

# 2019 ANNUAL REPORT

YEAR ENDED  
31 DECEMBER 2019

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COMMITTED TO  
EXCELLENCE



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This 2019 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 “ANZ Staff Super”. Any references to other schemes or schemes in general appear in lower case. We also refer to Section A as the Employee Section, Section C as Employee Section C, the Retained Benefit Account (RBA) Section as the Personal Section, the Spouse Contribution Account (SCA) Section as Partner Section and Account Based Pension (ABP) Section as the Retirement Section as these names better describe the sections and are more easily understood. 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 the back page for contact details) or by visiting [www.anzstaffsuper.com](http://www.anzstaffsuper.com).

Published: May 2020

# 2019 SNAPSHOT

**\$5.4B**  
in assets as at  
31 December 2019



**40%**

Rebate on standard death & TPD insurance premiums for Employee, Personal and Partner Section members from 1 January 2019

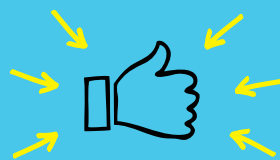
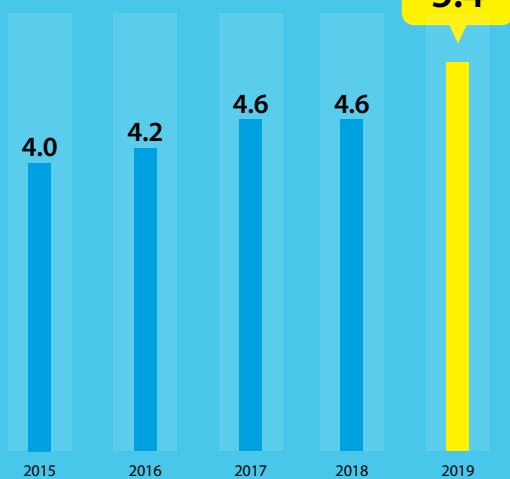
**#1**

For lowest insurance premiums in Australia, 70% lower than average Death & TPD cover for Employee members as rated by Chant West\*



Over the year, **1,891** new members were welcomed to ANZ Staff Super through our five-step onboarding journey

ANZ STAFF SUPER ASSETS (\$B)

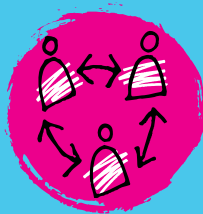


**Top quartile investment returns**

for Aggressive Growth and Balanced Growth over one, three and ten years.\*\*



4,467 members rolled in super, totalling **\$102M**



Over **30,000 members**

One of Australia's biggest corporate super funds

**Over 4,900 calls**

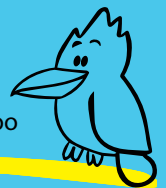
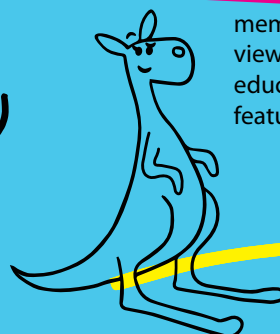
from members to an ANZ Staff Super financial adviser over the last four years



**3,413**

members have viewed our educational videos featuring Kooki & Roo

Almost **13,700** former ANZ employees maintain their ANZ Staff Super membership after ceasing employment with ANZ



\*Chant West Super Fund Insurance Premium Survey for October 2019

\*\* Measured against peers by the Rainmaker Information Services as at 31 December 2019

# MESSAGE FROM THE CHAIR



## STEERING ANZ STAFF SUPER SAFELY THROUGH UNUSUAL AND UNCERTAIN TIMES, WITH YOUR INTERESTS FRONT OF MIND

To say we are experiencing unusual and uncertain times is an understatement. COVID-19 is affecting our personal and professional lives in so many ways, as well as impacting the health of people around the globe and our global economy. Who would have anticipated the US oil price falling below zero for the first time in history as it did on 20 April, after starting the year at nearly \$US60 a barrel.

It was in March that we started to see significant disruption due to the global spread of COVID-19 and its economic impacts, resulting in dramatic and rapid share market movements. This investment market volatility is impacting all superannuation funds, ANZ Staff Super included.

We remain strong, sustainable and well positioned to navigate the uncertainty ahead with our number one priority being you, our members, and protecting your best interests and financial wellbeing.

### **STRONG 2019 INVESTMENT RETURNS AND DIVERSIFIED PORTFOLIOS PUT US AT AN ADVANTAGE**

ANZ Staff Super ended 2019 delivering top quartile performance over one, three and ten years for two of our investment options: the Balanced Growth and Aggressive Growth options.

Our strong 2019 investment returns meant we entered into March's volatile investment conditions in a strong position. We also benefited from our diversified portfolios that invest in assets which are more resilient when economies and shares perform poorly.

This includes our investments in high rated bonds, particularly Government bonds, and in high quality unlisted investments, such as premium office blocks with high quality tenants or key infrastructure assets. This is evidenced by our results for the quarter ended March 2020 which saw our Balanced Growth option return -10.4% while the ASX300 fell -23.4%.

We are continuing to track well under difficult conditions, with all four of our options - Balanced Growth, Aggressive Growth, Cautious and Cash – delivering top quartile performance for the period to 31 March 2020.

For more about our 2019 and March 2020 returns and comparative performance see **A Top Performer** on page 6.

### **MANAGING RISK AND VOLATILITY WHILE REMAINING OPEN TO OPPORTUNITY**

ANZ Staff Super invests both actively and passively and it is during times like this that our Diversity managers really shine. Their highly active strategies are less reliant on good economic conditions and designed to pivot quickly to navigate changing markets. Active strategies help to provide positive investment returns when sharemarkets are falling and capture added value by identifying buying opportunities as assets are repriced and economic activity picks up.

Right now, we're seeing Governments and central banks around the world take extraordinary measures to protect and stimulate their economies. Here in Australia two economic stimulus packages were announced in March: the first worth \$320 billion and the second worth \$66.1 billion. Of the larger global economies, the US government is planning to borrow a record \$US3 trillion (\$4.7 trillion) by the end of June 2020, with an additional \$US677 billion in the subsequent quarter, which will be used to support their economy. European leaders have also acted, agreeing to set up a €1 trillion (\$1.7 trillion) economic rescue fund.

While global recovery will have its challenges and no one expects the economy and investment markets to look the way they did before the coronavirus crisis, this does not mean it is all doom and gloom. We continue to safeguard our assets and members' balances during this period of market volatility, while positioning ourselves favourably for the long-term by selectively taking advantage of opportunities as they arise.

### **DUAL FOCUS INVESTING FOR STRONG LONG-TERM RETURNS AND INVESTING RESPONSIBILITY**

Just as, globally, we are seeing increasing calls for a combined effort on tackling climate change alongside COVID-19, here at ANZ Staff Super we believe investing responsibly and investing for strong long-term returns are entirely compatible and focusing on both will help us create a strong sustainable future for our members and the planet.

Make no mistake, our prime purpose in investing is to protect and grow your retirement savings. At the same time we know many of you care about how we invest too. Our policy for some time has been to consider environmental, social and governance (ESG) factors when we make an investment and throughout the life of the investment, whether investing directly ourselves or through our external managers.

2019 saw us funding clean, green, carbon neutral shopping centres and offices, funding sustainable development and renewable energy from solar, wind and geothermal – to name a few of our recent sustainable investments. You can read more about these and our approach to socially responsible investing in our January newsletter, available at [www.anzstaffsuper.com](http://www.anzstaffsuper.com).

Some of the buying opportunities we are currently assessing have a strong ESG component. This includes the potential to increase our exposures to renewable assets both in and outside Australia through our infrastructure managers.

Read our Investment update on page 7 for more about what is happening in investment markets globally, the outlook for the rest of 2020 and our approach to sustainable investing.

### EARLY ACCESS TO YOUR SUPER FOR MEMBERS FACING FINANCIAL STRESS

The Government is temporarily allowing people in financial stress as a result of COVID-19 to access up to \$10,000 from their superannuation this financial year (2019/20) and up to \$10,000 in the next financial year (2020/21). If you are eligible and wish to take up this option you need to apply directly to the Australian Tax Office through myGov.

ANZ Staff Super is processing all requests for early access received from the Tax Office on a timely basis. We will continue to do everything we can to facilitate early release payments for our members and have worked with our service providers to make this new process as smooth as possible for our members.

### RECENT GOVERNMENT REFORMS TO INSURANCE THROUGH SUPER

Over the last couple of years, the Government has passed a number of reforms to insurance through super. These reforms are intended to help ensure that members have insurance that is right for them and aren't paying premiums from their super for cover they don't want. From 1 April 2020, these reforms apply in full.

Under the new rules, if new ANZ employees joining ANZ Staff Super don't "opt in", they won't be provided with automatic insurance cover until:

- they are aged 25 or more,
- their account balance reaches \$6,000, and
- their account has been active in the last 12 months (a contribution or rollover has been made to their account during this period).

Transitional arrangements apply for existing members.

For members who hold insurance through ANZ Staff Super, we would like to confirm there are no benefit exclusions for the payment of death, disability or salary continuance benefits as a result of a pandemic. This means no benefit exclusions for claims arising directly as a result of COVID-19.

### PROTECTING YOUR INTERESTS IS OUR HIGHEST PRIORITY

Our advisers have been telling us recently that investment returns would be lower than normal for an extended period of time, so we have structured our investments to weather periods of downturn and will continue to develop a more active investment approach to yield solid long-term results. Superannuation is a long-term investment and we are here to generate market competitive long-term returns.

Even if it is still many years until you will draw on your superannuation, it is understandable to feel anxious in the face of so much uncertainty and disruption. We are here to help.

If you are feeling concerned about anything to do with your super, please call us on **1800 000 086** or email us at [anzstaffsuper@superfacts.com](mailto:anzstaffsuper@superfacts.com). General or limited advice to do with ANZ Staff Super that is provided over the phone is available at no extra charge.

I also appreciate that if you were planning to retire in the next five years you may be particularly concerned about short-term market volatility and how your super is invested. In this case, you may want to obtain more detailed and personal advice, which comes at a fee. Again, I would encourage you to contact us and work out the right level of advice – general, limited or personal – to meet your needs.

In addition to accessing our support over the phone or email, there are active steps you can take to safeguard your financial wellbeing. Our **Super Health Checklist** on page 4 is designed to help you ensure your super stays on track through COVID-19 and beyond.

In closing, I'd like to thank the ANZ Staff Super management team, our board committees and chairs and our business partners and service providers, all of whom have remained unwaveringly focused on you, our members.

My special thanks go to the management team here at ANZ Staff Super, who are ANZ employees too. Their commitment to maintaining effective operations and member services in the face of escalating COVID-19 demands has been extraordinary.

Finally, and most importantly, my best wishes for the good health and safety of you and those close to you.



**Gary Newman**  
Chair

# ENSURE YOUR SUPER STAYS ON TRACK

# SUPER HEALTH CHECKLIST

At ANZ Staff Super we want to equip you to make the most of you super – that’s why we developed our Super Health Checklist, designed to help ensure your super stays on track through COVID-19 and beyond.

TAKE ACTIVE STEPS TOWARDS YOUR FINANCIAL WELLBEING AND A HEALTHY SUPER FUTURE.



## STEP 1 UNDERSTAND HOW MUCH SUPER YOU HAVE NOW AND HOW YOU ARE TRACKING

Check your current ANZ Staff Super balance by logging into your account at [www.anzstaffsuper.com](http://www.anzstaffsuper.com). While you are logged in, review your personal details and make sure they are up to date.

You can use **Model My Super** to give you an idea of what your super benefit and retirement income might look like based on your current balance in ANZ Staff Super and test how different contribution strategies and retirement age scenarios may impact your super savings and retirement income.



## STEP 2 REVIEW YOUR INVESTMENT CHOICE

You can't control the ups and downs of investment markets but you can control how you invest your super account.

Everyone's situation is different. We can help you review your investment choice to determine what's most appropriate for you. It may well be you decide to stick with your current investment choice, but it will be an informed decision. If you need help call us on **1800 000 086**.



## STEP 3 CHECK YOUR INSURANCE COVER

Insurance cover through ANZ Staff Super is there to protect you and the people who depend on you financially in the event of serious illness, injury or worse. Most members have death and Total and Permanent Disablement (TPD) cover.

Login to your account to find out the types and amounts of insurance cover you have and what it costs. You should carefully consider how much cover you need as your insurance needs can change over time. ANZ Staff Super has flexible insurance options so you can tailor your death and TPD cover to suit your needs. Terms and conditions apply. If you need help call us on **1800 000 086**.



## STEP 4 UPDATE YOUR BENEFICIARIES

Make sure we know who you would like your super and any insurance benefit paid to in the event of your death. You do that by making a binding or a non-binding beneficiary nomination. Once you've made a nomination, you should keep your beneficiaries up to date in line with changes in your life.

Login to your account to find out if there are nominated beneficiaries listed for you and check if they're still appropriate. You can nominate your non-binding beneficiaries online by going to the **Beneficiaries** page of your account. This lets us know who your preferred beneficiaries are.

To make sure your super is paid according to your wishes, you can make a binding beneficiary nomination. You can do this by completing and returning a *Nominating your beneficiaries* form. If you need to nominate or change your beneficiaries call us on **1800 000 086** and we can help you through the process.



### STEP 5 FIND ANY LOST SUPER AND CONSOLIDATE

Bringing your super together is an easy way to streamline managing your super and may help save on fees. Go to [www.anzstaffsuper.com](http://www.anzstaffsuper.com) and click on **Find lost super** and roll in or call us on **1800 000 086** for help. Remember to check your insurance cover for all accounts first to make sure you'll continue to have an appropriate level of cover. Consolidating can be an easy way to set your super up for success without it costing you a cent. Seek financial advice if you need help with your consolidation options.



### STEP 6 CONSIDER MAKING EXTRA CONTRIBUTIONS

To help you get set up for a comfortable future, a smart thing to consider is making extra contributions. You might not have the capacity to do so now, but keep it on your radar for when economic conditions improve.

If you earn less than \$37,000 a year and make after-tax contributions to your super, you may qualify for a Government co-contribution of up to \$500.

If you earn more than \$37,000 a year, you could save tax by making before-tax contributions (also called salary sacrifice contributions).

There are annual caps on contributions and if you go over these caps, you could have to pay extra tax. For details about the caps, visit the ATO website. If you need help with your contribution options, call us on **1800 000 086**.



### STEP 7 SEEK ADVICE

If you'd like help to make the right decisions for your super, it's a good idea to seek advice.

A financial adviser can help you with your financial needs and plans, which can make all the difference when you are looking to make the most of your super.

You can get general or limited personal financial advice about your options in ANZ Staff Super from an ANZ Staff Super financial adviser\* over the phone. To speak with an ANZ Staff Super financial adviser, call us on **1800 000 086**.



### YOUR CONCERNS ARE OUR CONCERNS

It's understandable to be concerned about your super in the rapidly changing COVID-19 environment. We're here to support you. If you want help with any of the steps above, or anything else:

- Call us **1800 000 086**
- Email us [anzstaffsuper@superfacts.com](mailto:anzstaffsuper@superfacts.com)

ANZ Staff Super is here to help you understand how super works so you can make the most out of yours. We've developed a series of online videos about a range of super topics including each of these steps.

Watch these videos to take an important step in expanding your super knowledge and creating the future you want in retirement.

Visit [www.anzstaffsuper.com/education-videos](http://www.anzstaffsuper.com/education-videos)

#### \* IMPORTANT NOTICE

ANZ Staff Superannuation (Australia) Pty Ltd, the Trustee of the Scheme, has entered into an agreement with Australia and New Zealand Banking Group Limited (ANZ) under which ANZ's financial advisers have been engaged to provide ANZ Staff Super members with general or limited personal financial advice about options available within ANZ Staff Super over the phone for no extra charge. If you require more complex personal advice, you'll be given the option of receiving comprehensive personal advice from an ANZ financial adviser and ANZ will charge you a fee for this advice. These financial planning services are provided by ANZ's financial advisers under AFSL 234527. Any advice provided by ANZ's financial advisers is not provided or endorsed by the Trustee and is not provided under the Trustee's AFSL.

# A TOP PERFORMER

ANZ Staff Super has continued to deliver market competitive performance in rising and falling markets with top quartile performance in 2019 and for the first quarter of 2020.

Investment returns for 2019 were strong with global share markets ending on a remarkable rally and major share indexes reaching all-time highs. March 2020 reversed much of those gains with rapid falls and ongoing market volatility due to COVID-19.

We continue to target strong long-term returns by building strongly diversified portfolios that defend us in falling markets and taking advantage of opportunities that arise as assets are repriced.

## ONGOING TOP PERFORMANCE UNDER VERY DIFFERENT CONDITIONS

### Performance for the year to December 2019

The 2019 calendar year was a standout year for super funds and ours performed amongst the best.

#### Balanced Growth

Our Balanced Growth option for super members and those with Transition to Retirement pensions delivered 16.7% and top quartile performance compared with our peers over one and three-year periods. Our Balanced Growth option for members with account based pensions returned 18.9%.

#### Aggressive Growth

Our Aggressive Growth option for super members and those with Transition to Retirement pensions delivered 20.9% and top quartile performance over one, three and five-year periods. Our Aggressive Growth option for members with account based pensions returned 23.5%.

As expected, our Cautious and Cash options, being more conservatively invested, yielded lower returns, delivering 8.8% and 1.4% respectively for super and Transition to Retirement pension members and 10.1% and 1.7% respectively for account based pension members.

Read about the market conditions that led to these 2019 returns in **2019 in review** on page 9.

For more detail on our 2019 returns and how they compare see **Investment returns** on page 10.

### Performance for the year to March 2020

While global investment market volatility has had a negative impact on the short-term returns of super funds, ANZ Staff Super continues to deliver investment returns that are largely top quartile over one, three, five and ten years across all of our options.

	March 2020 results			
	Aggressive Growth	Balanced Growth	Cautious	Cash
1 yr returns	-4.2%	-1.9%	0.8%	1.4%
3 yr returns (p.a.)	4.9%	4.6%	3.8%	1.6%
5 yr returns (p.a.)	4.9%	4.6%	3.7%	1.7%
10 yr returns (p.a.)	7.2%	6.9%	5.4%	2.6%

	Quartile			
	Aggressive Growth	Balanced Growth	Cautious	Cash
1 year	1st	1st	1st	1st
3 years	1st	1st	1st	2nd
5 years	1st	1st	1st	2nd
10 years	1st	1st	2nd	2nd

Source: Rainmaker Information Services

Read about the market conditions that led to the March 2020 returns in **As 2020 unfolds** on page 7.

You can keep up to date with our investment returns at [www.anzstaffsuper.com](http://www.anzstaffsuper.com).



# AS 2020 UNFOLDS

The investment market volatility we saw in March 2020 was a direct result of the significant disruption the global spread of COVID-19 is having on businesses around the world.

After initial heavy falls and rapid movements up and down, we are starting to see some losses regained in response to global economic stimulus.

As governments and central banks around the world take extraordinary measures to protect and stimulate their economies investment markets are reacting positively and regaining some of their losses. Our active strategies are identifying buying opportunities as assets are repriced and economic activity picks up. We had also anticipated lower markets in 2020 and so had diversified our portfolios to weather periods of downturn.

## GLOBAL ACTION TO AID ECONOMIC RECOVERY

While their initial focus was on protecting lives and fighting the spread of COVID-19, the economic impacts on 'locked-down' economies has been immense and governments are now undertaking recovery action.

In May the US Treasury announced plans to borrow \$3 trillion in the second quarter of 2020 – six times the amount borrowed in the previous quarter. Congress has appropriated that money to help individuals and companies weather the business shutdowns as a result of COVID-19. European leaders have agreed on €1 trillion (\$1.7 trillion) worth of support to rescue their coronavirus-battered economies. Australia has been swift to act too, with the government's total support for the economy at \$320 billion across the forward estimates, representing 16.4% of annual GDP.

As a result, post COVID-19 economies will be very different to those of the prior decade. While global recovery will not be without significant challenges, assets have now been repriced, creating purchasing opportunities amid a changing global market.

## HISTORY SHOWS MARKETS RECOVER AND GROW

The world has not experienced a pandemic of such impact for a century and some outcomes, such as negative oil prices, are new. COVID-19 is affecting our everyday lives in far reaching ways. For many members working from home is our new reality, as is social distancing, online learning and restricted activities. In Australia and around the globe we're experiencing widespread job losses and the disruption to lives, livelihoods and global economies is likely to continue for some time.

Anxiety and concern in the face of so much disruption and uncertainty is to be expected. There is comfort in knowing history shows that investment markets fluctuate and while falls – and rises – occur with little warning, markets have eventually recovered.

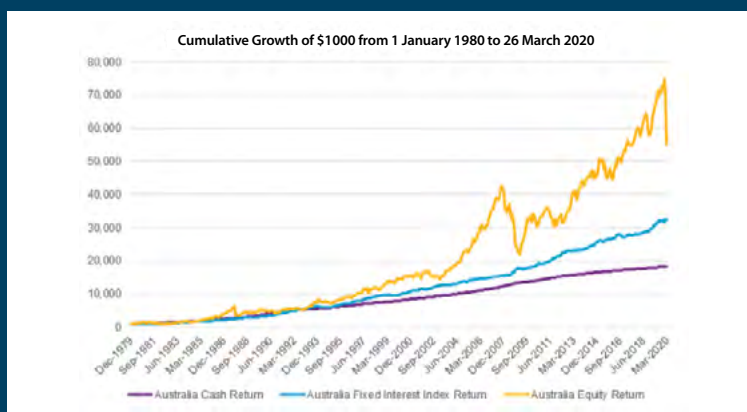
A member might be expected to accumulate their super over a period of 40-50 years (excluding retirement). Over the past 40 years we have witnessed the 1987 market crash, the early 1990s Australian recession, the 1997 Asian financial crisis, the dotcom bubble which burst in 2001, the Global Financial Crisis in 2007-08 and now the COVID-19 pandemic, each of which had an impact on Australian investors.

Despite all of these events, investing in riskier assets, such as shares, has produced a meaningfully higher return than more defensive assets, such as cash, over this period. It is also extremely hard to predict when a market fall might occur, as bubbles can last for years and shocks such as COVID-19 can occur with very little warning. The long-term nature of super means that, for most members, there is an ability to ride out short-term market moves in order to target higher expected long-term returns from taking on a level of investment risk.

While no-one can predict exactly when the market will recover from the impact of COVID-19, historically markets move in cycles with recovery and growth following a decline.

As this graph shows, growth investments such as shares have been affected by some very volatile periods but have generally provided a higher rate of return over the long term than more defensive investments such as fixed interest and cash.

Source: Thomson Reuters Eikon and WTW



## BUILDING RESILIENCE THROUGH DIVERSIFIED PORTFOLIOS

This ability to ride out short-term market falls is strengthened by building diversified portfolios, which increases the durability of our members' investments further while still targeting strong long-term returns.

Highly rated bonds, particularly Government bonds, usually perform well when economies and stocks do poorly. The Australian dollar typically falls when global investment markets fall, leading to higher returns for unhedged foreign assets at these times. Our March 2020 returns, for example, benefited from falls in the Australian dollar versus other currencies due to our currency hedging settings. High quality unlisted investments, such as premium office blocks with high quality tenants or key infrastructure assets, are likely to be less impacted by falls in demand than other investments.

Strategies that are highly active or less reliant on good economic conditions, such as those used by our Diversity managers, can provide a source of returns when stocks are falling. We saw that in March 2020 with significant outperformance from diversity manager Fulcrum. Diversity managers are agile and able to add value by quickly assessing the impacts on different countries and sectors of both the crisis and the different policy responses in different regions.

## WELL POSITIONED TO SELECTIVELY TAKE UP OPPORTUNITIES

ANZ Staff Super is in the fortunate position of having very good liquidity. This means we have the cash to take up buying opportunities that are likely to arise as a result of investors having to sell quality assets at a discount to generate cash. Our active managers are on the look out for suitable investments and at the same time exercising caution to make sure we fully understand the new environment and are not taking undue risk. This is a reflection of the structural soundness of our investment portfolio. Our foundations are strong, which gives us the ability to selectively take up opportunities that will enhance our long-term position.

## PROTECTING YOUR INTERESTS - AND YOUR SUPER

At ANZ Staff Super our number one priority is protecting you, our members, and your best interests.

Our prime purpose is to protect and grow your super. We remain well positioned to navigate the uncertainty ahead and to continue delivering market competitive performance and solid, sustainable long term returns.

We recognise that each member's circumstances are different and so we provide options with different risk levels to allow members to select the amount of risk they are willing and able to take.

You may be wondering how you can best protect your super and whether moving to a less risky investment option is the answer.

There can be risks in moving your money into a more conservative investment option now. The main danger is that you could miss out on the upswing when markets recover. Longer term this could have a greater impact on your superannuation balance than staying the course with your current option.

If you have questions regarding which option is right for you, consider speaking to an ANZ Staff Super financial adviser (see page 21) for advice about your investment and personal situation so you can make an informed decision. You can contact an ANZ Staff Super financial adviser on **1800 000 086** who can give you limited advice on the investment options available in ANZ Staff Super and your investment strategy.

For more information about the performance and make up of each of our investment options see pages 11 to 14 of this report.

## WE ARE SERIOUS ABOUT INVESTING SUSTAINABLY

Members have asked about ANZ Staff Super's environmental, social and governance (ESG) considerations when investing.

We do not believe you need to sacrifice long term returns to invest sustainably. In fact our focus is two-fold: **investing for strong long-term returns and investing responsibly.**

Our prime purpose is to protect and grow your retirement savings, so you can live the life you want when you stop paid work. Acting with that purpose, we aim to improve our overall risk-adjusted returns by considering ESG risks alongside other financial risks.

We take ESG considerations into account when making investment decisions and monitoring performance. Historically, this has primarily been through assessing the approach to ESG investing of our external managers to ensure that they are appropriately considering the risks and opportunities that ESG factors create.

Over the past year we have improved our ability to measure our ESG exposures, both at the total portfolio level and for each external manager. This has improved our ability to monitor the risks within the portfolio and to engage with our managers to ensure they continue to manage our members' money appropriately.

We also recognise opportunities may arise due to greater awareness of ESG factors in the market. In keeping with this, we have exposures to renewable energy assets both in and outside Australia through our infrastructure managers, as they seek to benefit from the energy transition away from a reliance on fossil fuels. Similarly, our Australian property managers have a focus on improving the energy efficiencies of the buildings our members are invested in to reduce ongoing costs and improve the attractiveness of these assets to prospective tenants. We continue to assess new opportunities that are well positioned to benefit from ESG-related tailwinds.

For more detail about our approach to socially responsible investing read our **January 2020 Super Directions** newsletter, available at [www.anzstaffsuper.com](http://www.anzstaffsuper.com).

# 2019 IN REVIEW

A lot happened in global financial markets over 2019. While much of it now seems a distant memory due to COVID-19, here we examine global economic trends, performance across asset classes and other factors that underpinned our 2019 returns.

Global share markets ended a remarkable 2019 rally on a strong note with major share indices reaching all-time highs. Some geopolitical risks faded after the US and China reached a preliminary trade agreement. Brexit uncertainties also fell after Prime Minister Boris Johnson obtained a majority in Parliament, passing a withdrawal agreement that started at the end of January 2020.

Markets looked past the political turmoil in the US and President Trump's possible impeachment. However, macroeconomic stress related to financial conditions in Argentina, geopolitical tensions in Iran and social unrest in Hong Kong, Venezuela, Libya and Yemen persisted.

## GLOBAL TRADE WAR IMPACTS

Equity markets rallied strongly during the first six months of 2019 despite continuing slowdowns in economic growth, especially outside the US, largely restrained by the US-China trade conflict.

In the third quarter the US Federal Reserve (the Fed) announced two rate cuts of 25 basis points each, driven by low inflation and concerns about the impact of the US-China trade war on global growth.

The trade war also hurt economies in Asia, such as South Korea and Taiwan, and pushed China's economic growth to its lowest level in nearly three decades.

Global equity markets posted positive returns over the third quarter, despite increased volatility and continued economic uncertainty, especially during August as trade tensions between the US and China intensified. Despite this, financial conditions eased somewhat during the quarter as interest rates fell.

## RAZORED RATES

In Australia, the cash rate was reduced in June 2019 for the first time in almost three years, from 1.50% to 1.25%. At the beginning of July, it was slashed again to 1%, then cut a further 25 basis points in early October to 0.75%, the lowest level on record.

The cuts drove growth in other interest rate-sensitive sectors, like property trusts, and helped fuel equity markets.

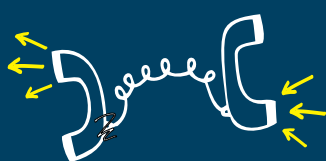
## LOCAL SURPRISES

Australia's share market was bolstered by unforeseen impacts. First was the Coalition government's surprise win in the May 2019 federal election. Overall, Australian Shares (S&P ASX300) returned 23.8% for the 2019 year.

The banks, which make up 30% to 35% of the Australian share market, saw a solid rally with the re-election of the Coalition, as there were fears that the Labor Party policies around franking credits and residential negative gearing would hurt credit growth and demand. Health insurers also benefited, as Labor had proposed tougher caps on premium increases than the Coalition.

## DOMESTIC GROWTH STALLS

Domestic growth continued to be slow and inflation remained subdued at year-end. Despite quite strong employment figures, the slowdown in consumer spending and low growth in real wages led to weaker conditions although there were signs of a turnaround in house prices in Melbourne and Sydney.



**GET THE ADVICE YOU NEED BEFORE YOU MAKE AN INVESTMENT CHOICE OR SWITCH OPTIONS.**

If you want to review your investment strategy, we're here to help.

Call us on **1800 000 086**.

Email us at [anzstaffsuper@superfacts.com](mailto:anzstaffsuper@superfacts.com)

# INVESTMENT RETURNS

## INVESTMENT PERFORMANCE FOR SUPER MEMBERS AND TRANSITION TO RETIREMENT PENSIONS

The 2019 calendar year resulted in some of the strongest investment returns seen in years. The Aggressive Growth option for super members, Transition to Retirement pensions, and account based pensions posted returns of over 20% while the Balanced Growth option achieved well into double figures. These returns placed ANZ Staff Super's returns for super members in the top quartile for both options compared with peer funds over one and three years.

	December 2019 results			
	Aggressive Growth	Balanced Growth	Cautious	Cash
1 yr returns	20.9%	16.7%	8.8%	1.4%
3 yr returns (p.a.)	10.4%	8.6%	5.5%	1.5%
5 yr returns (p.a.)	9.1%	7.6%	5.0%	1.7%

	Quartile			
	Aggressive Growth	Balanced Growth	Cautious	Cash
1 year	1st	1st	3rd	2nd
3 years	1st	1st	2nd	3rd
5 years	1st	2nd	2nd	2nd

Source: Rainmaker Information Services

## INVESTMENT PERFORMANCE FOR ACCOUNT BASED PENSIONS

Members with account based pensions had the following returns:

	December 2019 results			
	Aggressive Growth	Balanced Growth	Cautious	Cash
1 yr	23.5%	18.9%	10.1%	1.7%
3 yr (p.a.)	11.2%	9.4%	6.1%	1.8%
5 yr (p.a.)	9.8%	8.3%	5.6%	2.0%

## UNIT PRICES

Your account is recorded as a unit holding in one or more of the 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. 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 by logging into your account at [www.anzstaffsuper.com](http://www.anzstaffsuper.com).

## 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 11 to 14, together with details of the investment returns of previous years. Remember, past investment returns are not necessarily indicative of future performance.

All investment income earned by account based pensions in the Retirement Section is exempt from tax. Therefore returns for each investment option are generally higher for these members than other members, and these returns are shown separately. Investment earnings for Transition to Retirement pensions are shown with returns for Employee, Personal and Partner members as, since 1 July 2017, these are not exempt from tax.

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**ANZ STAFF SUPER'S INVESTMENT  
OPTIONS PERFORMED SOUNDLY OVER THE  
LAST ONE, THREE AND FIVE YEARS.**

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# INVESTMENT OPTIONS

## AGGRESSIVE GROWTH

### OBJECTIVES

The investment objectives of the Aggressive Growth option are to:

- a. maximise returns over the long term whilst accepting a high degree of performance variability; and
- b. exceed inflation (CPI increases), on average, by at least 3% p.a. over rolling ten year periods.

### SUITABILITY

Members who are seeking to maximise investment returns over the long term while accepting a high degree of performance variability.

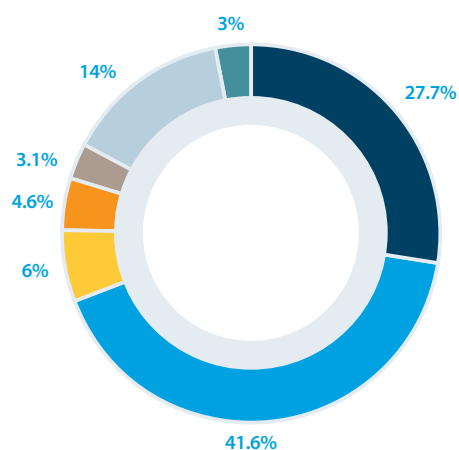
### RISKS

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.

### ASSET MIX

The majority of assets in the Aggressive Growth option are invested in shares with small allocations to property and alternative investments.

The pie chart is indicative of the investment mix for this option. Actual percentages may vary from time to time.



#### Growth Assets

- Australian equities (large caps)
- International equities
- Property
- Emerging market equities
- Australian equities (small caps)

#### Alternative Assets\*

- Alternative Assets
  - Diversity
  - Global private equity
  - Global Infrastructure
  - Global credit

#### Defensive Assets

- Cash

\* 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.

### RETURNS

Year ended 31 December	Net return	Tax exempt return <sup>1</sup>	CPI increase <sup>2</sup>
2019	20.9%	23.5%	1.8%
2018	-1.7%	-1.9%	1.8%
2017	13.2%	13.6%	1.9%
2016	9.3%	10.3%	1.5%
2015	5.0%	5.4%	1.7%
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%

#### Notes

1. These returns are generally higher because tax is not payable on the investment earnings of an account based pension. From 1 July 2017, investment earnings for Transition to Retirement members under age 65 are taxed.
2. The increase in the Consumer Price Index (CPI) is a measure of inflation.

# BALANCED GROWTH

## OBJECTIVES

The investment objectives of the Balanced Growth option are to:

- a. maximise returns over the long term whilst accepting a moderate degree of performance variability; and
- b. exceed inflation (CPI increases), on average, by at least 2.5% p.a. over rolling ten year periods.

## SUITABILITY

Members who are seeking to maximise investment returns over the long term while accepting a moderate to high degree of performance variability.

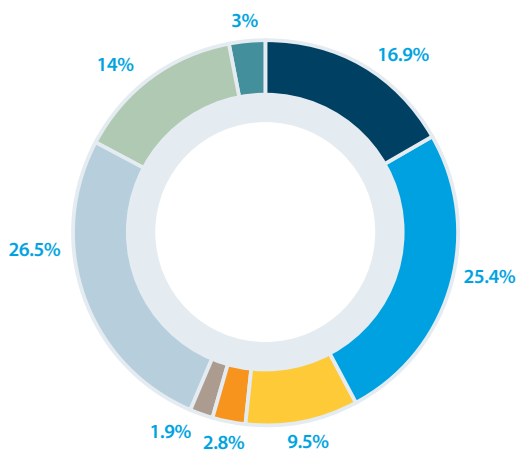
## RISKS

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.

## ASSET MIX

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.

The pie chart is indicative of the investment mix for this option. Actual percentages may vary from time to time.



### Growth Assets

- Australian equities (large caps)
- International equities
- Property
- Emerging market equities
- Australian equities (small caps)

### Alternative Assets\*

- Alternative Assets
  - Diversity
  - Global private equity
  - Global Infrastructure
  - Global credit

### Defensive Assets

- Fixed Interest securities
  - Australian
  - International
  - Inflation linked
- Cash

## RETURNS

Year ended 31 December	Net return	Tax exempt return <sup>1</sup>	CPI increase <sup>2</sup>
2019	16.7	18.9%	1.8%
2018	-0.9%	-1.1%	1.8%
2017	10.9%	11.3%	1.9%
2016	7.9%	8.7%	1.5%
2015	4.2%	4.5%	1.7%
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%

### Notes

1. These returns are generally higher because tax is not payable on the investment earnings of an account based pension. From 1 July 2017, investment earnings for Transition to Retirement members under age 65 are taxed.
2. The increase in the Consumer Price Index (CPI) is a measure of inflation.

\* 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.

# CAUTIOUS

## OBJECTIVES

The investment objectives of the Cautious option are to:

- 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 1.5% p.a. over rolling ten year periods.

## SUITABILITY

Members who are seeking to achieve returns which exceed those available on cash investments over the long term whilst achieving reasonable stability in returns from year to year.

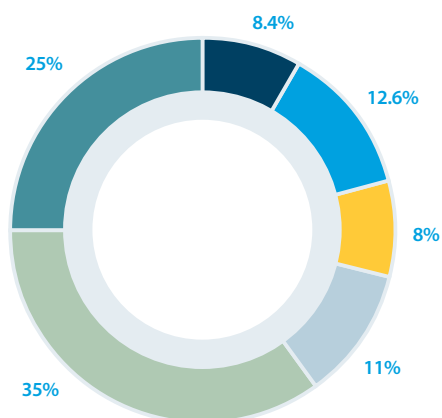
## RISKS

The Cautious option is designed to reduce the chance of experiencing a negative return in any one year compared to the Aggressive or Balanced Growth options and to protect the capital value of your investment over a 12-month period.

## 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.

The pie chart is indicative of the investment mix for this option. Actual percentages may vary from time to time.



### Growth Assets

- Australian equities (large caps)
- International equities
- Property

### Alternative Assets\*

- Alternative Assets
  - Diversity
  - Global private equity
  - Global Infrastructure
  - Global credit

### Defensive Assets

- Fixed Interest securities
  - Australian
  - International
  - Inflation linked
- Cash

## RETURNS

Year ended 31 December	Net return	Tax exempt return <sup>1</sup>	CPI increase <sup>2</sup>
2019	8.8%	10.1%	1.8%
2018	1.4%	1.6%	1.8%
2017	6.5%	6.8%	1.9%
2016	5.2%	5.8%	1.5%
2015	3.4%	3.7%	1.7%
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%

### Notes

1. These returns are generally higher because tax is not payable on the investment earnings of an account based pension. From 1 July 2017, investment earnings for Transition to Retirement members under age 65 are taxed.
2. The increase in the Consumer Price Index (CPI) is a measure of inflation.

\* 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.

# CASH

## OBJECTIVES

The investment objective of the Cash option is to equal or exceed the RBA cash rate over rolling 1-year periods.

## SUITABILITY

Members who are seeking to maintain capital stability over short time periods.

The Cash option is a conservative investment option that only invests in short-term money market securities and fixed interest securities with short durations.

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.

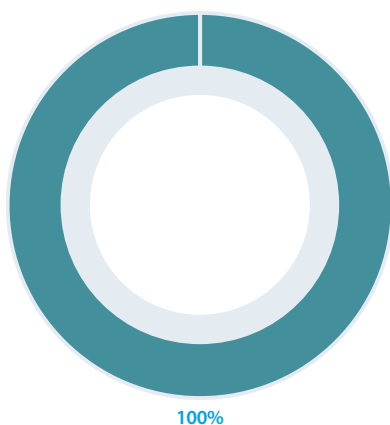
## RISKS

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.

## ASSET MIX

All assets in this option are invested in ANZ cash-related products.

The pie chart is indicative of the investment mix for this option. Actual percentages may vary from time to time.



### Defensive Assets

- Cash

## RETURNS

Year ended 31 December	Net return	Tax exempt return <sup>1</sup>	CPI increase <sup>2</sup>
2019	1.4%	1.7%	1.8%
2018	1.7%	2.0%	1.8%
2017	1.4%	1.6%	1.9%
2016	2.1%	2.5%	1.5%
2015	2.0%	2.3%	1.7%
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%

### Notes

1. These returns are generally higher because tax is not payable on the investment earnings of an account based pension. From 1 July 2017, investment earnings for Transition to Retirement members under age 65 are taxed.
2. The increase in the Consumer Price Index (CPI) is a measure of inflation.



# INVESTMENT MANAGEMENT

ANZ Staff Super's assets held by each investment manager as at 31 December 2019 are shown in the table below. Invested assets at the end of 2019 were \$5,433 million.

	As at 31 December 2019	
	\$m	%
<b>Australian Shares</b>		
Macquarie Investment Management – core manager	734.2	13.5
Kinetic Investment Partners – satellite manager	123.7	2.3
Allan Gray (Australia) – satellite manager	151.9	2.8
Hyperion Asset Management – satellite manager	126.4	2.3
<b>International Shares</b>		
BlackRock Investment Management – core manager	1,165.7	21.4
Realindex Investments	166.8	3.1
Vanguard Investments Australia	449.7	8.3
<b>Australian Direct Property</b>		
AMP Capital Investors	232.5	4.3
Barwon Investment Partners	64.0	1.2
<b>Global Listed Real Estate</b>		
Resolution Capital	133.5	2.5
<b>Australian Fixed Income</b>		
BlackRock Global Investors	477.3	8.8
<b>International Fixed Income</b>		
Colchester Global Investors	185.0	3.4
<b>Diversity</b>		
Bridgewater All Weather Fund (Australia)	128.2	2.3
Schroders Investment Management Australia	209.8	3.9
Fulcrum Asset Management	211.6	3.9
BlackRock Global Investors	124.1	2.3
<b>Private Equity</b>		
Industry Funds Management	1.2	0.0
<b>Global Infrastructure</b>		
Maple Brown Abbott	74.6	1.4
North Haven Infrastructure Partners	7.7	0.1
Macquarie Specialised Asset Management	4.8	0.1
EQT Infrastructure	0.1	0.0
Palisade Diversified Infrastructure	108.1	2.0
Ancala Partners	24.5	0.4
<b>Global Credit</b>		
Westbourne Capital	49.7	0.9
Intermediate Capital Group	54.0	1.0
<b>Cash</b>		
ANZ (cash deposits)	424.0	7.8
<b>Total</b>	<b>5,433.1</b>	<b>100%</b>

The percentage figures don't add to 100% due to rounding.

## INVESTMENT MANAGER CHANGES

In 2019:

- Queensland Investment Corporation's mandate to manage an Australian fixed interest holding; and
- Schroders Investment management's mandate to manage an international fixed interest holding

both ceased.

## 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.

The hedging levels for international shares in the Scheme's investment options are:

Investment option	Hedging ratio	Range
Aggressive Growth	25% hedged to A\$	0% – 50%
Balanced Growth	30% hedged to A\$	25% – 75%
Cautious	50% 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 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

Having very competitive fees is just one of the member benefits that set ANZ Staff Super apart from the rest.

ANZ Staff Super's Employee, Personal, Partner and Retirement Sections are very competitive compared to those of other super funds due to our strong focus on value for members.

Membership section	Administration fees for 2019 <sup>1,2</sup>	Indirect cost ratio <sup>3</sup>			
		Aggressive Growth option	Balanced Growth option	Cautious option	Cash option
Employee Section	0.08% <sup>1</sup> p.a. of first \$500,000 invested, nil thereafter	0.43% or \$4.30 per \$1,000 invested	0.55% or \$5.50 per \$1,000 invested	0.37% or \$3.70 per \$1,000 invested	0.03% or \$0.30 per \$1,000 invested
Employee Section C	0.08% <sup>1,4</sup> p.a. of first \$500,000 invested, nil thereafter				
Personal Section	0.16% <sup>1</sup> p.a. of first \$500,000 invested, nil thereafter				
Partner Section	0.16% <sup>1</sup> p.a. of first \$500,000 invested, nil thereafter				
Retirement Section – Retirement income	0.13% <sup>1</sup> p.a. of first \$500,000 invested, nil thereafter				
Retirement Section – Transition to retirement	0.13% <sup>1</sup> p.a. of first \$500,000 invested, nil thereafter				

Other fees and costs (such as insurance premiums) may apply. For details, refer to the Product Disclosure Statement for your section available from [www.anzstaffsuper.com](http://www.anzstaffsuper.com) or by calling ANZ Staff Super on **1800 000 086**.

#### Notes

- Administration fees are only charged on the first \$500,000 of assets in any account in Employee, Personal, Partner and Retirement Sections. For 2019 (continuing to 2020), there was a fee rebate of 0.03% p.a. for the first \$500,000 invested and the fees quoted allow for this rebate. The fee rebate is reviewed annually.
- Calculated on a pro rata basis, deducted weekly by redeeming some of your units.
- Indirect Cost Ratio (ICR) includes the costs of investment management such as investment manager fees and any performance fees that may be paid to investment managers, as well as other expenses that are not met from the fees deducted directly from member accounts. ICR fees are deducted from investment returns before returns are allocated to members through unit prices. ICR changes from year to year depending on actual costs incurred.
- Account management fees are not payable by Employee Section C members who are classified as Choice members for legislative purposes.

# FINANCIAL INFORMATION

The following information is taken from the audited accounts for the years ended 31 December 2019 and 2018. Copies of the full audited accounts and the auditor's report are available to members on request from ANZ Staff Super. See the back page for contact details.

## STATEMENT OF FINANCIAL POSITION

Statement of financial position at 31 December	2019 \$'000	2018 \$'000
<b>Assets</b>		
Unlisted unit trusts	4,891,922	4,172,456
Listed Australian equities	109,735	95,131
Forward foreign exchange	8,851	-
Cash and cash equivalents	413,470	418,497
Receivables	14,132	13,839
Prepayments	118	124
Deferred tax asset	187	190
Current tax assets	6,671	1,597
<b>Total assets</b>	<b>5,445,086</b>	<b>4,701,834</b>
<b>Liabilities</b>		
Benefits payable	-	-
Creditors and accruals	2,009	2,016
Forward foreign exchange	-	14,127
Income tax payable	-	-
Deferred tax liability	82,033	40,940
<b>Total liabilities</b>	<b>84,042</b>	<b>57,083</b>
<b>Net assets available to pay benefits</b>	<b>5,361,044</b>	<b>4,644,751</b>
<b>Net assets available for member benefits</b>		
<b>Member Benefits</b>		
Defined contribution member liabilities	5,233,887	4,485,345
Defined benefit member liabilities	17,687	18,687
<b>Total member benefits liabilities</b>	<b>5,251,574</b>	<b>4,504,032</b>
<b>Equity</b>		
Death and Disablement Reserve	48,295	45,294
Scheme Operating Reserve	28,210	24,142
Employer Funding Reserve	21,208	18,901
Defined benefit liabilities over/(under) funded	391	(2,038)
Unallocated	11,366	54,420
<b>Total equity</b>	<b>109,470</b>	<b>140,719</b>

## INCOME STATEMENT

Income statement for the year ended 31 December	2019 \$'000	2018 \$'000
<b>Revenue from superannuation activities</b>		
Interest	6,651	7,254
Dividends	5,193	2,915
Trust distributions	255,358	249,408
Net remeasurement changes in assets measured at fair value	518,927	(257,464)
Other investment income	4,891	4,515
Other income	1	-
<b>Total superannuation activities revenue</b>	<b>791,021</b>	<b>6,628</b>
<b>Expenses</b>		
Investment expenses	21,608	18,656
Administration expenses	267	467
<b>Total expenses</b>	<b>21,875</b>	<b>19,123</b>
<b>Net results from superannuation activities</b>	<b>769,146</b>	<b>(12,495)</b>
<b>Allocation to member benefits</b>		
Less: net benefits allocated to defined contribution accounts	742,159	(34,726)
Less: net change in defined benefit liabilities	1,455	1,509
<b>Total allocation to member benefits</b>	<b>743,614</b>	<b>(33,217)</b>
<b>Net results before income tax expense</b>	<b>25,532</b>	<b>20,722</b>
<b>Income tax expense</b>	<b>52,357</b>	<b>(11,289)</b>
<b>Net result after tax income expense</b>	<b>(26,825)</b>	<b>32,011</b>

## STATEMENT OF CHANGES IN MEMBER BENEFITS

Year ended 31 December	2019			2018		
	Defined contribution \$'000	Defined benefit \$'000	Total \$'000	Defined contribution \$'000	Defined benefit \$'000	Total \$'000
Opening balance of member benefits	4,485,345	18,687	4,504,032	4,499,399	19,702	4,519,101
<b>Contribution revenue</b>						
Employer contributions	220,296	900	221,196	217,771	-	217,771
Member contributions	28,509	-	28,509	29,250	-	29,250
Government co-contributions	281	-	281	99	-	99
Transfers in	101,840	-	101,840	71,408	-	71,408
Contributions surcharge refund	-	-	-	-	-	-
Income tax on contributions	(33,769)	(135)	(33,904)	(33,713)	-	(33,713)
<b>Net after tax contributions</b>	<b>317,157</b>	<b>765</b>	<b>317,922</b>	<b>284,815</b>	<b>-</b>	<b>284,815</b>
<b>Benefits paid</b>						
Benefits paid	(310,412)	(2,455)	(312,867)	(267,434)	(2,524)	(269,958)
Tax benefit from anti detriment	-	-	-	287	-	287
<b>Net benefits paid</b>	<b>(310,412)</b>	<b>(2,455)</b>	<b>(312,867)</b>	<b>(267,147)</b>	<b>(2,524)</b>	<b>(269,671)</b>
<b>Insurance</b>						
Insurance premiums charged to member accounts	(7,972)	-	(7,972)	(8,814)	-	(8,814)
Claims credited to member accounts	6,414	-	6,414	10,496	-	10,496
Tax benefit from insurance premiums	1,196	-	1,196	1,322	-	1,322
<b>Net insurance (cost)/benefit</b>	<b>(362)</b>	<b>-</b>	<b>(362)</b>	<b>3,004</b>	<b>-</b>	<b>3,004</b>
<b>Benefits allocated to member accounts</b>						
Comprising:						
New investment earnings allocated	747,321	-	747,321	(28,677)	-	(28,677)
Administration fees deducted	(5,162)	-	(5,162)	(6,049)	-	(6,049)
Net change in defined benefit member accrued benefits	-	1,455	1,455	-	1,509	1,509
<b>Net income</b>	<b>742,159</b>	<b>1,455</b>	<b>743,614</b>	<b>(34,726)</b>	<b>1,509</b>	<b>(33,217)</b>
<b>Net benefits transferred to reserves</b>	<b>-</b>	<b>(765)</b>	<b>(765)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Closing balance of member benefits</b>	<b>5,233,887</b>	<b>17,687</b>	<b>5,251,574</b>	<b>4,485,345</b>	<b>18,687</b>	<b>4,504,032</b>

## RESERVES AND ACCOUNTS

Five types of reserves or accounts are held within ANZ Staff Super for efficient financial management. They are:

1. The Scheme Operating Reserve (SOR). This is part of the financial management of ANZ Staff Super, and may be used in certain circumstances to address operational risk events or claims against ANZ Staff Super 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) operates as a reserve to manage the cashflows relating to the death and Total and Permanent Disablement cover provided through ANZ Staff Super.
3. The Employer Funding Reserve (EFR) is also part of the financial management of ANZ Staff Super.
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. As at 31 December 2019, there were 105 lifetime pensioners in ANZ Staff Super.

### Reserve and account balances at 31 December

Year	SOR \$m	DDR \$m	EFR \$m	PSA \$m
2019	28.2	48.3	21.2	18.1
2018	24.1	45.3	18.9	16.6
2017	24.4	49.7	19.4	19.2
2016	22.1	49.3	18.0	19.2
2015	20.5	49.8	17.7	20.4
2014	19.7	54.3	18.0	22.2

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

# GOVERNANCE

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

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 ANZ Staff Super and represent member interests.

## YOUR TRUSTEE DIRECTORS AT 31 DECEMBER 2019

### ANZ REPRESENTATIVE DIRECTORS:



**Gary Newman**  
Non-Executive Director



**Sue Carter**  
Non-Executive Director



**Susan Hodgkinson**  
Group General Manager,  
Lending Services



**Adrian Went**  
Group Treasurer

### MEMBER REPRESENTATIVE DIRECTORS:



**Robert Sparrow**  
Head of Business Solutions



**Geoffrey King**  
Non-Executive Director



**Jo McKinstry**  
Customer Advocate



**Adam Vise**  
Non-Executive Director

### CHANGES IN 2019

There were no changes to the Trustee Board in 2019.

A Member Representative election was held in 2019.

Adam Vise and Robert Sparrow were both re-elected for another four year term.

### BOARD MEETING ATTENDANCE FOR 2019

Trustee Director	Possible number of Board meetings*	Number of Board meetings attended**
Sue Carter	6	6
Susan Hodgkinson	6	6
Geoffrey King	6	6
Jo McKinstry	6	6
Gary Newman	6	6
Robert Sparrow	6	6
Adam Vise	6	5
Adrian Went	6	6

\* 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 ANZ Staff Super 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 ANZ Staff Super. 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 ANZ Staff Super and to ensure compliance with ANZ Staff Super'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 ANZ Staff Super'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 ANZ Staff Super 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

## ENQUIRIES

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

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

Our website includes a range of articles and educational material, including product dashboards, certain details about the Trustee and documents relating to ANZ Staff Super. For the product dashboards, go to **www.anzstaffsuper.com**, and select 'Documents' and for the Trustee details and Scheme documents go to **www.anzstaffsuper.com** and select 'Trustee Information'.

## FINANCIAL PLANNING ADVICE

The Trustee has entered into an agreement with ANZ under which ANZ's financial advisers have been engaged to provide Scheme members with general or limited personal financial advice about options available within ANZ Staff Super over the phone for no extra charge. These financial planning services are provided by ANZ's financial advisers under AFSL 234527. Any advice provided by ANZ's financial advisers is not provided or endorsed by the Trustee. If you'd like to talk to a financial adviser, call us on **1800 000 086**.

If you require more complex personal advice, you'll be given the option of receiving comprehensive personal advice from an ANZ financial adviser and ANZ will charge you a fee for this advice which you may be able to have debited from your account in ANZ Staff Super. The Trustee's arrangement with ANZ Financial Planning gives eligible members the option to have fees for Scheme-related superannuation advice debited from their account in ANZ Staff Super. For more information about this facility, refer to the Financial Planning fact sheet available at **www.anzstaffsuper.com**.

## COMPLAINTS

If you have an issue or concern regarding ANZ Staff Super you can outline your concerns in writing to the Trustee and the matter will be investigated in accordance with our 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 our internal procedures within 90 days, you can contact the Australian Financial Complaints Authority (AFCA):

You can contact the AFCA by phoning **1800 931 678** (toll free), or email [afca.org.au](mailto:afca.org.au) or by visiting its website at **www.afca.org.au**.

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## ACCESS YOUR ACCOUNT INFORMATION AT [WWW.ANZSTAFFSUPER.COM](http://WWW.ANZSTAFFSUPER.COM)

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## ELIGIBLE ROLLOVER FUND

If you are a Personal Section member with a benefit 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**  
**PO Box 300**  
**Parramatta NSW 2124**

**Phone: 131 627**

You will no longer be a member of ANZ Staff Super and any insurance cover you may have had through ANZ Staff Super will also cease. The ERF does not offer insurance in the event of death or disablement.

If your benefit is transferred to the ERF, ANZ Staff Super 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 Personal Section (previously known as the RBA section) of ANZ Staff Super.

## SERVICE PROVIDERS

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

Member Services	Mercer Outsourcing (Australia)
Actuary	Willis Towers Watson
Investment Adviser	Willis Towers Watson
Insurer	OnePath Life Limited
Legal Adviser	HWL Ebsworth
Master Custodian	JP Morgan
Eligible Rollover Fund	AMP Eligible Rollover Fund
Auditor	KPMG
Accounting	Sharyn Long Chartered Accountants
Communications	Transform Consulting

## CONTACT DETAILS



Write to  
ANZ Staff Super  
GPO Box 4303  
Melbourne VIC 3001



Phone  
1800 000 086  
or +61 3 8687 1829 from overseas



Fax  
03 9245 5827



Email  
[anzstaffsuper@superfacts.com](mailto:anzstaffsuper@superfacts.com)



Website  
[www.anzstaffsuper.com](http://www.anzstaffsuper.com)

Australian Financial Complaints Authority  
1800 931 678

Australian Tax Office  
Superannuation Help Line 13 10 20