member update

July 2015

Integra Super

Competitive performance

OnePath
a company of ANZ

CONTENTS

For members who have a OnePath Integra Super account.

WELCOME

Welcome to your end of financial year Member Update.

I'd like to thank you for your continued support of OnePath's superannuation solutions.

We continue to work tirelessly in managing your OnePath Integra Super account to our consistently high standard.

COMPETITIVE RETURNS

Markets in general continue to deliver solid, positive returns for investors, although recovery has been impacted by events in Europe, particularly in regards to Greece.

Over the past year, the performance of our OptiMix Diversified Multi-Manager funds have benefited from these strong markets and the continued strengthening of our investment expertise and specialist functions within our investment team.

IN THIS ISSUE

Did you know that most women retire with inadequate retirement savings? We take a look at a few practical steps to help you get the most out of your super. In this edition of your Member Update we also look at the benefits of combining insurance with your super, provide information on other changes impacting super as a result of the Federal Budget and what it means to you.

As always, we recommend the best way to stay abreast of the changes and to maximise your financial future is to regularly meet with your financial adviser. In our view, the need for regular sound financial advice is paramount and plays a key role in ensuring your long-term financial goals can be achieved.

In other super news, our MySuper offering, the award-winning ANZ Smart Choice Super* is going from strength to strength with over 40 carefully selected, well-regarded investment options recently added to our investment menu.

In line with the MySuper reforms, we plan to transition the account balance and insurance cover (if any) of MySuper members to ANZ Smart Choice Super by July 2017.

We didn't just want to limit this exciting new super solution to our MySuper members, we are also working towards moving members who have made an investment choice into this new solution. This will result in the majority of our members benefiting from this award-winning super product.

Thank you again for choosing OnePath for your super, investment and retirement needs. We look forward to managing your superannuation now and into the future.

Mark Pankhurst
Head of Client and Product Management
ANZ Global Wealth

* The ANZ Smart Choice suite of products is part of our award-winning product range. For more information about ANZ Smart Choice Super visit wealth.anz.com/superannuation

OnePath – helping you shape and protect your future

OnePath is ANZ's specialist brand for wealth, insurance and advice solutions and has helped Australians grow and protect their wealth for over 130 years.

ANZ is committed to building lasting partnerships with our customers, shareholders and communities in 33 countries – including Australia and New Zealand – throughout Asia and the Pacific, and in the Middle East, Europe and America. We provide a range of banking and financial products and services to around eight million customers and employ 47,000 people worldwide.

Our comprehensive range of wealth and insurance products makes it easy for you and your financial adviser to find the solution that best suits your needs.

At ANZ we value and appreciate our customers, our staff and the communities we operate in. We are committed to acting with the highest standards and to meeting our corporate responsibilities.

We also encourage and support staff involvement in volunteering and charitable activities supporting the wider community.

ANZ actively participates in forums looking at regulatory and industry change. We also regularly review and conduct research to ensure we are attuned to changing customer and market needs.

WITH 130 YEARS OF WEALTH EXPERTISE, ONEPATH CAN SUPPORT YOU THROUGH ALL OF YOUR LIFE STAGES – HELPING YOU ACHIEVE YOUR LIFE GOALS AND LIVE COMFORTABLY IN RETIREMENT.

INVESTMENT PERFORMANCE UPDATE

Over the past year, investors have benefited from continuing competitive investment performance across a range of asset classes due to improving market conditions and economic factors although recovery has been impacted by events in Europe, particularly in regards to Greece.

Diversified funds are experiencing competitive growth in different asset classes at the same time – in particular listed property and shares, both international and Australian.

According to funds research group Morningstar's Australian superannuation survey, the average one-year return for a balanced option at March 2015 was a healthy 10.9% compared to three years ago when it was only 2.7%*.

For more information on OptiMix Diversified Multi-Manager funds visit onepath.com.au

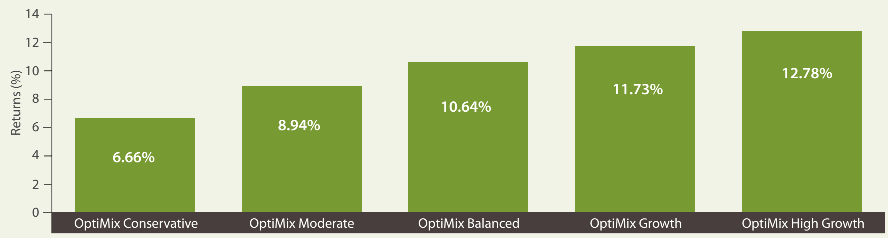
OPTIMIX DIVERSIFIED MULTI-MANAGER FUNDS

We have strengthened the proposition of the OptiMix Diversified Multi-Manager funds available through your account in OnePath Integra Super with greater contributions from specialists within our investment team and the addition of well-regarded investment consultants to support our capabilities. This, alongside selective changes to our manager line-up, has led to an improved risk-return proposition for our members even allowing for volatility around the Greek situation.

The graph below shows the investment performance of the OptiMix Diversified Multi-Manager funds for the year to 31 May 2015.

The solid results over the past twelve months have come from Tactical Asset Allocation (TAA) value add by being overweight in developed market international shares (unhedged).

OPTIMIX DIVERSIFIED MULTI-MANAGER FUNDS



Returns for OnePath Integra Super as at 31 May 2015

Note: Returns are shown net of investment fees and taxes. The return for your Employer Super plan may differ according to its negotiated fees and charges. Past performance is not indicative of future performance.

This article has been prepared using the most up-to-date figures available at the time of going to press. June 2015 figures will be available when published on onepath.com.au

* Morningstar® Australian Superannuation Survey March 2015

AN ALARMING REALITY FOR WOMEN AND THEIR SUPER

Most women retire with inadequate savings to fund a 'comfortable' lifestyle. What can they do to boost their super balance?

Australian women are living longer than ever and as a consequence, the length of time spent in retirement years is on the rise too. Today, women retiring at 60 can expect to spend an average of 29 years in retirement.[1]

Yet one in three women will retire with no super at all. We also know that the average super account balance for women when they retire is $90,000[2] less than the average for men, and 90% of women will retire with inadequate savings to fund a 'comfortable' lifestyle.[3]

WHY DOES THIS OCCUR?

A major contributor to this issue is 'super baby debt', where taking time off work to have a family means women can miss out on up to $50,000 in their super.[4] When women are not at work, employer contributions may stop. Even with part-time work, employers are only obligated to contribute to super if you earn over $450 a month.

Other contributing factors for women to not build a reasonable amount of retirement savings include: lower pay compared to their male equivalent, running a single-parent household after divorce and inability to be the primary care-giver and in full-time work.

Speak to your financial adviser to ensure your retirement strategy is on track.

SO WHAT CAN YOU DO TO IMPROVE RETIREMENT SAVINGS?

1. Consider asking your spouse to make a 'spousal contribution' to your super

If your assessable income is less than $13,800 for the financial year, your spouse can make a non-concessional (after-tax) contribution on your behalf and claim a maximum tax offset of up to $540 if your spouse contributes up to a maximum of $3,000 into your complying super fund.

Please note: eligibility criteria apply. See the ATO website for further details.

A spouse for the 'superannuation spouse contributions tax offset' includes a person who, although not legally married to you, lives with you on a genuine domestic basis in a relationship as a couple.

2. You may be eligible for a Government Co-contribution

Another option to help you 'catch-up' on your super savings is to take advantage of the Government Co-contribution Scheme[5]. You may have decided to return to work part-time after the kids were born, or alternatively return to work full-time. Either way, if you make a non-concessional (after-tax) contribution to your super fund, and earn less than $50,454 a year (for 2015/2016 year), you will be eligible for a Government Co-contribution of up to $500 if you satisfy the requirements.

To find out how much co-contribution you may be entitled to, go to the ATO's Super Co-contribution Calculator.

TFN alert: your super fund cannot accept after-tax contributions, or receive co-contributions on your behalf, if you have not provided your tax file number (TFN) to your fund.

3. Maximise concessional cap limits while you work

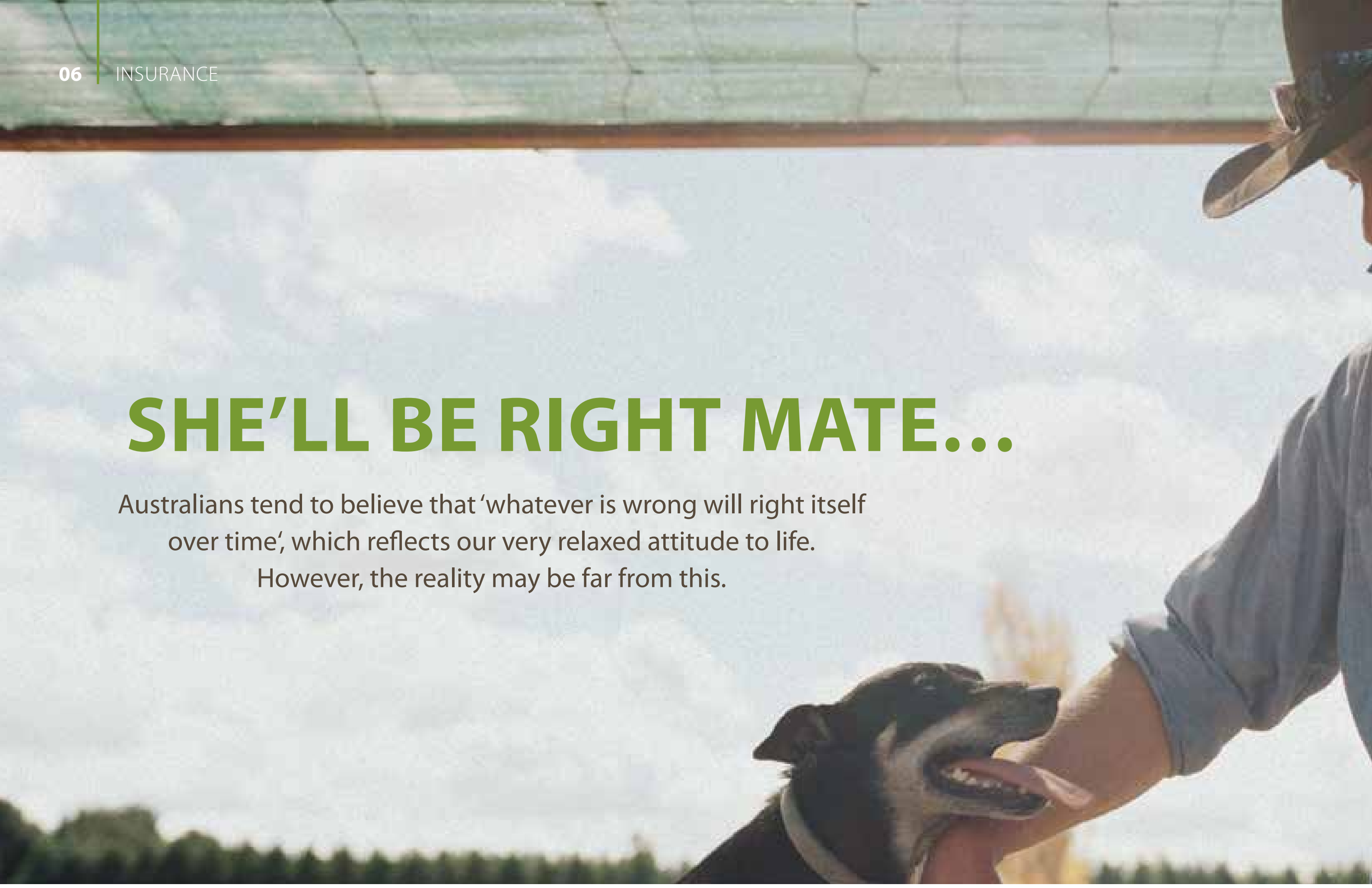
Regular super contributions beyond those your employer makes can rapidly increase your final retirement savings. One of the most tax-effective ways is to make contributions 'before-tax' via your employer, with a salary sacrifice arrangement. Limits apply to the total amount in before-tax dollars you may contribute to super (including Superannuation Guarantee contributions made by your employer). Please see the table below for the limits.

Income Year	Cap for those aged under 50 years as at the end of the financial year	Cap for those aged 50–59 as at the end of the financial year	Cap for those aged 60 years or over as at the end of the financial year
2015-16	$30,000	$35,000	$35,000
2014-15	$30,000	$35,000	$35,000
2013-14	$25,000	$25,000	$35,000

See Contribution caps at www.ato.gov.au

For more information on strategies relating to women and how you can achieve greater financial security, go to **anz.com/women**, or contact Customer Services.

1 2015 Intergenerational Report, 'Australia in 2055'. Page 5. Source: The Commonwealth of Australia.
2 The Association of Superannuation Funds of Australia, 'Help ASFA close the $92,000 superannuation gender gap this Women's Day', media release, 27 February 2015, accessed April 2015.
3 For the definition of 'comfortable' lifestyle, see ASFA Retirement Standards (May 2015) at superannuation.asn.au
4 ASFA media release 'How the 'super baby debt' eats away at a woman's nest egg' 27 August 2012
5 An income test and work test applies.



SHE'LL BE RIGHT MATE…

Australians tend to believe that 'whatever is wrong will right itself over time', which reflects our very relaxed attitude to life. However, the reality may be far from this.

'She'll be right mate…' is an Australian phrase used to express the belief that 'whatever is wrong will right itself over time' and reflects our very relaxed attitude to life.

But this is a belief. The reality may be far more serious, in that many Australians will experience some form of injury, illness or death, which can have significant impacts to their way of life or their family's financial security.

Thankfully, insurance is one way to safeguard against the financial impact of unexpected events like these and if you take out insurance within super, it could be a tax-effective way to help make sure you are covered. So, let us take a closer look at **insurance within super**, because a little of your time today could make all the difference to you and your family's life.

Did you know?
Premiums on basic Death and Total & Permanent Disablement (TPD) cover offered by the super fund may be paid from before-tax contributions such as Superannuation Guarantee (SG) or Salary Sacrifice arrangements. Contributions caps may apply.

Cardiovascular disease kills one Australian every 12 minutes[1].

Check your insurance cover to ensure your employer has set up your insurance cover correctly including: occupation, age, gender, types of insurance and sum insured.

DON'T LET DISABILITY RUIN THE REST OF YOUR LIFE

Meet Lucy and Lyle

Lucy and Lyle are both 34 years of age. Lucy works part-time as an architect, spending the rest of her time renovating their new home, while Lyle works as a landscape gardener. For their fifth wedding anniversary, Lucy and Lyle decided to take the skiing trip in Canada they had always dreamed of. The trip of a lifetime turns into a nightmare when Lyle is seriously injured on the slopes.

Sadly, the serious injury turned out to be a spinal fracture and Lyle is faced with life in a wheelchair.

Aside from dealing with the shock of such a serious injury, the couple has to contend with the costs of surgery, rehabilitation and completely modifying their home and car for Lyle. Luckily for Lyle and Lucy, their financial adviser had assessed their protection needs and ensured they were both covered, having TPD insurance via their life cover. As Lyle's injury meant that he met a condition of release to access funds in his superannuation account, he was able to access the insurance cover and they were able to extinguish some of the mortgage, pay for modifications to the home and car, as well as pay for some of the rehabilitation that Lyle would require.[2]

Because they decided to take less cover than their adviser had recommended, Lucy did have to go back to work full-time to cover the rest of Lyle's rehabilitation costs and continue paying the mortgage.

However, the cover that they did have went a long way in reducing their financial burden, allowing Lyle and Lucy more time to focus on important things, like Lyle's rehabilitation.

1 Heart Foundation Data and Statistics, heartfoundation.org.au
2 Terms and conditions apply before release of funds. Each case is assessed independently.

Don't wait until it's too late. For more information on adding additional cover within your super, speak to your financial adviser or contact Customer Services.

WHAT TYPES OF INSURANCE COVER IS OFFERED WITHIN SUPER?

Under the new MySuper reforms introduced in 2013, your employer's super fund has to provide a basic level of 'Death' (or Life) and 'Total and Permanent Disablement' (TPD or invalidity) insurance to eligible MySuper members. Super funds may also offer Income Protection separately within your super.

Insurance is typically sold in 'units' or as a fixed amount of cover ('fixed cover') and the cost of the cover is charged as a premium (referred to as insurance fees in MySuper products). You can apply to take up additional cover in any of the insurance types offered within your employer's super fund. Additional insurance cover is subject to approval by the insurer of the super fund and you may be required to undergo a medical assessment and complete a Personal Health Statement. Furthermore, if you have a pre-existing condition on or prior to the day that you increase your cover or are approved for a new type of cover, the insurer will not pay a benefit on the increased amount or new type of cover if the claim relates to the pre-existing condition.

INSURANCE TYPES

- Death cover – also known as term life insurance, pays a set amount of money when the insured person dies. The money will go to the people you nominate as beneficiaries on your super account (conditions apply).
- TPD cover – helps cover the costs of rehabilitation, debt repayments and the future cost of living if you are totally and permanently disabled. TPD cover is often bundled together with death cover.
- Income Protection – replaces the income lost through your inability to work due to injury or illness.

Did you know?
An insurance payout can be structured within your super, as an income stream, to reduce the amount of tax that may be payable and to provide the advantages of a regular income stream. Conditions apply. It is important to check with your financial adviser.

EASE THE STRAIN OF SUDDEN LOSS

Meet Elroy and Nina

Elroy and Nina are married with four children aged between 12 and 18. Elroy is 55 years of age and is a company executive earning $350,000, while Nina is 40 years of age and is a private bank manager earning $100,000. The family has a comfortable lifestyle and a remaining mortgage of $400,000.

On the way home from a business trip, Elroy is involved in a serious car accident. Sadly, Elroy doesn't survive the accident and dies on the way to the hospital. Elroy's death is a devastating blow to the family. However, Nina is comforted by the fact that Elroy's financial adviser ensured his insurance through his superannuation was robust enough to make sure the family were cared for in the event of his death. Elroy's $2 million payout ensured that Nina could pay off the mortgage, continue the children's education and meet all the funeral costs without financial strain.

Why you may need life cover
Life cover becomes a necessity if you have dependants who rely on you financially or if you have debts which need to be extinguished upon your death. Immediate expenses to take into account include:

- ongoing income for your dependants
- mortgage or other debts
- funeral costs
- medical or hospital costs.

WHAT DOES THE FEDERAL BUDGET MEAN FOR YOU?

On 12 May 2015, the Abbott Government delivered its second Federal Budget. There are a number of announcements of which you should be aware, though there were no major changes to investments or superannuation.

The announcements in this Budget update are proposals unless stated otherwise. These proposals need to successfully pass through Parliament before becoming law and may be subject to change during this process. In this update we look at the Budget proposals that may impact investors and individuals planning for retirement.

Early access to superannuation for people with a terminal medical condition from 1 July 2015

The Government has amended the provision for accessing superannuation for people suffering a terminal medical condition. This amendment will extend the life expectancy period from 12 months to 24 months.

Possible implications to consider

If an individual failed to obtain the required medical certification due to the restrictions of the 12-month rule, consider obtaining new medical certification. Whilst the change will allow earlier access to an individual's super it may not provide earlier access to any terminal insurance benefits as part of their super.

If you have insurance within your super, it is important to understand the terms and conditions. Consider maintaining some money in your super account to keep the account open and to pay insurance premiums. Withdrawing your full balance could result in the loss of valuable insurance cover. Refer to your financial adviser.

Changes to pension indexation abandoned

In last year's Budget, the Government proposed to change the indexation of pension payments to movements in the Consumer Price Index (CPI). This proposal is now abandoned. Pensions will continue to be indexed in line with the higher of increases in CPI, male total average weekly earnings and the pensioner and beneficiary living cost index.

Government commitment to continue indexation and not reduce deeming thresholds

The Government has committed to continued indexation of the pension income test free areas and deeming thresholds. The Government also announced that they will not be proceeding with the reduction in the income test deeming rate thresholds as announced in the previous 2014/15 Budget.

Changes to pension asset thresholds and taper rate from 1 January 2017

The Government has legislated increases to the lower pension asset thresholds. However, the asset test taper rate increases from $1.50 per fortnight for every $1,000 above this threshold to $3 per fortnight. This taper rate applied before 20 September 2007. Consequently, the upper asset thresholds reduce.

It is estimated that under the new rules:

- Around 50,000 part pensioners will qualify for a full pension.
- Approximately 91,000 part pensioners will no longer qualify for the pension and a further 235,000 will have their part pension reduced.

Those who no longer qualify for Age Pension because of the changes have guaranteed eligibility for the Commonwealth Seniors Health Card or the Health Care Card.

Tightening overseas absence rules and impact on certain payments, including Age Pension from 1 January 2017

The Government has proposed that recipients of the Age Pension, Wife Pension, Widow B Pension and Disability Support Pension (DSP) may have their entitlements decrease if absent overseas for more than 6 weeks (reduced from the current 26 weeks).

After 6 weeks' absence from Australia, pensioners who have lived in Australia for less than 35 years will be paid at a reduced rate proportional to their permanent residence in Australia between the age of 16 and pension age.

Pensioners absent on 1 January 2017 will not be affected by this change unless they return to Australia and make a subsequent trip overseas. The following pensioners will be exempt from these measures:

- Age Pensioners who have lived in Australia, as a permanent resident, for more than 35 years between the age of 16 and their pension age
- DSP recipients who are terminally ill or severely impaired
- Certain Widow B Pension recipients
- Certain Wife Pension recipients.

Possible implications to consider

If you're an Age Pensioner and take an overseas holiday post retirement, you should understand the impact to your entitlements if you are intending to be overseas for more than 6 weeks.

If you have any questions or concerns about how these or any other Budget proposals could affect you and your family, visit www.budget.gov.au, onepath.com.au or speak to your financial adviser. ■

IMPORTANT CHANGES AND INFORMATION

01 STANDARD RISK MEASURE

Since 2013 we have adopted the Standard Risk Measure which is based on the industry best practice guidelines to allow investors to compare investment funds that are expected to deliver a similar number of negative annual returns over any 20-year period.

The Standard Risk Measure is not a complete assessment of all forms of investment risk, for instance it does not detail what the size of a negative return could be or the potential for a positive return to be less than an investor may require to meet their objectives.

Further, it does not take into account the impact of administration fees and tax on the likelihood of a negative return. Investors should still ensure they are comfortable with the risks and potential losses associated with their chosen investment fund(s).

Risk Band	Risk Label	Estimated number of negative annual returns over any 20-year period
1	Very low	Less than 0.5
2	Low	0.5 to less than 1
3	Low to medium	1 to less than 2
4	Medium	2 to less than 3
5	Medium to high	3 to less than 4
6	High	4 to less than 6
7	Very high	6 or greater

For further information, refer to our website at onepath.com.au > Personal > Performance & updates > Product updates

Updated Standard Risk Measures – Integra Super

Option Name	Risk Band	Risk Label
Challenger Property	6	High
Colonial First State Diversified	6	High
OptiMix Geared Australian Shares	6	High
OptiMix Property Securities	6	High
Platinum International	6	High

02 CHANGES TO STRATEGIC ASSET ALLOCATION FOR PERPETUAL FUNDS

Perpetual has made some changes to the strategic asset allocations (SAA) of its diversified funds.

The following funds (referred to collectively as 'the Funds') are impacted:

- Perpetual Conservative Growth
- Perpetual Balanced Growth

The changes to the Funds' strategic asset allocation became effective in May 2014.

Strategic asset allocation changes

Perpetual Conservative Growth

	Previous		New – effective May 2014	
Asset Class†	**Benchmark (%)**	**Range (%)**	**Benchmark (%)**	**Range (%)**
Cash and enhanced cash*	34	15 – 45	33	15 – 45
Fixed Income	30	15 – 55	30	15 – 55
Property	3	0 – 10	5.5	0 – 10
Australian shares†	11	0 – 25	11	0 – 25
International shares†	9	0 – 20	9	0 – 20
Alternative assets‡	13	0 – 30	11.5	0 – 30
	100		100	

Perpetual Balanced Growth

	Previous		New – effective May 2014	
Asset Class†	**Benchmark (%)**	**Range (%)**	**Benchmark (%)**	**Range (%)**
Cash and enhanced cash*	12	0 – 30	15	0 – 30
Fixed Income	10	0 – 35	10	0 – 35
Property	3	0 – 15	5.5	0 – 15
Australian shares†	27	10 – 50	27	10 – 50
International shares†	27	10 – 50	27	10 – 50
Alternative assets‡	21	0 – 30	15.5	0 – 30
	100		100	

* This fund may invest in enhanced cash funds that allow gearing.

† The fund may gain its exposure to Australian shares by investing in one or more underlying Australian share funds. Where the fund invests in the Perpetual Australian Share Fund, that underlying fund invests primarily in Australian listed or soon to be listed shares but may have up to 20% exposure to stocks outside Australia. The investment guidelines showing the fund's maximum investment in international shares do not include this potential additional exposure. Underlying Australian share funds may use short positions as part of their investment strategy. Currency hedges may be used from time to time.

‡ Perpetual may allocate up to 30% of the portfolio to other assets which may include, but is not limited to, infrastructure, mortgages (including mezzanine mortgages), private equity, opportunistic property, absolute return funds, commodities and real return strategies. Exposure to other assets aims to enhance the fund's diversification and may reduce volatility.

03 PERFORMANCE BENCHMARK CHANGES

The performance benchmarks for certain investment funds have changed.

What has changed?

On 29 September 2014, all UBS Australia bond indices were acquired by the global and independent index provider Bloomberg Indexes (Bloomberg). As a result, the performance benchmarks for the funds listed in the following table (Funds) have changed names and will now be calculated, maintained and licensed by Bloomberg.

The changes became effective on 29 September 2014.

In addition, the performance benchmark for the OnePath Global Property Securities Fund will change as detailed in the table.

What is the impact of the changes to the performance benchmarks?

There is minimal impact to the Funds as a result of Bloomberg's acquisition of the UBS Australia bond indices. Other than the change of name, the main change is that the performance benchmarks are now based on Bloomberg's pricing system, the Bloomberg Valuation Service, instead of the pricing used by UBS.

There will be minimal impact to the OnePath Global Property Securities Fund as a result of the performance benchmark change, other than the change of name. The Fund will still use the most comparable index.

The old and new names of the performance benchmarks are outlined in the table below.

Fund	Previous Index	New Index
OnePath Alternatives Growth	UBS Bank Bill Index**	Bloomberg AusBond Bank Bill Index
OnePath Cash	UBS Bank Bill Index	Bloomberg AusBond Bank Bill Index
OnePath Diversified Fixed Interest	UBS Composite Bond Index (0+Yr)	Bloomberg AusBond Composite 0+ Yr Index
OnePath Global Property Securities*	UBS Global Real Estate Investors (ex-Australia) Net Total Return Index (hedged to the Australian dollar)	FTSE EPRA/NAREIT Developed Rental ex Australia Net Total Return Index hedged to Australian Dollars
OnePath Mortgages	UBS Bank Bill Index	Bloomberg AusBond Bank Bill Index
OptiMix Australian Fixed Interest	UBS Composite Bond Index (All Maturities)	Bloomberg AusBond Composite (All Maturities) Index
UBS Diversified Fixed Income	50% Barclays Capital Global Aggregate Index (A$ hedged), 50% UBS Australian Composite Bond Index All Maturities	50% Barclays Capital Global Aggregate Index (A$ Hedged), 50% Bloomberg AusBond Composite (All Maturities) Index

* The performance benchmark for this Fund was not acquired by Bloomberg. The change to the performance benchmark took effect from 31 March 2015.

** Previously referred to as the "UBS Australian Bank Bill Index" in the Continuous Disclosure Notice – Performance Benchmark Changes – February 2015

04 ANNUAL STATEMENTS FOR SUPER – ADDITIONAL EXPLANATORY NOTES

The following explanatory notes are to be read together with your 2015 Annual Statement for your super account. If you have any further questions about your Annual Statement, please speak to your financial adviser or call Customer Services.

Contributions tax

Contributions tax of 15% will apply to any contributions that you claim as a personal tax deduction (subject to a valid 'Notice of intent to claim a tax deduction' form) or contributions made by your employer (including salary sacrifice contributions).

In calculating the amount of tax payable we may make allowance for deductions available to the fund on transactions such as the payment of insurance premiums.

If you are claiming a tax deduction for personal contributions that you made in the Annual Statement period, the related contributions tax will only appear in the Annual Statement if we received your 'Notice of intent to claim a tax deduction' form by the date requested and the notice has been acknowledged by the Trustee.

Tax at a rate of 15% also applies to the untaxed element of a rollover superannuation benefit and certain foreign super fund transfers. The tax payable is shown on your Annual Statement.

Additional tax for high income earners (Division 293 tax)

An additional 15% tax may apply to certain concessional contributions if your adjusted taxable income exceeds $300,000. For further information please visit ato.gov.au or speak to your adviser.

Preservation status

Unrestricted Non-Preserved Benefit is the amount of the withdrawal benefit at the close of the reporting period that you can access at any time.

Restricted Non-Preserved Benefit is the amount of the withdrawal benefit at the close of the reporting period that you can access, if you leave an employer who has contributed to this fund on your behalf, or when preserved benefits are payable.

Preserved Benefit is the amount of withdrawal benefit at the close of the reporting period required to be preserved by the Trust Deed and super legislation governing your benefits. Generally, you cannot access this amount until age 65, or once you have reached your preservation age (between age 55 and 60, depending on your date of birth) and you have retired.

The total of the preservation components is net of withdrawal fees and contributions tax payable on contributions that were made up to the end of the reporting period. Please note: where no-TFN contributions tax is payable, the total of the preservation components will differ to the withdrawal amount as no-TFN contributions tax payable is deducted from the withdrawal amount and not from the preservation components.

Super Guarantee (SG) Allocation

The Super Guarantee Allocation is the amount of employee entitlement paid by the Australian Taxation Office (ATO) representing a superannuation guarantee shortfall and any interest for the shortfall. This amount includes the 9.5% (for 2014/15) obligation and any interest earned. The Super Guarantee Allocation may appear on your Annual Statement as either an addition or deduction. An addition represents a payment from the ATO into your account and a deduction may be the correction of a payment received to your account or the recovery of an overpaid Super Guarantee Allocation by the ATO. This Super Guarantee Allocation amount is determined by the ATO, so you should speak to your financial adviser or contact the ATO in relation to the amount paid.

Government contribution

Government contributions can include Government co-contribution and Low Income Super Contribution (LISC). The Government co-contribution is an incentive from the Australian Government designed to assist eligible individuals to save for their retirement. If you are working, your income is less than the prescribed threshold and you made a personal non-concessional contribution to super in 2014/15, you may be eligible for a Government co-contribution. Generally, the maximum co-contribution is $500 and reduces once your income exceeds the relevant threshold. Additional criteria must be satisfied to be eligible for the Government co-contribution.

The Low Income Super Contribution (LISC) effectively returns any tax paid (up to $500) on concessional contributions made in a financial year for a low income earner (an individual with an adjusted taxable income of $37,000 or less in an income year).

The co-contribution may appear on your statement as either an addition or deduction. An addition represents a payment from the ATO into your account and a deduction may be the correction of a payment received to your account or the recovery of an overpaid co-contribution by the ATO. Conditions apply, so you should speak to your financial adviser or contact the ATO in relation to the amount paid.

05 AUSTRALIAN PRUDENTIAL REGULATION AUTHORITY (APRA) LEVY

In 2013, the Federal Government increased the APRA Levy (Levy) paid annually by all APRA regulated superannuation funds. We wish to notify you that OnePath Custodians Pty Limited (Trustee) has now recovered this year's Levy from member accounts.

The amount of the Levy is set to recover the general operational costs of APRA, and will also assist with the implementation of the Government's 'SuperStream' reforms. These reforms are designed to support the superannuation system to operate more efficiently for the benefit of members.

The Levy is an expense to the OnePath MasterFund and is applied each year. The component of the Levy related to SuperStream will cease in 2018.

What does this mean for you?

The Trustee recovers the Levy by deducting it from the unit price of each investment option (excluding cash, term deposits and guaranteed products).

The recovery for the year ending 30 June 2015 occured on, or around, 28 May 2015. It is estimated the impact on members was 0.01% of unitised investment options. For example, a member with a balance of $50,000 will pay $5.00.

Looking forward to the 2015-16 financial year, the Australian Government is considering collecting the SuperStream component of the levies on a member basis rather than a percentage of a superannuation entity's assets.

What do you need to do?

You do not need to do anything, the Levy and unit price adjustment has already been recovered for the 2014/15 year and we will notify you of the changes made for 2015/16 by the Australian Government, if any.

06 YOUR ANNUAL REPORT IS AVAILABLE ONLINE

In line with OnePath's ongoing commitment to reducing our impact on the environment, your Annual Report will be available online in December 2015 at onepath.com.au > Personal > Forms & brochures > Find a form or brochure

07 CHANGES TO DISHONOURED CHEQUE PROCESSING PROCEDURE

In response to the declining usage of cheques, the Australian Payments Clearing Association has mandated that banks switch from paper to electronic image exchange as the mechanism to manage cheque payments.

As a result, if dishonoured, the physical cheque will no longer be returned to the customer. The customer will now receive a letter that contains an image of the dishonoured cheque. The new process is effective from 25 May 2015.

As a result of the physical cheque not being returned, the cheque re-presentation process can no longer be supported, and has been removed from ANZ's operating procedures.

08 MEMBER STRONGER SUPER LEVY

To cover some of the costs incurred to comply with the Government's 'Stronger Super' reforms and in line with many other super funds, the Trustee has approved an asset-based levy to be applied against the investments of OnePath MasterFund members in the 2015/16 financial year.

The levy will be a percentage based charge on unitised investment options estimated to be no greater than 0.06%, and applied as a one-time adjustment to the daily unit price. We will confirm the actual charge deducted in the next Member Update.

09 QUALIFYING RECOGNISED OVERSEAS PENSION SCHEME CHANGES

Her Majesty's Revenue & Customs (HMRC) has recently advised of changes in UK pension laws that impact how Qualifying Recognised Overseas Pension Schemes (QROPS), like the OnePath MasterFund, can retain their qualifying status.

From 6 April 2015, the changes mean that recognised overseas pension schemes have to ensure that pension benefits payable to the member are not payable before the member reaches normal minimum pension age unless the ill-health condition is met.

Unfortunately, the UK requirements may not be compatible with Australian superannuation law relating to the release of superannuation monies. As a result, at the time of publication, the OnePath MasterFund is no longer accepting transfers of monies from UK pension schemes.

HMRC has confirmed that members who transferred pension savings into the OnePath MasterFund prior to 6 April 2015 will remain subject to UK tax on the same basis as if the scheme had retained its qualifying status. They will be able to remain as members and receive a pension paid from the benefits transferred without automatically incurring additional UK tax charges.

10 CHECK YOUR INSURANCE DETAILS

Check your insurance cover to ensure your employer has set up your insurance cover correctly, including: occupation, age, salary (if applicable), gender, types of insurance and sum insured.

Integra Super

133 665 weekdays between 8.30am and 6.30pm (AEST)

customer@onepath.com.au

onepath.com.au/member

L7816/0715

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