Executive Director’s message

Welcome to The Super Advantage magazine for ANZ Super Advantage members. Thank you again for choosing ANZ Super Advantage for your Superannuation savings.

Market volatility
As you are no doubt aware, during 2008, sharemarkets experienced turbulent times and volatility is now part of our daily news headlines. The catalyst for much of the turbulence was the impact of the sub-prime mortgage markets in the US. The effects of this cascaded into a global credit crisis and subsequent financial crisis where financial institutions globally were faced with losses and liquidity pressures. Strains in the financial markets have since intensified and other sectors have led to a slowdown in global growth.

In late 2008, central banks and governments globally stepped up their efforts to deal with the issues surrounding financial markets and the capital position of the banking sector. Rescue packages have been put in place to save weakening companies, interest rates are being cut in many countries and governments are increasing spending in an attempt to stimulate growth in economies.

What does this mean for your Super?
During this turbulent time it’s essential to look at your investments in the context of your long-term goals. Markets will always fluctuate but the longer you stay invested, the less affected your investments are by short-term volatility. Diversification across asset classes and investment managers, along with expert advice, will also reduce risk and help you manage your portfolio through market downturns.

To read more about market volatility, what it means for your super and what you can do, turn to page 2. You will also find tips for investing in volatile markets in this issue.

Managing your Super with ANZ Super Advantage
Also in this edition of The Super Advantage we show you how easy it is to manage your super online and the importance of financial advice, as well as updating you on what is new for ANZ Super Advantage.

I trust that you will find this edition of The Super Advantage useful and once again thank you for your continuing support of ANZ Super Advantage. I understand that this may be a concerning time for investors so to help you make sense of it and keep up to date with the latest developments please visit www.anz.com > Investments & Advice > Education > Investing.

Ross Bowden
Executive Director, Wealth Management
ING Australia Limited

In this issue

- Market review and outlook with Emmanuel Calligeris 1
- Market volatility – what does it mean for your super? 2
- What can you do during this period of volatility? 3
- The importance of financial advice 3
- Are you taking advantage of all your ANZ Super Advantage benefits? 4
- There are plenty of things to collect... super accounts shouldn’t be one of them 5
- ING in the community 5
- Other important information 6
World financial markets experienced a turbulent 2008, with sharemarkets falling dramatically and governments responding with unprecedented rescue plans. We chat to Emmanuel Calligeris to discuss the factors which are contributing to the turmoil and how he sees the markets and economy shaping up in 2009.

What's the cause and impact of the recent volatility of the Australian dollar?
The high demand for commodities, particularly by China, and higher interest rates in Australia saw the Australian dollar rise against most major currencies over the past few years. However the slowing in economic activity brought about by the US sub-prime mortgage crisis has seen the demand for commodities come to an abrupt halt and their prices fall accordingly. This caused the Australian dollar to fall from a high of over US$0.98 to US$0.60 in the space of about four months.

The fall in the Australian dollar will tend to redistribute Australia’s growth over the next year. Exports will be cheaper and imports more expensive. Companies that import items from overseas may see costs rise and may see a consequent fall in profits as a result.

How will the drop in oil price affect consumers and economies?
During 2008, we witnessed oil prices reaching a peak before falling to four year lows in December. This fall in oil prices should assist in boosting economic activity, as the cost to a consumer of filling up the car and the cost to industry for its energy requirements will be lower. This is a positive outcome of the global slowdown.

What is your view of the Australian housing market?
The value of total lending is down 23.7% year-on-year, compared to its weakest point of -30.4% in June. It would seem that we have passed the lowest point for the short term and lower interest rates will lend considerable support to the housing market. Despite the lower interest rates, activity should remain subdued in the first half of 2009 as unemployment is expected to rise further from here.

What is the outlook for the sharemarkets?
Some of the conditions for global recovery are falling into place including declining interest rates, the lower oil price, a decreasing rate of inflation and increased government spending. Other data is yet to signal that a bottom has been reached, the most important being the rate of decline in US house prices and a freeing up of the frozen credit markets.

Over the course of 2009, government policy action should begin to work, paving the way for a modest economic recovery at the tail end of 2009 and into 2010. The sharemarket should begin to react to the improved data in advance of the turn in the economy. The continued high uncertainty should see a modest recovery in share prices around mid year. It is likely that risk-taking will be modest as the repair of company balance sheets will be paramount.

What is the key message for investors concerned about their investments?
Sharemarkets across the world have fallen to reflect a great deal of economic weakness. During this period, companies across the board have felt the effects of negative market sentiment and have suffered dramatic falls to their stock prices. This may provide a good buying opportunity as many investors are now beginning to see there are quality companies with strong balance sheets that are positioned to take advantage of growth opportunities when the economy commences its recovery.

However, before you consider changing your investment, you should seek financial advice. Having a financial adviser and a long-term financial plan can give you the confidence to manage the effects of market cycles. With the right advice you can ensure your investments are tailored to your risk profile and time horizon, giving you the certainty of knowing you’re doing what’s right for you.

A solid track-record of growing and protecting your wealth
At ING, we continue to focus on managing your investments responsibly and professionally.

ING is one of the most reputable and trusted brands in financial services. We are one of the country’s largest fund managers and insurers, with more than $43 billion in funds under management and $717 million in annual insurance premiums as at November 2008.

Our company is financially strong and secure. We are well funded and have a healthy balance sheet holding capital in excess of regulatory requirements. We are a joint venture with strong parent companies – ING Group and ANZ Bank.

ING was recently rated the sixth most trusted brand in Australia and was the most highly rated financial services company in the survey*.

* AMR Interactive brand reputation research, 2008.
Global investment markets have experienced unprecedented volatility over the past year. While no one can predict what will happen in the future, it is important to remember that there will always be movements in the markets. If you are concerned about the impact of market volatility, speaking to your financial adviser and reviewing your strategy places you in a strong position to see through these challenging times.

How does this affect your super?

While it is certainly not the first time we have seen market volatility, it has been a cause of concern for investors and it’s only natural to question what it means for investments, including super. Recently we have seen markets falling, affecting the returns of investment funds. While no one likes to see negative returns at anytime, it is important to put these results in perspective.

Markets operate in cycles and after a strong five years of record performance the Australian sharemarket has moved into the next phase. Years of Australian sharemarket history shows that volatility is part of the market cycle and events over the past year are certainly indicative of a changing market climate.

History has shown that markets drop substantially in the wake of a crisis. We have also seen markets recover from these events, often quite swiftly. Of course there are no guarantees that what has happened in the past will always happen in the future, but historical trends do help to put market volatility into perspective. Above all, it’s important to remember that markets move up and down but it’s the long term that counts and for most people super is a long-term investment.

The importance of time-in not timing

As history has shown us, market corrections occur from time to time and are part of the sharemarket’s normal cycle. While they can be a cause for concern, and rather dramatic on a day-to-day basis, they usually follow long-term cycles.

While you may be tempted to try to time the market – for example switching investment funds to avoid further falls – there is the risk of missing out on market rises, which often come after the falls. Timing the market is very difficult and even the most sophisticated investor can incorrectly judge short-term movements. Taking a longer term view and being prepared to ride out the lows may, in the long run, maximise the value of your investment. Before making any investment decisions, you should speak to your financial adviser.

Diversification

The recent market volatility has prompted many investors to review their investments. Shares have historically offered good long-term returns, but can be volatile and may seem risky in the shorter term. Property may provide good opportunities, but how do you know when it is the right time to invest? Holding your super in cash might be relatively safe, but does it provide you with enough return to meet your future goals?

Diversification is one of the golden rules of investing. Spreading investments across all asset classes such as shares, property, fixed income and cash, helps to spread the risk. As all asset classes have different risk and return characteristics, no asset class will consistently be a top performer.

Risk and return

Understanding risk and return, and managing it through diversification is fundamental to achieving your investment goals. This is because your understanding and level of risk tolerance will dictate the type of assets in which you invest. Balancing risk and return can be tricky, but also rewarding when matched appropriately to your investment profile and timeframe.

Risk and return are very closely correlated. Generally, to achieve potential higher returns you would need to accept a greater risk of loss. If, however, you are seeking less risk, you can generally expect potentially lower returns. This is known as the risk/return trade off. In order to determine how your attitude to risk and return affects your investor profile, speak to your financial adviser.

One of the best ways to manage risk is to diversify

You can diversify:

- Across asset classes – different asset classes carry their own risks. By diversifying across these classes you can reduce volatility in a particular asset class.
- Within asset classes – you could invest in different investment funds within the same asset class, e.g. Australian shares or international shares.
- Through investment management styles – each investment manager has their own style. Finding a mix of investment managers that complement each other is a good way to ensure you reduce any bias a particular manager may have.

ANZ Super Advantage offers a wide selection of investment funds which invest across a range of asset classes and managers.
The importance of financial advice

It always makes sense to seek quality advice when making decisions about your financial future. During times of market volatility it’s even more important to think carefully and seek professional advice before making investment decisions or changes. Your adviser has the knowledge, training and experience to help you make your most important decisions and set priorities to secure your financial future.

Advisers specialise in dealing with financial questions every day so they can explain how different strategies could work for you. Understanding the laws and technical information that may apply to a specific strategy can take a lot of time. Your adviser will take into consideration the regulations affecting your money and assess the fit of various strategies to your needs and preferences.

Maintaining an ongoing relationship with your financial adviser is the best way to ensure that your financial plan is up to date and reflects your changing circumstances. If you haven’t done so recently, now may be a good time to speak with your financial adviser.

What can you do during this period of volatility?

✔ Take your time and think carefully about your investment decisions.
✔ Consider your timeframe – remember that investing takes time, trying to time the market is unlikely to be as successful as simply focusing on time-in the market. More time-in the market also helps you harness the power of compound returns.
✔ Diversify your investments to spread your risk and benefit from returns in different sectors.
✔ Set and review your investment strategy appropriate to your goals, risk profile and timeframe.
✔ Seek good sound professional advice, especially if you are thinking of changing investment funds.
✔ Visit www.anz.com > Investments & Advice > Education > Investing.

Reminder: before making any change to your existing investment strategy, you should be aware of the full implications, including risks and costs. For example, particularly in volatile markets, your current investment strategy may have gone down in value. This is only a paper loss until you decide to switch or withdraw. If you decide to switch or withdraw then the position is real and is irreversible. A financial adviser is best placed to lead you through this and other issues.
**Investor Access online**

Using our online services, Investor Access allows you to conveniently track and manage your super online. You can:

- Update your personal details
- View a snapshot of your account
- View the transactions made on your account
- Change your Super investment strategy

**Registering for Investor Access is easy!**

Simply log on to www.anz.com/wealth/super and select ‘Investor Access’ then ‘Register’ on the right hand side of the page. This will take you to the online registration form.

**It’s easy!**

**Other online services**

You can also access other online information and services via www.anz.com/wealth/super to help you effectively manage your Superannuation account.

- Performance information and unit prices
- Calculators
- Publications and forms

**Beyond banking is anz@work**

Take advantage of the valued relationship ANZ has with your employer with anz@work, a banking package that combines a range of event-related information (LifeGuides) together with an exclusive package of discounted banking benefits, fee savings, bonus interest and rewards.

If your employer is registered on the anz@work program and your salary is directly credited into an ANZ transaction or savings account, you have access to this exclusive package of benefits. Talk to us today about:

- Mortgage lending
- Everyday Banking and Savings
- Credit Cards
- Investing
- Financial Planning and Education
- Personal finance

Apply online at www.anz.com/anzatwork or phone 1300 134 603.

**‘L-earn’ how to grow your Super**

ANZ L-earn is a unique online financial education package. It is easy to use and provides tips and strategies on budgeting and saving whilst offering a range of useful information on key investment topics, including superannuation, investing, savings, managed funds and insurance. www.anz.com.au/australia/anzatwork/learning/home.asp

**What’s new?**

We are always looking at ways to improve ANZ Super Advantage so that it continues to be a quality product. From April 2009, ANZ Super Advantage will feature:

- Five new investment funds for you to choose from, including the ANZ Flexible Term Deposit – see page 6
- New insurance arrangements – the Trustee has completed a comprehensive review of the insurance arrangements for ANZ Super Advantage and appointed ING Life as the sole insurer. This brings about important improvement in terms and conditions for members including:
  - A higher amount of maximum Group Salary Continuance Cover available to you – see page 8
  - Access to an unlimited amount of Death Only Cover – see page 8
  - An increase in the Total and Permanent Disablement Benefit available – see page 8.

*More information is included in the enclosed flyer.*
There are plenty of things to collect... super accounts shouldn’t be one of them

Collecting superannuation accounts can cost you money and impact your retirement

Collecting multiple Super accounts may mean you’re:

› paying more fees. Each year Australians are paying $1-2 billion in unnecessary Super fees*.
› having to manage multiple sets of paperwork.
› unaware of how much super you actually have. You may even have lost Super.

So, if you think it’s time to get your Super organised, see the enclosed flyer to make it happen!


Win $5,000 cash!

Rollover your other Super accounts into your ING Super account before 31 March 2009 and you will go into the draw to win $5,000 cash that you can use to collect something that you really want!* Rolling over your Super to ANZ Super Advantage is easy – see the enclosed flyer to find out how simple it is!

† Terms and conditions of entry apply and are available at www.ing.com.au/downloads/13653.asp. The promoter is ING Custodians Pty Limited (ABN 12 008 508 496, AFSL 238346, RSE L0000673) Licensed under NSW Permit no.LPS/08/09000, ACT TP 08/03863 and SA Licence no.T08/3939.

ING in the community

Throughout 2008 the dedication of ING volunteers has continued to be outstanding. Over 1,000 employees volunteered over 3,000 hours of their time all in an effort to improve the lives of children who are underprivileged, sick or those with special needs and their families. Below we look at the experience of one ING volunteer who embarked on a once-in-a-lifetime volunteering opportunity.

ING Chances for Children offered ING employees worldwide the opportunity to volunteer for one month as part of the UNICEF National Child Labour Project in Tamil Nadu, India.

Alison Hiscocks from Australia was one of seven ING employees globally to be offered this incredible opportunity. Along with the six other ING volunteers from the Netherlands, Argentina and the United States, Alison delivered four two-day human resource management and leadership training modules to headmasters, supervisors and education officers in the Tamil Nadu public school system. In total over 480 persons were trained.

Whilst in India, Alison was also able to visit another ING supported UNICEF initiative – the National Child Labour Project.

Child labour is common in India. Often children work to contribute to their family’s paltry income. Approximately 6.3 million children live in the state of Tamil Nadu. The UNICEF project operating in Tamil Nadu focuses on two districts with a combined child population of 350,000. According to a recent survey, 70,000 of these children do not go to school because they have full-time jobs. The aim of the National Child Labour Project is to place working children back in school.

“I have seen with my own eyes the positive impact that ING is having on communities such as those in Tamil Nadu, India. The relatively short time spent by volunteers in these communities has the power to profoundly change the lives of so many.”

– Alison Hiscocks.
Other important information

**Product enhancements**

Effective 1 April 2009, the following exciting product enhancements will take effect.

**Changes to investment funds**

We regularly monitor the investment funds offered through ANZ Super Advantage. To maintain the quality and diversity of the investment funds, we may make changes at any time, including:

- adding, closing or terminating an investment fund
- removing, replacing or adding a fund manager
- changing an investment fund’s objective, investment strategy (including the benchmark), asset allocation, neutral position and range, currency strategy and the number of asset classes
- changing the rules that govern an investment fund (e.g. changing fees, notice periods or withdrawal features).

In some cases we make these changes without prior notice to members. Any changes will be considered in light of the potential positive or negative impact on members.

Fund managers can, over time, make changes to the funds they manage. This can include changes to their investment approach, the type of assets the fund buys and redemption processes. You must be aware that you may not have the most up to date information about a fund or have been notified of material adverse changes or significant events immediately before the change or event occurs at the time you make an additional investment or an additional acquisition is made. For the most up to date information about changes to the investment fund, speak to your financial planner and refer to our website.

We will notify existing members in affected investment funds as soon as practicable after any changes via regular member communications, the ANZ website and/or the Fund’s Annual Report.

**New investment funds**

We are adding five new investment funds on 27 April 2009:

- ANZ Flexible Term Deposit
- ING Global Property Securities
- OptiMix Global Emerging Markets Shares
- BlackRock Asset Allocation Alpha
- Vanguard International Shares Index (Hedged)

Information on the new investment funds is outlined below. At the time of printing, the exact Investment Management Fees (IMFs) for the new investment funds were not available. In the meantime, we can advise that the range for the new investments funds will be between 0.29% p.a. to 1.37% p.a. (after tax).


---

**How to invest in the new investment funds**

If you would like to invest* in any of the new investment funds detailed below, please use the updated Member Investment Choice Nomination Form available at www.anz.com from 27 April 2009. The new PDS, which will include these funds, will be available from 1 April 2009.

<table>
<thead>
<tr>
<th>ANZ Flexible Term Deposit</th>
</tr>
</thead>
<tbody>
<tr>
<td>□ Diversified across investment managers</td>
</tr>
<tr>
<td>□ Diversified across asset classes</td>
</tr>
<tr>
<td>✓ Single investment manager</td>
</tr>
<tr>
<td>✓ Sector fund</td>
</tr>
</tbody>
</table>

**Investment objective**
The fund aims to provide investors with a high level of capital security while achieving returns generally in line with cash management accounts and term deposits by investing in ANZ bank deposits.

**Investment strategy**
The ANZ Flexible Term Deposit fund aims to meet its objective by investing in a portfolio of term deposits and cash held by ANZ.

**Investment timeframe** – No minimum

<table>
<thead>
<tr>
<th>Asset allocation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Asset class</td>
</tr>
<tr>
<td>Cash and term deposits</td>
</tr>
</tbody>
</table>

**Performance**
For investment returns go to www.anz.com/wealth/super

<table>
<thead>
<tr>
<th>ING Global Property Securities</th>
</tr>
</thead>
<tbody>
<tr>
<td>□ Diversified across investment managers</td>
</tr>
<tr>
<td>□ Diversified across asset classes</td>
</tr>
<tr>
<td>✓ Single investment manager</td>
</tr>
<tr>
<td>✓ Sector fund</td>
</tr>
</tbody>
</table>

**Investment objective**
To out-perform (before fees, charges and taxes) the UBS Global Real Estate Investors (ex Australia) Total Return Index (hedged to the Australian dollar) over rolling three year periods.

**Investment strategy**
The fund invests primarily in a portfolio of global (including Australian) property and property related securities.

**Investment timeframe** – 5 years

<table>
<thead>
<tr>
<th>Asset allocation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Asset class</td>
</tr>
<tr>
<td>Cash</td>
</tr>
<tr>
<td>Global property securities</td>
</tr>
</tbody>
</table>

**Performance**
For current investment returns go to www.anz.com/wealth/super

Underlying fund: ING Wholesale Global Property Securities Fund managed by INGIM
**OptiMix Global Emerging Markets Shares**

- Diversified across investment managers
- Diversified across asset classes
- Single investment manager
- Sector fund

**Investment objective**
The fund aims to achieve returns (before fees, charges and taxes) that exceed the MSCI Emerging Markets (Free) Index ($A unhedged), over periods of five years or more.

**Investment strategy**
The fund invests predominantly in a diversified portfolio of shares in global emerging markets through a mix of managers. The fund is actively managed in accordance with the OptiMix Manage the Managers process.

**Investment timeframe** – 7 years

**Asset allocation**

<table>
<thead>
<tr>
<th>Asset class</th>
<th>Benchmark (%)</th>
<th>Range (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash</td>
<td>0</td>
<td>0-20</td>
</tr>
<tr>
<td>Global emerging markets shares</td>
<td>100</td>
<td>80-100</td>
</tr>
</tbody>
</table>

**Performance**
For current investment returns go to [www.anz.com/wealth/super](http://www.anz.com/wealth/super)

---

**BlackRock Asset Allocation Alpha**

- Diversified across investment managers
- Diversified across asset classes
- Single investment manager
- Sector fund

**Investment objective**
The fund’s investment objective is to maximise total returns by implementing a diverse range of global tactical asset allocation strategies within a flexible but disciplined risk management framework. The fund aims to provide investors with the benefits of an active asset allocation process which could either be combined with specialist sector funds or utilised as a total return fund. The fund targets a return of 12 percentage points above the UBS Bank Bill Index over rolling three year periods, before fees, charges and taxes. Most, if not all, of the fund’s returns are likely to be in the form of income.

**Investment strategy**
The investment strategies are thematic, concentrating on exploiting trends, likely developments and mispricing in global asset markets. The thematic strategies employed are the product of BlackRock’s analysis which focuses on a fundamental assessment of economics, liquidity and valuations. BlackRock draws on its worldwide research capabilities and fund management expertise in developing and exploiting these strategies.

**Investment timeframe** – 5 years

**Asset allocation**

<table>
<thead>
<tr>
<th>Asset class</th>
<th>Benchmark (%)</th>
<th>Range (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>International shares</td>
<td>100</td>
<td>100</td>
</tr>
</tbody>
</table>

**Performance**
For current investment returns go to [www.anz.com/wealth/super](http://www.anz.com/wealth/super)

---

**Vanguard International Shares Index (Hedged)**

- Diversified across investment managers
- Diversified across asset classes
- Single investment manager
- Sector fund

**Investment objective**
The fund aims to match the total return (before fees, charges and taxes) of the MSCI World ex-Australia Index (with net dividends reinvested), hedged to Australian dollars.

**Investment strategy**
To closely track the Index, the fund employs optimisation techniques which involve selecting a representative sample of shares in the Index. The fund holds most of the shares in the Index but allows individual share weightings to vary marginally from the Index from time to time. The fund may invest in shares that have been or are expected to be included in the Index.

The fund uses forward foreign exchange contracts to offset depreciation and/or appreciation in the value of the securities resulting from fluctuation of the currencies in the countries where the securities are held. The net result for the fund is that the total return is relatively unaffected by currency fluctuations.

**Investment timeframe** – 5 years

**Asset allocation**

<table>
<thead>
<tr>
<th>Asset class</th>
<th>Benchmark (%)</th>
<th>Range (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>International</td>
<td>100</td>
<td>100</td>
</tr>
</tbody>
</table>

**Performance**
For current investment returns go to [www.anz.com/wealth/super](http://www.anz.com/wealth/super)

* Defined Benefit members will be subject to their employer’s default investment strategy and are unable to switch between investment funds.*
**Important insurance changes**

As mentioned in your 2008 The Super Advantage magazine and Annual Report (for those who were members of ANZ Super Advantage at 30 June 2008) the Trustee recently undertook a review of insurance arrangements through ANZ Super Advantage. This review is now complete with the Trustee appointing ING Life as the sole insurer for ANZ Super Advantage. This brings important improvements to the terms and conditions for all members that apply immediately. For details of the enhancements, please read the enclosed flyer.

In addition to the enhancements outlined in the enclosed flyer, effective 1 April 2009, you will be able to benefit from increases to the maximum levels of insurance cover available.

The Trustee is currently in the process of updating the Insurance Guides which form part of the ANZ Super Advantage Product Disclosure Statement. These updated documents will be available on the ANZ website at www.anz.com/wealth/super from 1 April 2009. In the meantime, should you require further information please contact Customer Services on 13 38 63.

**Increase in maximum GSC monthly benefit**

The maximum monthly benefit available for GSC will increase from $20,000 to $25,000 or 75% of salary per month, whichever is the lesser. To change your monthly benefit amount you will need to send us your request in writing and health evidence may be required. The relevant form is available from www.anz.com/wealth/super

**Increase in maximum Death only benefit**

The maximum Death only benefit available will increase from $4 million to unlimited. To change your Death only benefit amount you will need to send us your request in writing and health evidence may be required. The relevant form is available from www.anz.com/wealth/super

**Increase in maximum TPD benefit**

The maximum TPD benefit available will increase from $2 million to $3 million. To change your Death and TPD benefit amount you will need to send us your request in writing and health evidence may be required. The relevant form is available from www.anz.com/wealth/super

If you would like to increase your level of cover to take advantage of the new maximums, on or after 1 April 2009, you will need to complete the ‘Insurance Variation Form’ available from www.anz.com/wealth/super (Please note: applications to increase cover may be subject to underwriting).

**Product changes**

Along with the exciting product enhancements above, the following product changes will also take place from 1 April 2009.

**Withdrawal Fee indexation**

The Withdrawal Fee (if applicable) will be indexed annually at 1 July, in line with changes in the Consumer Price Index (CPI) using the 31 December year end rate. At the time of printing, the CPI rate for the quarter ended 31 December 2008 was not known and accordingly, the new Withdrawal Fee (including indexation) will be advised on the website at www.anz.com/wealth/super from 1 March 2009.

We will endeavour, where possible, to advise you of the changes in the Withdrawal Fee from time to time in the next issue of The Super Advantage magazine or on the ANZ website at www.anz.com/wealth/super

**Member protection**

Under Federal Government legislation, superannuation funds are required to protect certain small account balances from erosion by fees. A protected small account is an individual member’s account with a balance of less than $1,000 that includes employer contributions for Superannuation Guarantee or award purposes. ANZ Super Advantage protects small accounts by ensuring any fees (those fees levied on a dollar basis excluding percentage based fees which are included in the unit price) deducted in any reporting period do not exceed the investment earnings credited to a member’s account for that period. However, insurance premiums or taxation, if any, will continue to be deducted from a member’s account.

Any dollar based fees, in excess of investment earnings which have been deducted, are reimbursed to members with account balances under $1,000 at the annual review date.

In the event that the total earnings of ANZ Super Advantage are less than the total administration fees for all members in any reporting period, we will debit each account in ANZ Super Advantage to pay for the administration of the fund in a fair and equitable manner consistent with the Superannuation Industry (Supervision) Act. In these circumstances we may charge small account holders an amount equal to the investment return credited to their account, plus $10.

Under current legislation, the cost of providing member protection can be deducted, at the Trustee’s discretion, from the fund as part of this year’s annual review. The costs of providing member protection will be included in the ‘Other Management Costs’ shown in your annual statement and will be up to a maximum of 0.09% p.a (after tax) of fund assets.

If you leave your employer and your account balance is less than $1,000, we may transfer your account balance to an Eligible Rollover Fund that accepts small balances and complies with member protection rules.
Securities lending
The risk associated with the fund participating in securities lending is that the borrower does not return the equivalent securities lent. However, that risk is minimised as the custodian is required to receive sufficient collateral to mitigate any counterparty risk. Typically, securities are made available by the custodian to be lent to third parties who expect to profit from the expected fall in value of that security, a strategy known as ‘short selling’. The risk associated with short selling for the lender is that the value of the returned securities will be less than what was originally lent.

Liquidity Risk
During market uncertainty it is important to be aware of the liquidity risk associated with your investment. Liquidity risk arises when it is difficult to sell an asset at short notice (i.e. within 30 days) without resulting in a reduction in the value of that asset.

Assets such as shares, listed property securities and cash are generally considered liquid as they are generally traded on active markets where assets can be more easily realised at their full value. Private and unlisted assets such as direct property, leveraged leases, private placements and infrastructure are generally considered illiquid as they are not generally traded on active markets and it can take longer to convert such assets to cash.

During abnormal or extreme market conditions some normally liquid assets may become illiquid, restricting our ability to sell them at short notice and to make withdrawal payments or process switches for investors without delays or loss in value, or within the timeframes set out in the Product Disclosure Statement.

You may be able to manage liquidity risk by diversifying across a range of investment funds.

It may take longer than 30 days to process a withdrawal or switch request in the unlikely event of an investment fund ceasing to be ‘liquid’.

2008/2009 Federal budget update
Same sex couples Legislation has been passed to remove same sex discrimination from a wide range of Commonwealth laws, including tax, superannuation, social security, health, aged care, veterans’ entitlements, workers compensation and employment entitlements. The reforms are being phased in and will provide new rights for same sex couples and their children.

For more information you can visit www.budget.gov.au or contact your financial adviser.
Customer Services

Phone enquiries
13 38 63

Email
customer@ing.com.au

Postal address
ANZ Super Advantage
GPO Box 4028
Sydney NSW 2001

Website
www.anz.com/wealth/super