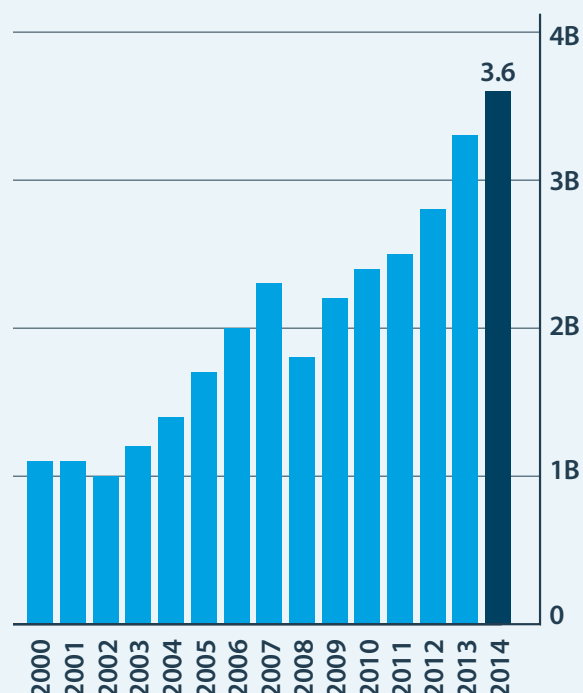
Pensioners

2014 = 157

2013 = 159

- 4% growth in RBA membership
- 30% growth in ABP membership

Scheme assets (\$)



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This 2014 Annual Report is issued by ANZ Staff Superannuation (Australia) Pty Limited ABN 92 006 680 664 AFSL 238268 RSEL L0000543, Trustee of the ANZ Australian Staff Superannuation Scheme ABN 83 810 127 567 RSE R1000863.

In this Annual Report, we refer to the ANZ Australian Staff Superannuation Scheme as either "the Scheme" or "the ANZ Staff Scheme". Any references to ANZ Staff Super are to the administrator of the Scheme, and references to other schemes or schemes in general appear in lower case. The information in this Annual Report is accurate to the best of our knowledge at the date of publication.

This Annual Report is not intended, and should not be construed, to constitute financial advice or take the place of a licensed financial adviser briefed on your individual circumstances. No person should act or not act solely on the information provided. This document doesn't take into account what you currently have or what you want and need for your financial future. It is important for you to consider these matters. Read your Product Disclosure Statement and consider consulting a licensed financial adviser before you make decisions in relation to your superannuation.

Formal legal documents ultimately govern the operation of the Scheme, including the Scheme's Trust Deed and Rules and relevant legislation. Should there be any discrepancies between the information in this Annual Report and the actual provisions in the Trust Deed and Rules, the Trust Deed and Rules will prevail. You may obtain a copy of the Trust Deed and Rules from ANZ Staff Super (see page 22 for contact details).

Published: June 2015



Chairman's message



I am pleased to present the 2014 Annual Report for the ANZ Australian Staff Superannuation Scheme. It was a busy year for superannuation with regulatory changes continuing to take effect. For Scheme members the news was good on a number of fronts. 2014 was another year of strong investment returns, building on the steady momentum of recent years. Our continual focus on value for members saw the Scheme employee sections again recognised as having the lowest fees in Australia by research company ChantWest.

Investment performance

The Scheme's investment returns for 2014 were strong, even with increased volatility creeping into markets again.

- Our Balanced Growth option delivered an annual return of 9.2% for Section A, C, Retained Benefit Account (RBA) and Spouse Contribution Account (SCA) members and 10.0% for ABP Section members.
- Our Aggressive Growth option achieved an annual return of 10.0% for Section A, C, RBA and SCA members and 10.7% for ABP Section members.
- The Cautious investment option delivered net investment returns of 7.2% for Sections A, C, RBA and SCA and 8.1% for ABP Section members. The Cash option achieved 2.4% and 2.8% respectively.
- For the last five years the average returns of all investment options have ranked in either the 1st or 2nd quartile rankings when compared to all other funds measured by Rainmaker Information Services.

In 2014 the Trustee made several refinements to asset sector allocations seeking the best return for an appropriate level of risk for members. You can read more about the Scheme's returns for 2014 from page 4, and see the full list of investment managers commencing on page 12.

The Trustee remains focused on the Scheme's long term investment strategy and committed to providing you with value for money superannuation.

The Trustee remains committed to providing you with value for money superannuation.

Low cost but not at the expense of quality service

We run the Scheme only for the benefit of our members. That means tightly managing our running costs and taking advantage of our scale (assets over \$3.5 billion) to maintain competitive investment management costs. As a result, the Scheme's current ANZ employee sections have again been recognised for the lowest fees in Australia by Chant West. Fees for members of the ABP, RBA and SCA sections also remain very competitive compared to those of other super funds.

However, our scale and low cost doesn't come at the expense of quality service and features. We aim to help you resolve any query quickly. You can access and manage your super 24/7 via www.anzstaffsuper.com and I urge you to make use of its mobile version so you can easily keep up to date with your super on the go.

The site also contains a wealth of education material, calculators and easy-to-use tools. These include the ability to make after-tax super contributions to your Scheme account using the convenience of BPAY®, the online rollover tool so you can consolidate other super into your Scheme account, and the Model My Super tool, which allows you to project your benefits into the future based on assumptions that you input (such as salary inflation).

Outlook for future investment returns

The Trustee and its advisers are concerned that the high level of investment returns experienced over recent years will be difficult to replicate in future. The lowering of interest rates across the globe and the slowing of economic growth (e.g. China) are likely to lead to lower returns in years to come.

Another way of looking at this is that the very good returns experienced in recent years have 'brought forward' the returns from future years and a natural consequence of this is lower expectations for future returns. Forecasting future returns is always difficult, and while no-one can be certain about the outlook we expect that returns in the medium to long term (say over the next five to ten years) will be lower than recent years.

What is the Trustee doing?

The Trustee and management team continue to closely monitor investment performance and exposure to key asset sectors, and will continue seeking the best return for an appropriate level of risk for members. The Trustee believes in the virtues of spreading investments across asset classes and expects the benefit of diversifying will deliver stronger returns.

What can members do?

- Consider whether your choice of investment option(s) is appropriate for your specific circumstances.
- Review the level of your voluntary contributions and whether you'll need to adjust them to achieve your retirement savings target.

- Seek professional financial advice
- Reduce fees by consolidating any other other superannuation accounts you may have.

In the second half of 2015 the Trustee plans to announce an initiative that will give members access to financial advice over the phone. Keep an eye on the Scheme newsletter for developments.

MySuper and other changes

MySuper, part of the Federal Government's Stronger Super reforms designed to provide a stronger, more efficient system to manage retirement outcomes for Australians, went live on 1 January 2014. You can see the Scheme's MySuper Product Dashboard in the 'Documents and Forms' section at www.anzstaffsuper.com.

Other changes to super in 2014 with a noticeable impact for members included:

- Superannuation Guarantee contributions paid by your employer rose to 9.5%, but will now not increase as quickly as previously expected. This contribution rate will remain at 9.5% for the next four years.
- The annual concessional (before-tax) contribution limit for people under 50 years of age increased to \$30,000 (from \$25,000). This enables members to more effectively harness the effects of compounding interest by putting more into super for longer.
- The annual concessional contribution limit rose to \$35,000 a year for people aged 50 to 59, bringing them to the same level as people aged 60 and above. This limit is fixed and not indexed.
- The annual non-concessional after-tax contribution limit increased to \$180,000 for the standard limit, and \$540,000 for those bringing forward over three years.
- Members earning over \$300,000 a year pay an additional 15% tax on concessional superannuation contributions (commonly referred to as 'Division 293 tax'), which applies retrospectively from 1 July 2012. More details are in the December 2014 newsletter.
- Privacy law also changed the way your personal information can be collected, disclosed and used by those involved in administering member benefits. See the Trustee's Privacy Policy statement at www.anzstaffsuper.com.

The Trustee Board and management are all proud of the benefits the Scheme provides and we encourage you to take the time to read this Annual Report to help you make the most of your super.



Gary Newman
Chairman

Your 2014 investment returns

Section A, Section C, RBA and SCA

The Scheme performed strongly in 2014 with positive returns across all investment options for Section A, Section C, RBA and SCA members. This reflected improved performance by growth assets (such as equities).

Option	1 year	QCP	3 year	QCP	5 year	QCP
Aggressive Growth	10.0%	1st	15.1% p.a.	1st	8.3% p.a.	2nd
Balanced Growth	9.2%	1st	12.6% p.a.	2nd	8.8% p.a.	1st
Cautious	7.2%	1st	7.6% p.a.	2nd	7.0% p.a.	1st
Cash	2.4%	2nd	2.9% p.a.	2nd	3.5% p.a.	2nd

QCP: Quartile Comparative Performance as measured by Rainmaker Information Services

ABP and TRAP

Account Based Pension (ABP) and Transition to Retirement Account Based Pension (TRAP) members, whose investment income is exempt from tax, had the following returns:

Option	1 year	3 year	5 year
Aggressive Growth	10.7%	16.5% p.a.	8.9% p.a.
Balanced Growth	10.0%	14.0% p.a.	9.8% p.a.
Cautious	8.1%	8.8% p.a.	8.0% p.a.
Cash	2.8%	3.4% p.a.	4.0% p.a.

The Scheme's investment options performed strongly in 2014 and over the last five years.

Unit prices

Your account in the Scheme is recorded as a unit holding in one or more of the Scheme's underlying investment options.

There are different types of units depending on the investment option(s) in which your account is invested. The unit price of a particular investment option is the value of its net assets divided by the number of units on issue. The "value of net assets" is the current market value of assets in an investment option, after deducting current liabilities such as accrued investment tax (where applicable) and investment related expenses.

Unit prices are set weekly or in certain circumstances more frequently as determined by the Trustee. As asset values fluctuate, unit prices will go up and down. Over time, we would expect unit prices to increase because assets gain in value and investment income is reinvested. However, there will be times when the market value of assets declines causing unit prices to go down. The investment return for each investment option is calculated as the percentage change in unit prices for the year, to provide a measure of investment performance.

Unit prices are available on the Scheme's website under the Investments menu – click on Unit Prices and select the "Super members" option if you are a Section A, C, RBA or SCA member or "Pension members" option if you are an ABP or TRAP holder.

Measuring investment performance

With the exception of pensioner beneficiaries, the investment earnings for each member depend on the number, prices and types of investment units held, acquired or relinquished during the year.

The investment return for each investment option is calculated as the percentage change in unit prices for the year, to provide a measure of investment performance. The investment returns for each option are set out on pages 8 to 11, together with details of the investment returns of previous years. Remember, past investment returns are not necessarily indicative of future performance.

Investment income earned in the Account Based Pension Section is exempt from tax. Therefore, returns for each investment option will generally be higher for ABP and TRAP members than for other members of the Scheme, though this is not always the case. Where applicable, the investment returns and unit price information for the ABP Section and other sections are shown separately.



Investment strategy changes in 2014

From 1 January 2014, the percentage of assets held as cash in the Aggressive Growth, Balanced Growth and Cautious options was changed to assist in managing the day-to-day running of the Scheme's investments. To compensate for these changes:

- In the Aggressive Growth option the allocations of Australian and international equities were increased and the allocation of cash was decreased;
- In the Balanced Growth option the allocation of fixed interest securities was increased and the allocation of cash was decreased; and
- In the Cautious option the allocation of fixed interest securities was reduced and the allocation of cash was increased.

Allocations of the investment options are set out on pages 10 and 11.

Investment returns

Aggressive Growth

Net investment return 10.0%
Sections A, C, RBA & SCA

Net investment return 10.7%
ABP Section

The Aggressive Growth option is weighted towards growth assets (such as shares and property). The Scheme's exposure to international equities improved diversification and mitigated concentration risks associated with investing in the Australian equity market. This helped the Aggressive Growth option achieve a strong net investment return for 2014.

Unit prices – Sections A, C, RBA & SCA

Price at 31/12/2014	\$2.1052
Price at 31/12/2013	\$1.9142

Unit prices – ABP Section

Price at 31/12/2014	\$1.3656
Price at 31/12/2013	\$1.2334

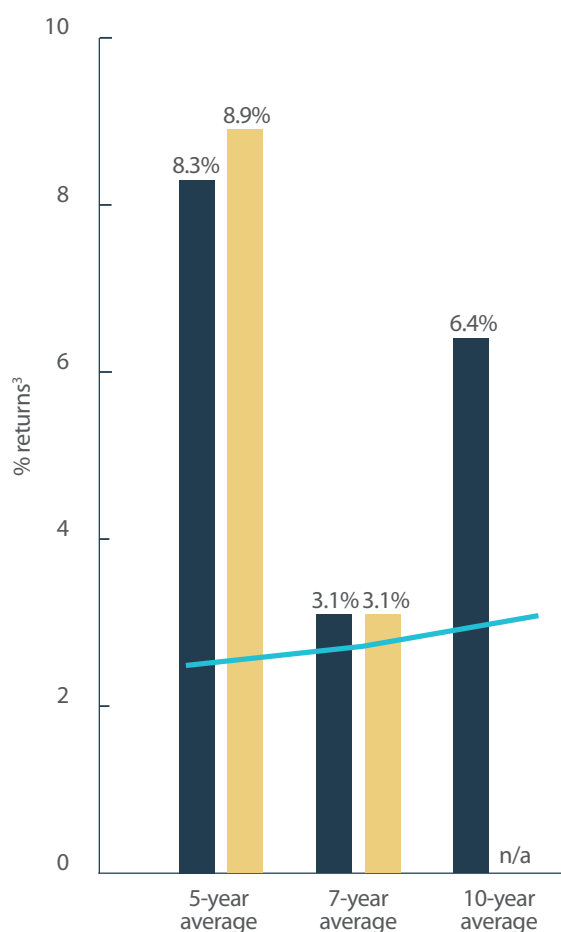
Aggressive Growth option returns

Year ended 31 December	Net return	ABP net return ¹	CPI increase ²
2014	10.0%	10.7%	1.7%
2013	23.4%	25.4%	2.7%
2012	12.4%	13.8%	2.2%
2011	-6.3%	-7.4%	3.1%
2010	4.4%	4.7%	2.7%
2009	26.6%	23.0%	2.1%
2008	-34.5%	-34.2%	3.7%
2007	7.8%	6.8%	3.0%
2006	15.5%	3.0%*	3.3%
2005	20.3%	n/a	2.8%

* For the period from inception in November 2006 to December 2006.

Notes

1. The Account Based Pension (ABP) Section returns are generally higher because tax is not payable on the investment earnings of an account based pension.
2. The increase in the Consumer Price Index (CPI) is a measure of inflation.
3. The 5-year, 7-year and 10-year averages are for the periods 1 January 2010 to 31 December 2014, 1 January 2008 to 31 December 2014, and 1 January 2005 to 31 December 2014 respectively.



■ Net return
■ ABP net return
— CPI increase

Balanced Growth

Net investment return 9.2%
Sections A, C, RBA & SCA

Net investment return 10.0%
ABP Section

The Balanced Growth option holds a mix of defensive assets (such as fixed interest securities) and growth assets (such as shares and property). An asset mix weighted around 70% to growth assets assisted in achieving the net investment return for 2014.

Unit prices – Sections A, C, RBA & SCA

Price at 31/12/2014 \$2.3079

Price at 31/12/2013 \$2.1140

Unit prices – ABP Section

Price at 31/12/2014 \$2.5269

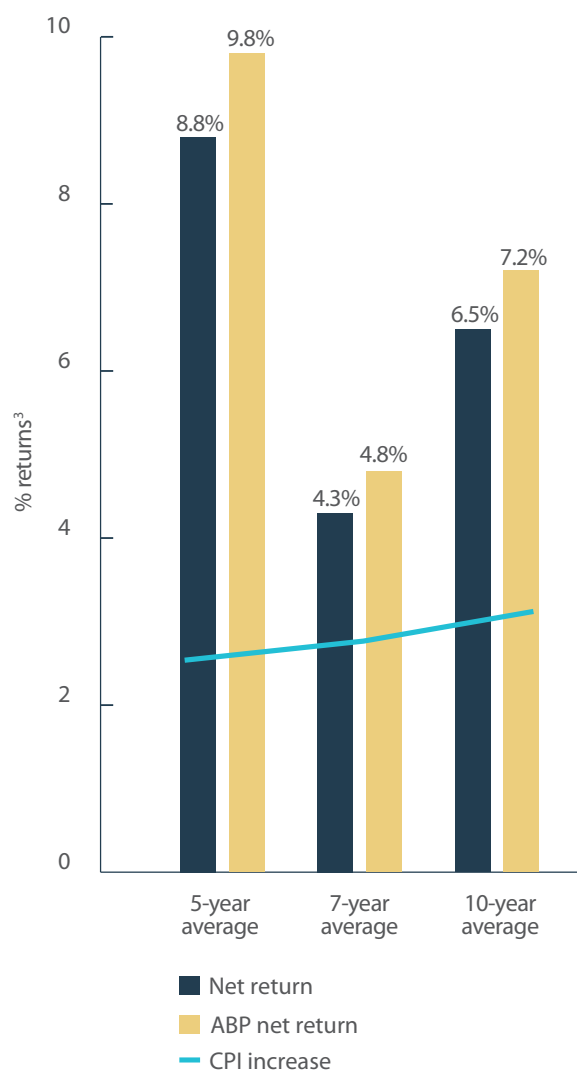
Price at 31/12/2013 \$2.2975

Balanced Growth option returns

Year ended 31 December	Net return	ABP net return ¹	CPI increase ²
2014	9.2%	10.0%	1.7%
2013	16.5%	18.3%	2.7%
2012	12.1%	13.8%	2.2%
2011	-0.5%	-0.7%	3.1%
2010	7.3%	8.4%	2.7%
2009	22.0%	18.7%	2.1%
2008	-27.5%	-26.8%	3.7%
2007	7.2%	8.1%	3.0%
2006	13.2%	14.7%	3.3%
2005	14.9%	16.8%	2.8%

Notes

1. The Account Based Pension (ABP) Section returns are generally higher because tax is not payable on the investment earnings of an account based pension.
2. The increase in the Consumer Price Index (CPI) is a measure of inflation.
3. The 5-year, 7-year and 10-year averages are for the periods 1 January 2010 to 31 December 2014, 1 January 2008 to 31 December 2014, and 1 January 2005 to 31 December 2014 respectively.



Investment returns

Cautious

Net investment return 7.2%
Sections A, C, RBA & SCA

Net investment return 8.1%
ABP Section

Returns for the Cautious option continued to exceed its benchmark due to the fall in yields on global fixed interest securities in 2014.

Unit prices – Sections A, C, RBA & SCA

Price at 31/12/2014	\$2.2051
Price at 31/12/2013	\$2.0571

Unit prices – ABP Section

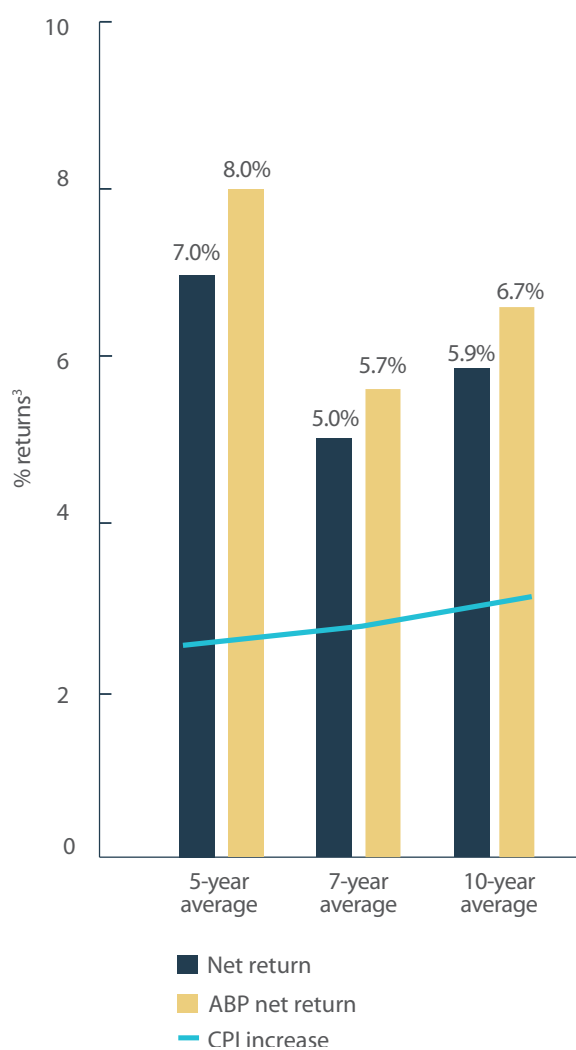
Price at 31/12/2014	\$2.3980
Price at 31/12/2013	\$2.2180

Cautious option returns

Year ended 31 December	Net return	ABP net return ¹	CPI increase ²
2014	7.2%	8.1%	1.7%
2013	7.6%	8.7%	2.7%
2012	8.1%	9.7%	2.2%
2011	4.5%	4.8%	3.1%
2010	7.6%	9.0%	2.7%
2009	16.0%	14.1%	2.1%
2008	-13.6%	-11.9%	3.7%
2007	5.9%	6.1%	3.0%
2006	9.0%	9.7%	3.3%
2005	9.7%	10.7%	2.8%

Notes

1. The Account Based Pension (ABP) Section returns are generally higher because tax is not payable on the investment earnings of an account based pension.
2. The increase in the Consumer Price Index (CPI) is a measure of inflation.
3. The 5-year, 7-year and 10-year averages are for the periods 1 January 2010 to 31 December 2014, 1 January 2008 to 31 December 2014, and 1 January 2005 to 31 December 2014 respectively.



Cash

Net investment return 2.4%
Sections A, C, RBA & SCA

Net investment return 2.8%
ABP Section

Australian interest rates fell during 2014 impacting the Cash option's net investment return.

Unit prices – Sections A, C, RBA & SCA

Price at 31/12/2014	\$1.6990
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Price at 31/12/2013	\$1.6589
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Unit prices – ABP Section

Price at 31/12/2014	\$1.4098
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Price at 31/12/2013	\$1.3711
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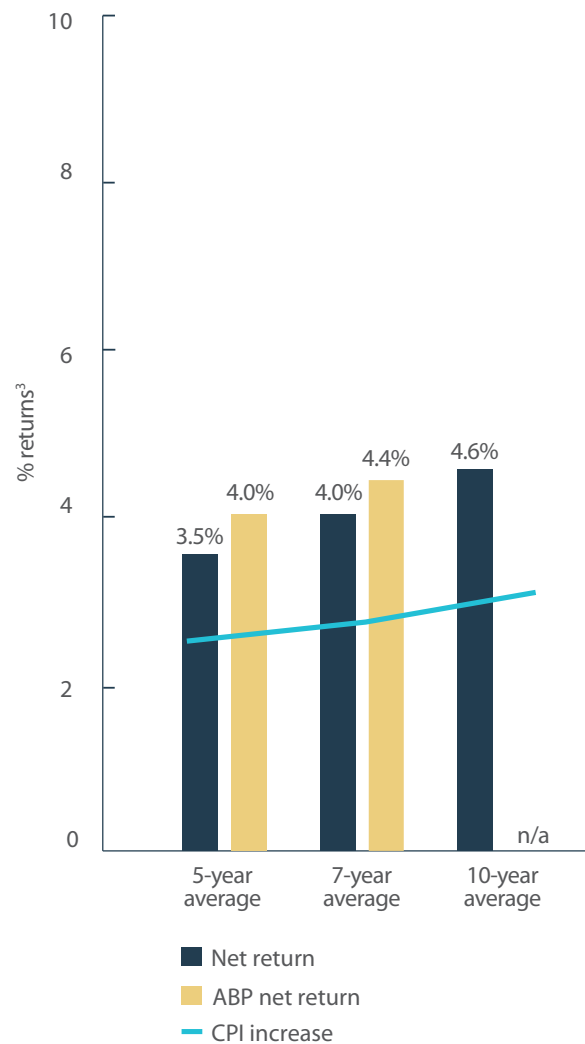
Cash option returns

Year ended 31 December	Net return	ABP returns ¹	CPI increase ²
2014	2.4%	2.8%	1.7%
2013	2.8%	3.3%	2.7%
2012	3.5%	4.2%	2.2%
2011	4.4%	5.1%	3.1%
2010	4.5%	4.7%	2.7%
2009	3.4%	3.5%	2.1%
2008	6.7%	7.0%	3.7%
2007	5.8%	4.5%*	3.0%
2006	7.1%	n/a	3.3%
2005	5.6%	n/a	2.8%


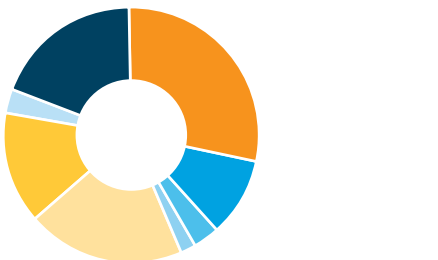
* For the period from inception in March 2007 to December 2007.

Notes

1. The Account Based Pension (ABP) Section returns are generally higher because tax is not payable on the investment earnings of an account based pension.
2. The increase in the Consumer Price Index (CPI) is a measure of inflation.
3. The 5-year, 7-year and 10-year averages are for the periods 1 January 2010 to 31 December 2014, 1 January 2008 to 31 December 2014, and 1 January 2005 to 31 December 2014 respectively.



Investment objectives and strategies

	Aggressive Growth	Balanced Growth																																				
Objectives	<p>The investment objectives of the Aggressive Growth option are to:</p> <p>a. maximise returns over the long term whilst accepting a high degree of performance variability; and</p> <p>b. exceed inflation (CPI increases), on average, by at least 3.5% p.a. over rolling five and seven year periods.</p>	<p>The investment objectives of the Balanced Growth option are to:</p> <p>a. maximise returns over the long term whilst accepting a moderate degree of performance variability; and</p> <p>b. exceed inflation (CPI increases), on average, by at least 3% p.a. over rolling five and seven year periods.</p>																																				
Returns	<p>The Aggressive Growth option has more growth assets than the Balanced Growth option and consequently has the potential to yield higher returns than the Balanced Growth option in the long term.</p>	<p>The Balanced Growth option has the potential to achieve capital growth over the medium to long term. In the long term, these assets also have the potential to produce greater returns than the Cautious option.</p>																																				
Risks	<p>The returns of the Aggressive Growth option are likely to be more volatile from year to year than the Balanced Growth option. Therefore if you are considering the Aggressive Growth option, you should be aware of the higher risks involved.</p>	<p>The returns of the Balanced Growth option are likely to be more volatile from year to year than the Cautious option. Therefore, if you are considering the Balanced Growth option you should be aware that there will be fluctuations in returns from year to year.</p>																																				
Asset mix	<p>The majority of assets in the Aggressive Growth option are invested in shares with small allocations to property and alternative investments. There is typically a split of 48% invested in international shares, 31% invested in Australian shares, 13% alternative assets and 5% property.</p> <p>The pie chart is indicative of the investment mix for this option. Actual percentages may vary from time to time.</p>  <table border="1"> <thead> <tr> <th>Growth assets</th> <th>Alternative assets*</th> <th>Defensive assets</th> </tr> </thead> <tbody> <tr> <td>28% Australian equities - large caps</td> <td>13% Alternative assets</td> <td>3% Cash</td> </tr> <tr> <td>42.7% International equities</td> <td> <ul style="list-style-type: none"> Diversity Global private equity Global infrastructure Global credit </td> <td></td> </tr> <tr> <td>5% Property</td> <td></td> <td></td> </tr> <tr> <td>5% Emerging market equities</td> <td></td> <td></td> </tr> <tr> <td>3.3% Australian equities - small caps</td> <td></td> <td></td> </tr> </tbody> </table> <p>* The Trustee will actively review the structure of the alternative assets and will adjust the structure on a strategic basis. Accordingly from time to time, allocations to alternative assets will not be fully invested and the uninvested allocations will be held in one or more of the non-alternative asset classes.</p>	Growth assets	Alternative assets*	Defensive assets	28% Australian equities - large caps	13% Alternative assets	3% Cash	42.7% International equities	<ul style="list-style-type: none"> Diversity Global private equity Global infrastructure Global credit 		5% Property			5% Emerging market equities			3.3% Australian equities - small caps			<p>Typically around 60% of the Balanced Growth option is invested in shares and property and around 20% is invested in alternative assets. The remainder is normally invested in fixed interest securities and cash.</p> <p>The pie chart is indicative of the investment mix for this option. Actual percentages may vary from time to time.</p>  <table border="1"> <thead> <tr> <th>Growth assets</th> <th>Alternative assets*</th> <th>Defensive assets</th> </tr> </thead> <tbody> <tr> <td>19.1% Australian equities - large caps</td> <td>20% Alternative assets</td> <td>14% Fixed interest securities</td> </tr> <tr> <td>28.6% International equities</td> <td> <ul style="list-style-type: none"> Diversity Global private equity Global infrastructure Global credit </td> <td> <ul style="list-style-type: none"> Australian International Inflation linked </td> </tr> <tr> <td>10% Property</td> <td></td> <td>3% Cash</td> </tr> <tr> <td>3.2% Emerging market equities</td> <td></td> <td></td> </tr> <tr> <td>2.1% Australian equities - small caps</td> <td></td> <td></td> </tr> </tbody> </table> <p>* The Trustee will actively review the structure of the alternative assets and will adjust the structure on a strategic basis. Accordingly from time to time, allocations to alternative assets will not be fully invested and the uninvested allocations will be held in one or more of the non-alternative asset classes.</p>	Growth assets	Alternative assets*	Defensive assets	19.1% Australian equities - large caps	20% Alternative assets	14% Fixed interest securities	28.6% International equities	<ul style="list-style-type: none"> Diversity Global private equity Global infrastructure Global credit 	<ul style="list-style-type: none"> Australian International Inflation linked 	10% Property		3% Cash	3.2% Emerging market equities			2.1% Australian equities - small caps		
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Cautious	Cash			
<p>Objectives The investment objectives of the Cautious option are to:</p> <ul style="list-style-type: none"> a. achieve returns which exceed those available on cash investments over the long term whilst achieving reasonable stability in returns from year to year; and b. exceed inflation (CPI increases), on average, by at least 2% p.a. over rolling five and seven year periods 	<p>The investment objectives of the Cash option are to:</p> <ul style="list-style-type: none"> a. achieve money market rates of return; and b. maintain capital stability over short time periods. 			
<p>Returns The Cautious option should provide lower returns than the Aggressive Growth and Balanced Growth options over the long term, but with reduced volatility of returns from year to year.</p>	<p>The Cash option is a conservative investment option that only invests in short-term money market securities and fixed interest securities with short durations.</p> <p>It should provide lower returns than the other options over the long term and would not normally be selected as a long-term investment strategy for superannuation.</p>			
<p>Risks The Cautious option is designed to reduce the chance of experiencing a negative return in any one year and to protect the capital value of your investment over a 12-month period.</p>	<p>The Cash option is designed for investors who seek to remove market risk in the short term for a specific reason and are prepared to forgo expected capital growth or higher returns.</p>			
<p>Asset mix Typically around 60% of the Cautious option is invested in diversified fixed interest securities and cash, with the remainder in shares, property and alternative assets.</p> <p>The pie chart is indicative of the investment mix for this option. Actual percentages may vary from time to time.</p> <div data-bbox="231 1377 893 1859" style="text-align: center;"> <table border="0" style="width: 100%; margin-top: 10px;"> <tr> <td style="vertical-align: top;"> <p>Growth assets</p> <ul style="list-style-type: none"> 8.8% Australian equities - large caps 13.2% International equities 10% Property </td> <td style="vertical-align: top;"> <p>Alternative assets*</p> <ul style="list-style-type: none"> 8% Alternative assets <ul style="list-style-type: none"> • Diversity • Global private equity • Global infrastructure • Global credit </td> <td style="vertical-align: top;"> <p>Defensive assets</p> <ul style="list-style-type: none"> 35% Fixed interest securities <ul style="list-style-type: none"> • Australian • International • Inflation linked 25% Cash </td> </tr> </table> </div> <p>* The Trustee will actively review the structure of the alternative assets and will adjust the structure on a strategic basis. Accordingly from time to time, allocations to alternative assets will not be fully invested and the uninvested allocations will be held in one or more of the non-alternative asset classes.</p>	<p>Growth assets</p> <ul style="list-style-type: none"> 8.8% Australian equities - large caps 13.2% International equities 10% Property 	<p>Alternative assets*</p> <ul style="list-style-type: none"> 8% Alternative assets <ul style="list-style-type: none"> • Diversity • Global private equity • Global infrastructure • Global credit 	<p>Defensive assets</p> <ul style="list-style-type: none"> 35% Fixed interest securities <ul style="list-style-type: none"> • Australian • International • Inflation linked 25% Cash 	<p>All assets in this option are invested in short-term money market securities and fixed interest securities with short durations.</p> <p>The pie chart is indicative of the investment mix for this option. Actual percentages may vary from time to time.</p> <div data-bbox="1053 1377 1316 1724" style="text-align: center;"> <p style="margin-top: 10px;">Defensive assets</p> <ul style="list-style-type: none"> 100% Cash* </div> <p>* Including short term money market and fixed interest securities.</p>
<p>Growth assets</p> <ul style="list-style-type: none"> 8.8% Australian equities - large caps 13.2% International equities 10% Property 	<p>Alternative assets*</p> <ul style="list-style-type: none"> 8% Alternative assets <ul style="list-style-type: none"> • Diversity • Global private equity • Global infrastructure • Global credit 	<p>Defensive assets</p> <ul style="list-style-type: none"> 35% Fixed interest securities <ul style="list-style-type: none"> • Australian • International • Inflation linked 25% Cash 		

Investing the Scheme's assets

Investment managers

The Scheme's assets held by each investment manager as at 31 December 2014 and 2013 are shown in the table below. Invested assets at the end of 2014 were \$3,624 million compared to \$3,278 million at the end of 2013.

	As at 31 December 2014		As at 31 December 2013	
	\$m	%	\$m	%
Australian Shares				
Macquarie Investment Management Ltd – core manager	525.2	14.5	498.7	15.2
Kinetic Investment Partners – satellite manager	83.0	2.3	80.8	2.5
Allan Gray (Australia) – satellite manager	86.9	2.4	78.6	2.4
Independent Asset Management – satellite manager	69.3	1.9	74.6	2.3
International Shares				
BlackRock Investment Management – core manager	899.5	24.7	831.6	25.4
Realindex Investments – satellite manager	108.8	3.0	104.1	3.2
Altrinsic Global Advisors – satellite manager	129.2	3.6	116.4	3.5
Trilogy Global Advisors – satellite manager	132.1	3.6	117.4	3.6
Australian Direct Property				
AMP Capital Investors	147.6	4.1	127.8	3.9
Global Listed Property				
Resolution Capital	86.5	2.4	68.3	2.1
Vanguard Investments	79.9	2.2	–	–
Australian Fixed Income				
BlackRock Investment Management	160.9	4.4	114.9	3.5
Queensland Investment Corporation	119.7	3.3	87.1	2.6
International Fixed Income				
Pimco Australia	–	–	188.4	5.7
Schroder Investment Management	151.2	4.6	–	–
Diversity				
Schroder Investment Management	111.9	3.1	94.2	2.9
Bridgewater All Weather Fund (Australia)	107.2	2.9	97.9	3.0
Private Equity				
Industry Funds Management	6.8	0.2	9.5	0.3
Morgan Stanley	51.8	1.4	46.2	1.4
Pantheon Ventures Limited	43.3	1.2	45.8	1.4

	As at 31 December 2014		As at 31 December 2013	
	\$m	%	\$m	%
Global Infrastructure				
EQT Infrastructure Ltd	15.1	0.4	15.2	0.5
Morgan Stanley	23.5	0.6	21.5	0.6
Macquarie Specialised Asset Management	27.7	0.7	28.2	0.9
Palisade Diversified Infrastructure	90.2	2.5	75.7	2.3
Global Credit				
Colonial First State	30.9	0.8	29.7	0.9
Westbourne Capital	40.7	1.1	45.9	1.4
Cash				
ANZ (cash deposits)	295.0	8.1	279.8	8.5
Total	3,623.9	100%	3,278.3	100%

Investment manager changes

In 2014, Vanguard Investments Australia Ltd was appointed as an investment manager for global listed property and Schroder Investment Management Australia Ltd was appointed as an international fixed income manager replacing PIMCO Australia Pty Ltd.

Hedging policy

A portion of the investments in the Aggressive Growth, Balanced Growth and Cautious options is invested in international assets such as shares, fixed interest and property securities. The exposure to currency risk in these options can be managed by hedging, i.e. locking in future exchange rates using derivatives.

For international shares, the Trustee's policy is to have a partial currency hedge. This provides some protection against decreases in the value of foreign currencies in which the shares are held, but also allows some of the benefits of increases in these foreign currency values to flow through to investment returns.

The Trustee has adopted a hedging range for each investment option to allow flexibility to respond to changes in the Australian dollar's value from time to time. In 2014, the hedging levels for the Scheme's investment options were:

Investment option	Hedging ratio	Range
Aggressive Growth	40% hedged to A\$	0% – 50%
Balanced Growth	60% hedged to A\$	25% – 75%
Cautious	70% hedged to A\$	50% – 100%

For international fixed interest and listed international property securities, the Trustee's policy is to have a full currency hedge so that investment returns relate solely to the performance of this asset class.

The Trustee's hedging policy is reviewed from time to time. Members will be advised of any future changes.

Use of derivatives

The Trustee does not directly invest in any derivatives (such as futures and options) other than the foreign exchange contracts used for hedging.

Investment managers may use derivatives in managing portfolios for the Trustee and in managing pooled investment vehicles in which the Trustee invests. Limits on the extent of derivative use are specified in the investment management agreements between the Trustee and the various investment managers.

Fees and charges

Investment management fee³

Membership category	Account management fees for 2014 ^{1,2}	Aggressive Growth option	Balanced Growth option	Cautious option	Cash option	Insured cover for death and disablement ⁴	Salary continuance insurance ⁴	Government taxes ⁵
Section A	0.10% p.a. of first \$500,000 invested, nil thereafter					Cost varies depending on your age and the level of cover	Cost varies depending on your age and the level of cover	The Government's contribution and super surcharge ⁶ taxes deducted from your account (if applicable) and paid to the Australian Taxation Office (ATO)
Section C	0.10% ⁷ p.a. of first \$500,000 invested, nil thereafter					Cost varies depending on your age and the level of cover	Cost varies depending on your age and the level of cover	
Retained Benefit Account (RBA)	0.20% p.a. of first \$500,000 invested, nil thereafter					Cost for death cover varies depending on your age and the level of cover		
Spouse Contribution Account (SCA)	0.20% p.a. of first \$500,000 invested, nil thereafter	0.33% or \$3.30 per \$1,000 invested	0.36% or \$3.60 per \$1,000 Invested	0.22% or \$2.20 per \$1,000 Invested	0.03% or \$0.30 per \$1,000 invested	Cost for age-based TPD cover (if any) varies depending on your age and the level of cover	No cover available	
Account Based Pension (ABP)	0.15% p.a. of first \$500,000 invested, nil thereafter							
Transition to Retirement Account Based Pension (TRAP)	0.15% p.a. of first \$500,000 invested, nil thereafter					No cover available	No cover available	

Notes

- Account management fees are only charged on the first \$500,000 of assets in any account in Sections A and C and the RBA, SCA and ABP Sections. For 2014, there was a fee rebate of 0.05% p.a. of the first \$500,000 invested. The fees quoted allow for this rebate. The fee rebate is reviewed annually and also applies for 2015.
- Calculated on a pro rata basis, deducted weekly by redeeming some of your units.
- The investment management fees shown were applicable for 2014. These fees vary from year to year and may include performance management fees.
- Cost of cover is deducted from your account.
- These taxes apply to all superannuation funds.
- Members charged excess contributions tax and/or superannuation surcharge tax receive notification from the ATO. Your annual benefit statement will show these deductions, if applicable.
- Account management fees are not payable by Section C members who are classified as Choice members for legislative purposes.

Financial statements

The following information is taken from the audited accounts for the years ended 31 December 2013 and 2014. Copies of the full audited accounts and the auditor's report are available to members on request from ANZ Staff Super. See page 22 for the Scheme's contact details.

Statement of financial position

Statement of financial position at 31 December	2014 \$000	2013 \$000
Assets		
Unlisted unit trusts	3,176,760	2,843,163
Listed Australian equities	146,597	155,434
Forward foreign exchange	5,422	5,008
Cash and cash equivalents	295,020	275,493
Receivables	11,143	13,743
Prepayments	92	–
Deferred tax asset	22	314
Total assets	3,635,056	3,293,155
Less liabilities		
Payables	3,184	1,165
Forward foreign exchange	1,588	712
Deferred tax liability	49,632	37,144
Income tax payable	6,877	1,695
Total liabilities	61,281	40,716
Net assets available to pay benefits	3,573,775	3,252,439
Represented by liability for accrued benefits	3,573,775	3,252,439

Operating statement

Operating statement for the year ended 31 December	2014 \$000	2013 \$000
Net assets available to pay benefits at beginning of the year	3,252,439	2,784,387
Plus		
Net investment revenue	302,291	513,252
Contributions revenue		
Employer	208,437	203,950
Members	21,047	16,769
Transfer from other funds	65,033	42,756
Insurance proceeds	21	–
Other	2,991	3,539
Total revenue	599,820	780,266
Less		
Benefits paid or payable	211,759	227,384
Expenses	15,478	14,008
Income tax expense	51,247	70,822
Total benefits, expenses and tax	278,484	312,214
Net assets available to pay benefits at end of the year	3,573,775	3,252,439

Reserves and accounts

Five types of reserves or accounts are held within the Scheme for efficient financial management. They are:

1. The Scheme Operating Reserve (SOR). This is part of the financial management of the Scheme, and may be used in certain circumstances to address operational risk events or claims against the Scheme arising from operational risk events. Under APRA Prudential Standard SPS114 Operational Risk Financial Requirement, the Trustee is required to hold adequate financial resources to address losses arising from operational risks. These financial resources are held in the Scheme Operating Reserve and exceed the level required by the prudential standard.
2. The Death and Disablement Reserve (DDR) which operates as a reserve to manage the cashflows relating to the death and Total and Permanent Disablement cover provided through the Scheme.
3. The Employer Funding Reserve (EFR) is also part of the financial management of the Scheme.
4. The Unallocated Transfer Reserve (UTR) relates to monies transferred from other ANZ staff superannuation schemes which were not allocated to transferring members. There is currently no money in the UTR.
5. The Pension Section Account (PSA) relates to assets transferred from the ANZGROUP (Australia) Staff Pension Scheme to finance the benefits paid to pensioner beneficiaries.

Reserve balances at 31 December

Year	SOR \$m	DDR \$m	EFR \$m	UTR \$m	PSA \$m
2014	19.7	54.3	18.0	0	22.2
2013	18.0	44.9	18.2	0	21.8
2012	14.6	37.9	15.4	0	17.9
2011	12.7	34.3	12.2	0	15.1
2010	13.0	32.7	10.9	0	17.8

* Following the actuarial review in 2005, the balance of the UTR was transferred to the PSA.

These reserves and accounts do not affect the pricing of units or the investment earnings on members' accounts.

Your Trustee

The Trustee for your Scheme is ANZ Staff Superannuation (Australia) Pty Limited, which is responsible for the operation and management of the Scheme.

The Board of the Trustee has eight Directors, four elected by members and four appointed by ANZ.

The Board has an excellent mix of skills and experience to oversee the operations and management of your Scheme and represent member interests.

Your Trustee Directors at 31 December 2014

ANZ representative directors:



Gary Newman
Non-Executive Director



Susie Babani
Chief Human
Resources Officer



Sue Carter
Non-Executive Director



Paul Edwards
Group General Manager,
Corporate Communications

Member representative directors:



Tracey Sturgeon
Director, Lending Services



Geoffrey King
Non-Executive Director



Jo McKinstry
Customer Advocate



Peter Davis
Head of Financial
Institutions, Pacific

Changes since 31 December 2014

Anthea Kane, Chief Financial Officer, GTSO was appointed on 1 April 2015 as an ANZ representative on the Trustee Board.



Anthea Kane
Chief Financial Officer

She replaced Susie Babani who resigned as Trustee Director effective 31 March 2015.

The Trustee and management thank Susie for her valuable contribution and service to the Board over many years.

2015 Trustee Board election

An election for two member-representative Directors to join the Scheme's Trustee Board will be held in May and June 2015. The successful candidates will start their four-year terms on 1 July 2015.

Board meeting attendance for 2014

Trustee Director	Possible number of Board meetings*	Number of Board meetings attended**
Susie Babani	7	5
Sue Carter	7	7
Peter Davis	7	6
Paul Edwards	7	6
Geoffrey King	7	6
Jo McKinstry	7	7
Gary Newman	7	7
Tracey Sturgeon	7	7

* Directors also attend committee meetings as required.

** Where a Director is unable to attend a Board meeting, his or her alternate Director usually attends the meeting.

Corporate governance

The Trustee is committed to maintaining the highest standards of corporate governance practice and ethical conduct in undertaking its responsibilities to manage the Scheme on behalf of its members.

The Trustee uses the collective skills and experience of its Directors to efficiently and soundly manage and monitor the operations and performance of the Scheme. The Trustee has a Governance and Audit Committee to assist the Board in identifying and addressing issues to maintain a best practice corporate governance framework for the Scheme and to ensure compliance with the Scheme's Trust Deed and Rules, all relevant legislation and prudential standards.

Key governance issues considered by the Trustee include:

- corporate structures, processes, policies and conduct;
- prudential measures such as security, fraud prevention, insurance and business continuity;
- monitoring of service providers including the administrator and investment managers;
- risk management;
- legislative and regulatory compliance; and
- communication with members and other stakeholders.

Group Superannuation's role

ANZ Group Superannuation is responsible for managing the Scheme's relationship with its service providers.

ANZ Group Superannuation also supports the Trustee by overseeing member communication and education, compliance and governance, risk management, investment services and statutory requirements.

Indemnity insurance

The Trustee has indemnity insurance to cover the Scheme and Directors in case of a loss due to a claim against the Trustee. The insurance is designed to cover a financial loss incurred as a result of an honest mistake that may occur in operating the Scheme.

It does not cover the Directors for fines or penalties that may be imposed by law, or for claims resulting from intentional or reckless neglect or dishonest conduct.

Other information

Inquiries

You can call ANZ Staff Super with any inquiry about your account or the Scheme on **1800 000 086**. You can also access your account information via the Scheme's website at www.anzstaffsuper.com.

Most member inquiries can be easily answered by ANZ Staff Super service representatives over the phone. In some cases, you may be asked to put your inquiry in writing and provide contact details for a reply. Inquiries will generally be answered within a few days.

As a Scheme member, you can access:

- Product Disclosure Statements (PDSs);
- the Scheme's Trust Deed and Rules;
- the Scheme's insurance policy for death and Total and Permanent Disablement cover;
- the Product Dashboard for MySuper;
- full copies of the Scheme's audited accounts and the auditor's report;
- the most recent actuary's report;
- the rules for the appointment and removal of member representative Directors;
- the Privacy Policy Statement; and
- copies of recent annual reports, newsletters and brochures.

The Scheme website provides you with access to most of the above documents as well as certain other details about the Trustee and other documents relating to the Scheme, as required by the legislative disclosure requirements. Refer to the 'Forms and publications' tab.

Complaints

If you have an issue or concern regarding the Scheme, you can outline your concerns in writing to the Trustee and the matter will be investigated in accordance with the Scheme's inquiries and complaints handling procedure.

ANZ Staff Super
GPO Box 4303
Melbourne VIC 3001

The Trustee will advise you in writing of its decision.

If your complaint is not resolved to your satisfaction by the Scheme's internal procedures within 90 days, you can contact the Superannuation Complaints Tribunal (SCT), an independent body set up by the Federal Government to resolve certain types of complaints against superannuation fund trustees.

When the SCT accepts a complaint it will try to resolve the matter through inquiry and conciliation. If this is unsuccessful, the complaint is formally referred to the SCT for a determination that is binding.

You can contact the SCT by phoning **1300 884 114** for the cost of a local call, or email info@sct.gov.au or by visiting its website at www.sct.gov.au.

Access your account information
at www.anzstaffsuper.com

The Scheme's Eligible Rollover Fund

When your membership of Section A, Section C or the SCA Section ceases, you will need to decide what to do with your benefit.

If your benefit is less than \$7,500 and you do not provide payment instructions within 30 days, your benefit will automatically be transferred to the Scheme's Eligible Rollover Fund (ERF) selected by the Trustee.

AMP Eligible Rollover Fund
Locked Bag 5400
Parramatta NSW 1741

Phone: 1300 653 456

You will no longer be a member of the Scheme if your benefits are transferred to the ERF. Any insurance cover you may have had with the Scheme will also cease. The ERF does not offer insurance in the event of death or disablement.

You will need to contact the ERF directly to access your benefits.

If your benefit is transferred to the ERF, the Scheme will provide it with your current contact details so the ERF can send you its current Product Disclosure Statement outlining the operational details of the ERF.

If your benefit is \$7,500 or more it will be transferred to the RBA Section of the Scheme.

The Scheme's service providers

The Trust Deed permits the Trustee to appoint independent specialists to assist with the management and operation of the Scheme. The Trustee has appointed the following professional firms to provide services to the Scheme:

Member Services	Mercer Outsourcing (Australia)
Actuary	Russell Employee Benefits
Investment Adviser	Towers Watson
Insurer	OnePath Life Limited
Legal Adviser	Lander and Rogers
Master Custodian	JP Morgan
Eligible Rollover Fund	AMP Eligible Rollover Fund
Auditor	KPMG

Contact details



Write to

ANZ Staff Super
GPO Box 4303
Melbourne VIC 3001

Or email anzstaffsuper@superfacts.com



Phone

1800 000 086
or +61 3 8687 1829 from overseas

Fax

03 9245 5827



Website

www.anzstaffsuper.com

Superannuation Complaints Tribunal

1300 884 114

Australian Tax Office

Superannuation Help Line 13 10 20