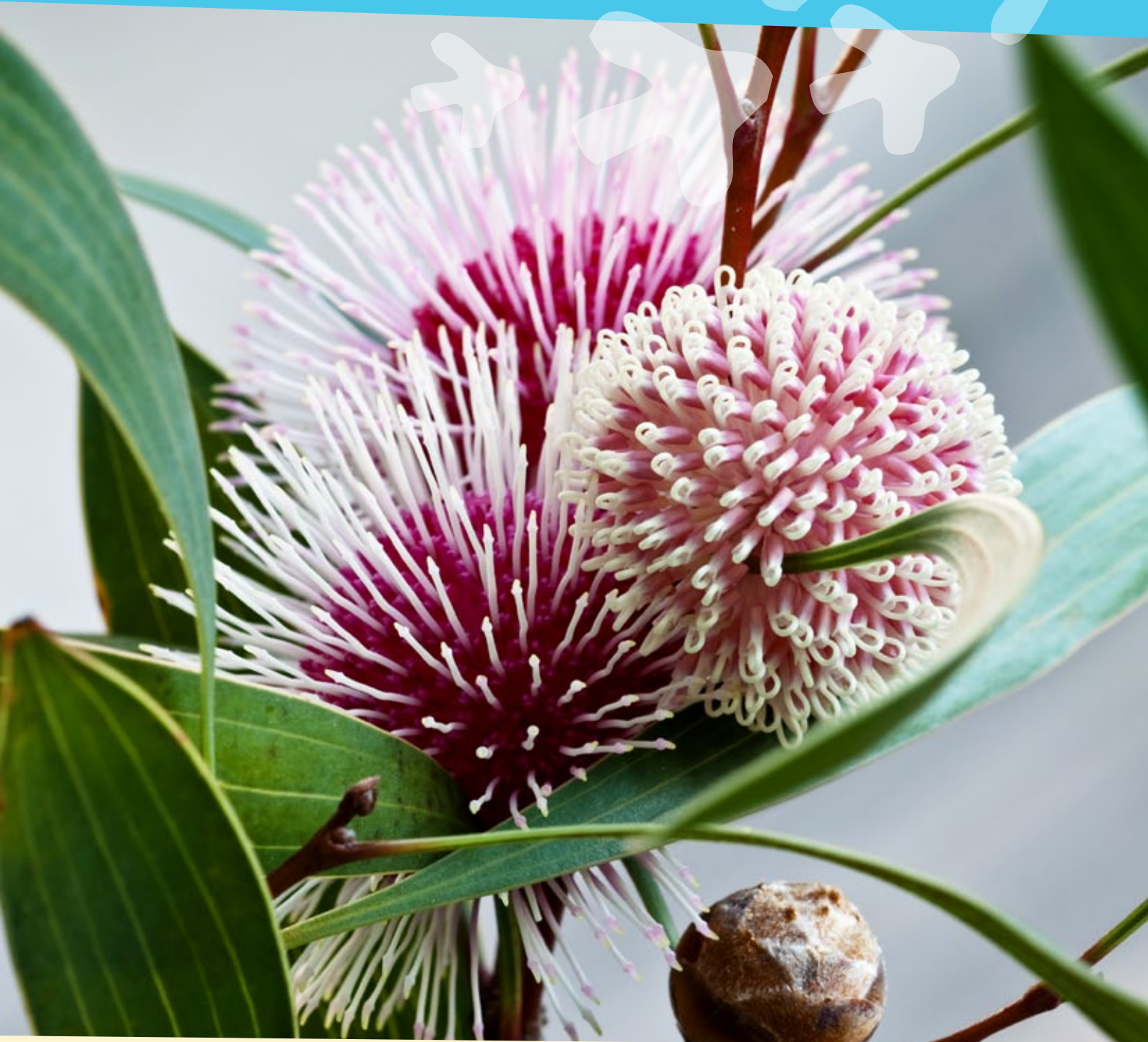


Super direction

NEWSLETTER TO MEMBERS | APRIL 2013



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Latest investment returns

The following tables provide up-to-date information about your Scheme's investment performance over the short, medium and long term.

The tables below show the net investment returns¹ to 28 February 2013:

Section A, Section C, Retained Benefit Account (RBA) and Spouse Contribution Account (SCA) Sections

1 January to 28 February 2013	Aggressive Growth	Balanced Growth	Cautious	Cash
Year to date	5.6%	4.0%	2.1%	0.6%
1 year	12.0%	11.2%	7.4%	3.5%
3 years	6.2% p.a.	8.0% p.a.	7.4% p.a.	4.1% p.a.
5 years	0.9% p.a.	2.9% p.a.	4.7% p.a.	4.4% p.a.
10 years	7.2% p.a.	7.1% p.a.	6.4% p.a.	n/a

Account Based Pension (ABP) Section²

1 January to 28 February 2013	Aggressive Growth	Balanced Growth	Cautious	Cash
Year to date	6.1%	4.4%	2.4%	0.7%
1 year	14.4%	12.6%	8.6%	4.1%
3 years	6.6% p.a.	9.0% p.a.	8.5% p.a.	4.7% p.a.
5 years	0.9% p.a.	3.2% p.a.	5.4% p.a.	4.8% p.a.

Note:

1. Investment returns are shown after investment management costs and taxes on investment income are deducted. Past performance is not necessarily indicative of future performance.
2. The returns for Account Based Pensioners (including Transition to Retirement Account Based Pensioners) differ because the investment income earned in this section is exempt from tax.

Changes to your Scheme's Australian and international equity holdings

How are the Scheme's equity investments managed?

The structure of the Scheme's investments in Australian and international equity holdings involves the appointment of:

- two 'core' managers – one with a mandate to manage the Scheme's Australian equity investments, the other to manage the Scheme's international equity investments; and
- three 'satellite' managers each for Australian equities and international equities.

The core managers adopt a 'passive' investment style with the aim of matching, or slightly exceeding, the investment performance of the Australian and international equity markets respectively. Adopting the core manager approach has the advantage of reducing costs because the passive style of management can be provided for little or no cost. It also reduces the risk that the Scheme's investment returns from Australian and international shares will fall short of the returns delivered by the markets themselves.

The satellite managers, on the other hand, adopt an 'active' style with the aim of significantly outperforming their respective markets.

What's changing?

After completing a thorough review of the Scheme's investments in Australian and international equities, the Trustee has decided to retain the core/satellite approach for these investments and adjust the Australian and international equity holdings to mitigate the concentration risk associated with the Australian equity market and improve diversification.

The Australian equity market makes up around 3% of the global equity market and within the Australian equity market the top 10 stocks represented over 53% of the market as at 31 January 2013.

Ranking	S&P/ASX 300 Index	Weight (%)
1	BHP Billiton Ltd	9.99
2	Commonwealth Bank of Australia	8.62
3	Westpac Banking Corporation	7.22
4	Australia and New Zealand Banking Group Limited	6.04
5	National Australia Bank	5.27
6	Telstra Corporation Ltd	4.75
7	Wesfarmers Ltd	3.62
8	Woolworths Ltd	3.22
9	Rio Tinto Ltd	2.40
10	CSL Ltd	2.29
Total		53.42

As a relatively small number of stocks represent a significant proportion of the Australian equity market, having a high weighting to Australian equities effectively means that the investment returns achieved are heavily reliant on the performance of those stocks.

The Trustee views this concentration as a risk to the investment returns which can be achieved for Scheme members. This risk can be mitigated by increasing the allocation to international equities and reducing the allocation to Australian equities in the strategic asset allocations of each investment option with equity holdings. This change will also increase the diversification available within the Scheme's equity holdings as international markets are much larger than the Australian market.

The Trustee does not expect this change to impact potential overall investment returns of these options, but is looking to reduce the risk associated with achieving those returns.

Accordingly, the current split between the overall Australian and international equities is being changed from 50% Australian/50% international to 40% Australian/60% international. This revised allocation will be reflected in the equity exposure of the investment options as follows:

Equity holdings	Aggressive Growth		Balanced Growth		Cautious	
	Current	Revised	Current	Revised	Current	Revised
Australian large caps	36.9%	29.5%	24.3%	19.1%	11.2%	8.8%
Australian small caps	4.1%	3.3%	2.7%	2.1%	–	–
International equities	36.9%	44.2%	23.4%	28.6%	10.8%	13.2%
Emerging market equities	4.1%	5.0%	2.6%	3.2%	–	–
Total	82.0%	82.0%	53.0%	53.0%	22.0%	22.0%

This change is scheduled to be fully implemented by April 2013. Updated Product Disclosure Statements will be available shortly.

Hedging of international and emerging market equities

The investment returns associated with international and emerging markets equities can be impacted by changes in the Australian dollar compared with the currencies in which the equity investments are held. To mitigate this currency risk, the Trustee partially hedges this risk by using foreign exchange contracts.

As part of its review, the Trustee also considered the level of hedging applied to each investment option with equity holdings to allow for the restructure of the equity allocation and decided that the current hedging levels remain appropriate.

i.e.	Aggressive Growth	30% hedged to A\$
	Balanced Growth	50% hedged to A\$
	Cautious Option	70% hedged to A\$

Investment management costs for 2012

Investment management costs (such as investment managers' fees and the cost of custody services and investment advice) are deducted before unit prices are set. Your Scheme seeks to keep these investment management costs to a minimum.

The annual investment management costs for 2012 are now available. These costs (as a % of assets under management) have reduced for the Scheme's investment options as shown in the following table.

Investment option	Investment management cost	
	2012	2011
Aggressive option	0.41%	0.60%
Balanced Growth	0.44%	0.55%
Cautious	0.25%	0.31%
Cash	0.06%	0.06%



Investment basics: top tips

The old adage “time is money” holds true when it comes to making sound investment decisions. Taking the time to understand the basics can help you make informed decisions about your investments.

1. Have a plan and pay yourself first

Making ends meet between pay cheques is an ongoing challenge, let alone having cash to spare. A financial plan that maps out your goals and milestones can give you a clearer idea of the savings you need. Seeking advice from a licensed financial planner can also help to ensure your plan suits your present situation and your future goals.

Putting money aside to meet your investment goals before you get paid can help you stick to a savings plan – and you may pay less tax. Use payroll deductions to put that money towards your super. When you get used to saving up front and not having the cash at hand, you can adjust your budget accordingly.

2. Vary your investments

Diversification i.e. building a portfolio with a range of different asset classes is the foundation of sound investment. It’s a risk management strategy that uses a mix of investment types – from cash to property to shares – to reduce the likelihood of negative returns. It works on the basis that it’s unlikely that the values of all asset classes will move in the same direction at the same time so losses in some areas could be offset by gains in others.

3. Mix up your types of return

Another method of diversification is to spread the types of return provided by your investments. This involves considering whether a particular asset will provide a regular income stream, capital growth or a combination of the two, which is known as ‘total return’. For example, in periods of investment volatility, share prices may fall, causing a reduction in the value of a particular

investment’s value – but you may still receive dividend income, potentially offsetting part of the loss.

4. Match your investment risk to your available timeframe

As a general rule, the level of acceptable investment is risk is influenced by your investment timeframe. In the case of your super, most people think about the timeframe from now until you retire, but you also need to think about how you’ll invest your monies in retirement. The longer your timeframe, the more tolerant you may be to higher risk because you have more time to recover any losses. Choosing a higher level of investment risk may result in a higher overall level of investment return over the long term. On the flip side, if a long term investment has a lower level of investment risk, the investment return potential may be reduced.

5. Don’t panic when the market drops

When share markets head south, as we’ve seen happen in some recent years, one of the biggest temptations is to sell quality investments to minimise losses. However, if you sell quality investments at this point, you’ll realise those losses. If you can sit tight, your loss is only on paper and you can potentially recover them if the market picks up, especially if you have time up your sleeve.

Historically, over the longer term, markets recover after a fall, though there have been periods when this has taken quite some time.

6. Understand the costs

There are usually costs associated with any investment. Remember to do your homework and consider the impact these costs will have on your final investment return. An impressive track record doesn’t guarantee future returns or justify unduly high fees. Take the time to compare the fees you pay for different investment options.



How to make the most of your super

ANZ Staff Super aims to provide you with a useful and responsive service. Whether it's a phone discussion with one of our ANZ Staff Super consultants or making online transactions and enquiries 24 hours a day, seven days a week, we are here to help you make the most of your membership.

Here are just two of the services available to you:

ANZ Staff Scheme mobile website

As of 3 April 2013, you can access the mobile friendly version of the Scheme's website, allowing you to stay in touch with your super at a time and place that's convenient to you.

On the mobile website, you can see your super balance, transaction history, personal details, investments and contributions. There is also a click-through function to call ANZ Staff Super if you have any questions. You can access the mobile site on any smartphone device – iPhone and Android.

To access the mobile website, simply enter **www.anzstaffsuper.com** into your smartphone browser.

The mobile website is designed for Android and iPhone devices and is not currently optimised for viewing on a BlackBerry device.

Model My Super

You have access to a super calculator that uses your pre-populated account details to model your estimated retirement income. You can adjust the parameters to help you see how you're tracking and what changes you may need to make to achieve your financial goals in retirement. Visit **www.anzstaffsuper.com** and log into the secure section using your member number and PIN. Click on the 'Model My Super' icon on the right-hand side of the 'Your super amount' page and get started.

Consolidating your super accounts

If you have more than one super account you're probably paying more than one set of fees and it can be difficult to keep track of how much super you have. Consolidating your super accounts has a number of potential benefits:

- with only one account, it is easier for you to manage your investment strategy to help reach your retirement goals;
- one super fund means a single set of fees which may make a significant difference to your retirement savings over time; and
- you will spend less time than if you are managing multiple accounts so you can concentrate on tracking the progress of your super.

To make it easier for you, ANZ Staff Super has simplified the process for consolidating superannuation benefits. All you have to do is download and complete the 'Rollover form' from the website. Send your completed form and proof of identity requirements (see the form for details) to:

ANZ Staff Super
GPO Box 4303
Melbourne VIC 3001

The Scheme doesn't charge entry or exit fees for rollovers, but some funds do. Some may charge a penalty to withdraw and transfer your benefit. Contact your previous fund if you're unsure about any withdrawals costs or penalties. You can transfer benefits held in other funds into your account at any time while you're a member of the Scheme.

Under Government legislation, Account Based Pension (ABP) Section members are not able to make additional contributions or rollovers to their account. If you are an ABP Section member and also have an account in Section A, Section C or the Retained Benefit Account Section, you can roll in your super from other funds to your non-pension account.



Don't wait until the last minute to make contributions before 30 June 2013

It's already April and time is flying – 30 June will be here before you know it. Make sure you take the time to note the following cut-off dates if you want to make additional voluntary contributions into your account before 30 June 2013. This is particularly important if you may be eligible to receive the Government co-contribution.

You should also take note of the contribution limits that apply before you have to pay extra tax. If you'd like to check how your contributions are tracking against your caps (\$25,000 for concessional [before tax] contributions and \$150,000 for non-concessional [after-tax] contributions), Visit www.anzstaffsuper.com and log into the secure section using your member number and PIN or call ANZ Staff Super on **1800 000 086**. For more detailed information about contribution limits and the Government co-contribution, see the 'Superannuation facts and figures' fact sheet on the Scheme's website www.anzstaffsuper.com.

BPAY®

5 pm (EST) Wednesday 26 June 2013

You can use BPAY to make lump sum after-tax contributions to your account in the Scheme. BPAY transactions need to be completed before 5 pm on Wednesday, 26 June 2013 to reduce the risk of funds not being cleared in time. You'll find the Scheme's BPAY Biller code and your personal reference number in the secure section of the website. Payments received before 30 June 2013 will count towards your contributions for the 2012/13 financial year.

Cheques

Monday 24 June 2013

You can also make lump sum after-tax contributions to your account by sending a personal or bank cheque directly to the Scheme. Cheques and associated documentation should be received by Monday 24 June 2013 to ensure processing is completed by the close of business on the last business day of the financial year, Friday 28 June 2013. Please make the cheque payable to "ANZ Australian Staff Superannuation Scheme" and send it to ANZ Staff Super at GPO Box 4303, Melbourne VIC 3001.

Remember to advise your name and membership or salary number so that ANZ Staff Super knows whose account to credit the contribution to.

Payroll deduction

You can make regular voluntary contributions from pre-tax and/or after-tax salary by regular fortnightly payroll deductions. 27 June 2013 is the last pay run before the end of the financial year.

You can request a contribution change to increase, reduce or stop your voluntary contributions at any time. Any change will be effective from the start of the next available pay period by submitting a Superannuation Contribution Change form to PayrollHROperations@anz.com. This form is available on MAX.

You can also set up or change your regular voluntary contributions by payroll deduction using the 'My Superannuation' page on Employee Self Service on MAX.

While you'd need to submit your form or set up your contributions by the first week in June to have it in place for the pay of 27 June 2013, you may prefer to put your voluntary contributions in place now so you can spread them over several pay periods.

Effective date of contributions

When the Scheme reports your contributions for 2012/13 to the Australian Taxation Office, we need to include the contributions received for you that were banked during 2012/13. However, if you look at your transaction statement on your annual benefit statement or the website, it shows the date your contributions were allocated to your account. The allocation date can be after the date the contribution was banked because it may take time to allocate the contributions. Generally this is only a business day or two later, but you need to take care if you are looking at contributions received around 30 June as they may have been banked in one year and allocated in the next year.

If you are checking your progress against your contribution limits, visit www.anzstaffsuper.com and log into the secure section using your member number and PIN. Click on 'Annual contribution caps' on the 'Contribution' tab to see your contributions for the financial year to date.

Super and Scheme Updates

Get involved in the running of your super

If you have a strong interest in super and are keen to have your say in how your Scheme is run, you may be interested in nominating for the upcoming election for member-representative Directors.

We're holding an election for two member-representative Directors to join the Scheme's Trustee Board. These directors will be elected for terms of up to four years. The terms of current Directors Geoff King and Jo McKinstry are due to expire on 30 June 2013. Both Geoff and Jo are eligible for re-election.

You're eligible to stand for election if you're a Section A, Section C, Retained Benefit Account, Spouse Contribution Account or Account Based Pension Section member and meet certain requirements.

We will be calling for nominations from mid April to early May. If we receive more eligible nominations than the number of available positions, we will hold an election. Voting must be completed by mid-June so that the successful candidates can commence their directorships from 1 July 2013.

If you're interested, keep an eye out for the nomination material we'll be issuing or visit the website www.anzstaffsuper.com in April to download a nomination form.

Stronger Super

Stronger Super is a package of legislative reforms designed to strengthen the Australian retirement system. It promises to be one of the most significant changes in the superannuation industry in 20 years – so it's important you stay up to date. The key elements of the Stronger Super reforms that may affect you are:

MySuper

From 1 July 2013, superannuation funds will be able to offer members a new style of superannuation product called a MySuper account, which will need to meet a number of new standards. From 1 January 2014, if an employee hasn't made a Choice of Fund election, their employers will need to pay their contributions to a fund which offers a MySuper option.

The Scheme is working to have a MySuper option in place by 1 January 2014. We'll provide you with more information about this option later this year.

SuperStream

The Government is working with the superannuation industry to develop new reporting protocols which will be standardised across the industry. While there are initial set up costs, the changes are intended to generate cost savings for superannuation funds in the future which may eventually result in lower fees for superannuation fund members. Some of the SuperStream reforms are summarised in the next column.

Standardisation of administration processes

This reform includes greater standardisation of forms and back-office practices used by the industry as well as working with employers to provide better data about the contributions paid to superannuation funds. These changes will apply from 1 July 2013 for superannuation funds and from 1 July 2014 for employers.

Greater use of Tax File Numbers

Subject to complying with regulations, superannuation fund trustees will be able to use Tax File Numbers (TFNs) to locate members' accounts and facilitate account consolidation, whether in the same fund or across multiple funds, making it easier to track lost super and combine a member's accounts. Members will generally need to provide their consent for a trustee to search for accounts in other funds.

Electronic Portability Request Scheme

Superannuation fund members who are members of more than one fund now have another way of consolidating their superannuation accounts. From 19 February 2013, members can apply electronically to the ATO (via the ATO website), instead of writing to the trustee of their superannuation fund, to view and consolidate their superannuation accounts, including lost and unclaimed monies. This will provide a convenient portal for members to see all of their superannuation information in one place and to determine if they have any lost or unclaimed superannuation amounts held by the ATO. Members can then electronically request to consolidate all of their superannuation holdings into one superannuation fund ensuring they don't incur multiple fees on multiple accounts.

Members do not have to consolidate their accounts using this ATO facility – they can still apply directly to their superannuation fund.

Super contributions on payslips

From 1 July 2013, employers will be required to provide information on an employee's payslip about when the super contributions will actually be paid to their super fund.

New trustee requirements

The Government will place more stringent governance requirements on trustees to enhance the integrity of the superannuation system. These requirements include increased obligations with respect to investment strategy, insurance and having financial resources to cover operational issues. The Government has also given the Australian Prudential Regulation Authority the power to issue prudential standards for superannuation funds which trustees must comply with.

Some of these new requirements are already in place and the remaining requirements are set to take effect from 1 July 2013. While the Trustee already complies with many of these requirements, we are currently working to ensure full compliance by 30 June 2013.

Contact details



Write to
ANZ Staff Super
GPO Box 4303
Melbourne VIC 3001



Phone
1800 000 086 (8am to 6pm Eastern Standard Time)
Outside Australia: **61 3 8687 1829**

Fax
61 3 9245 5827



Email
anzstaffsuper@superfacts.com



Website
www.anzstaffsuper.com

Important notice:

In preparing this document, the Trustee has not taken into account the investment objectives, financial situation and particular needs ("financial circumstances") of any person. Accordingly, before acting on the advice contained in this document, you should assess whether the advice is appropriate in light of your own financial circumstances and consider contacting your financial adviser. This document and interests in the ANZ Australian Staff Superannuation Scheme ("the Scheme") are issued by ANZ Staff Superannuation (Australia) Pty Limited. You should consider the relevant Product Disclosure Statement before making a decision in relation to a financial product.