

Changes to investment objectives from 15 December 2015

NOVEMBER 2015

The Trustee of the ANZ Staff Scheme regularly reviews its investment strategy and objectives to ensure they are appropriate for current and expected future investment conditions.

In our 2014 annual report, Chairman Gary Newman noted that *"The Trustee and its advisers are concerned that the high level of investment returns experienced over recent years will be difficult to replicate in the future."*

Our updated investment modelling for the next five to ten years indicates that average investment returns over that period are not expected to be as strong as in the recent past. We believe that the investment return objectives of the Scheme's investment options should be realistic and reasonably achievable so members can make informed decisions about their investment mix.

Therefore, we will make the following changes, effective 15 December 2015:

1. The **Investment Return Objective** for each investment option (except Cash) will be lowered by 0.5% per annum; and
2. The **Estimated Frequency of Negative Annual Investment Returns** will be updated because with lower expected investment returns over the next five to ten years, there is also an increased chance of negative returns in any given year.

See the table below for the revised objectives that will come into effect on 15 December 2015.

The prospect of lower average investment returns over the next few years is not unique to the Scheme – other super funds across Australia face the same economic and financial environment.

Investment Option	Revised Investment Return Objective (net of fees and taxes)	Revised Objective Measurement Timeframe	Revised Estimated Frequency of Negative Annual Investment Returns
Aggressive Growth	CPI +3.0% p.a.	Rolling 10 year periods (previously rolling 5 and 7 year periods)	5.6 in every 20 years (up from 5.3)
Balanced Growth	CPI +2.5% p.a.	Rolling 10 year periods (previously rolling 5 and 7 year periods)	4.8 in every 20 years (up from 4.4)
Cautious	CPI +1.5% p.a.	Rolling 10 year periods (previously rolling 5 and 7 year periods)	2.6 in every 20 years (up from 1.4)
Cash	To maintain capital stability over short time periods (no change)	n/a	Nil (no change)

The asset allocation (i.e. mix of asset classes such as shares, fixed interest, property and cash) that make up each investment option will remain the same. We believe that diversifying investments across a mix of different asset classes helps provide balance between the expected average return and level of risk over the long term and should deliver more consistent performance for you.

While it's important to take a long term view when thinking about your super, you should review your investment option(s) from time to time to ensure your choice remains appropriate for you. Remember, we're here to help. For advice about your investment options in the Scheme, call an ANZ Staff Super financial adviser on 1800 000 086.

Find out more

More information about our investment options (including their strategies and investment mix) is available at www.anzstaffsuper.com.

You can also access the Product Disclosure Statements for each membership section. Updated versions incorporating these changes will be available from 15 December 2015.

If you have any questions about the investment objective changes, contact ANZ Staff Super by:

Phone: 1800 000 086 (8am to 6pm Eastern Standard Time) or call 61 3 8687 1829 if you are outside Australia

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MELBOURNE VIC 3001

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