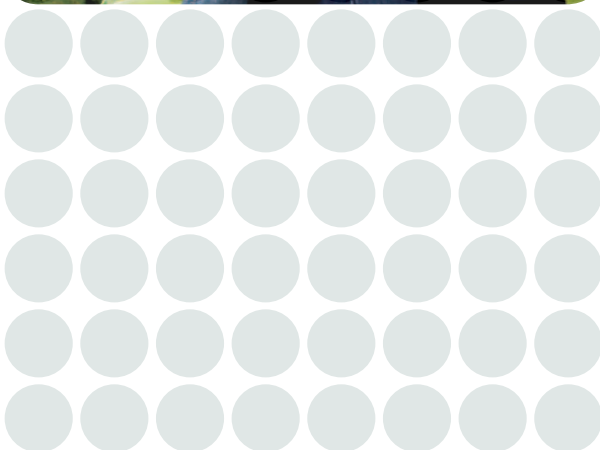


Significant Events Notice

Product and investment changes



This Notice provides members of the Zurich Master Superannuation Fund ('Fund') with a summary of the changes that may affect your investment in the Fund.

The Trustee of the Zurich Master Superannuation Fund (ABN 33 632 838 393 SFN 2540/969/42 Registration No. R1067651) is

Zurich Australian Superannuation Pty Limited

ABN 78 000 880 553 AFSL 232500

RSE Licence No. L0003216

5 Blue Street North Sydney NSW 2060

Telephone: 131 551

Facsimile: 02 9995 3797

This notice is to be read in conjunction with the 2012 Zurich Master Superannuation Fund Annual Fund Report (available at www.zurich.com.au/annualreports) which further explains the changes. A copy is available free of charge by contacting Zurich's Client Service Centre.

If you have any questions, please contact either your financial adviser or Zurich's Client Service Centre on 131 551.

Update: Product and Investment

*In this section, **ZSP** stands for Zurich Superannuation Plan, **ZRP** stands for Zurich Retirement Plan, **ZABP** stands for Zurich Account-Based Pension, **ZAP** stands for Zurich Allocated Pension and **ZTAP** stands for Zurich Term Allocated Pension.*

Please note that the information in the following section applies to all plans (unless as indicated).

Increase to the minimum Monthly Portfolio Management Charge

(ZSP, ZABP, ZAP and ZTAP clients only)

Effective 1 April 2012 the minimum monthly Portfolio Management Charge for the Zurich Superannuation Plan (ZSP), the Zurich Account-Based Pension (ZABP), the Zurich Allocated Pension (ZAP) and the Zurich Term Allocated Pension (ZTAP) increased from \$19.26 to \$19.86 and the Cheque Fee (for ZABP, ZAP and ZTAP only) increased from \$6.71 to \$6.92.

As disclosed in the PDS, the increase has been calculated on the Consumer Price Index ('CPI') increase measured over the 12 months ending 31 December of the previous year (ie. 2011). The CPI is the "Weighted Average of Eight Capital Cities Index" published by the Australian Bureau of Statistics.

Closure of investment options

(ZSP, ZABP and ZAP clients only)

Effective 22 June 2012 the following two investment options were closed to new business and were wound up on 2 August 2012

- Advance Imputation Wholesale option
- Perpetual Wholesale Balanced Growth option

And effective 26 June 2012, the Global Small Companies Share option was closed to all future business and will be wound up on 26 September 2012.

Members in these options were asked to nominate an alternative option(s) for their investments or their investment was/will be moved into the relevant default option(s).

The decision to close these options was based on the relatively small level of funds under management, which made the options costly to administer. Over the long-term, this could have had an adverse effect on member's investment returns and fees charged.

If you have any questions regarding the closure of these investment options, please contact either your financial adviser or Zurich's Client Service Centre on 131 551.

Addition of two investment options to Zurich retirement income products (ZABP and ZAP clients only)

To ensure consistency across the Zurich Superannuation Plan, Zurich Account Based Pension and Zurich Allocated Pension plans, making the transition for clients from Accumulation to Income seamless, the following two externally managed options currently available exclusively on the Zurich Superannuation Plan will be made available to new and existing members of the Zurich Account Based Pension and to existing members of the Zurich Allocated Pension effective 22 June 2012:

- Colonial First State – Australian Shares option
- BlackRock Balanced option

Full details of these options can be located in the Investment option summaries section in the Annual Fund Report.

Other significant notices

Federal Budget 2012/13

On 8 May 2012 the Treasurer, Wayne Swan, delivered his fifth Federal Budget. Following are announcements that may impact on your investment in the Fund. We recommend you speak to your financial adviser about how these changes affect your investment.

Please note that unless otherwise stated, legislation may not yet have been passed. We strongly recommend that members check with their financial adviser before making any changes to their investment.

Reduction of higher tax concession for contributions of very high income earners

From 1 July 2012, individuals with income greater than \$300,000 will have the tax concession on their contributions reduced from 30% to 15% (excluding the Medicare levy).

The definition of 'income' for the purpose of this measure will include taxable income, concessional superannuation contributions, adjusted fringe benefits, total net investment loss, target foreign income, tax-free government pensions and benefits, less child support.

The reduced tax concession will not apply to concessional contributions which exceed the concessional contributions cap and are therefore subject to 'excess contributions tax'. These contributions are effectively taxed at the top marginal tax rate and therefore do not receive a tax concession.

Treasury is consulting with the superannuation industry and other relevant stakeholders on further design and implementation details.

Deferral of higher concessional contribution caps for individuals over 50 with low superannuation balances

Legislation has been passed that defers the start date of the increasing concessional contribution caps for individuals over 50 with low superannuation balances by two years, from 1 July 2012 to 1 July 2014. The two-year deferral means that for 2012/13 and 2013/14, all individuals will only be able to make concessional

contributions of up to \$25,000 per year as permitted under the general concessional contributions cap.

For more information on Contribution Caps, please refer to the Annual Fund Report.

Other announcements/changes to superannuation

Government superannuation contributions tax rebate for low income earners

Legislation has been passed introducing the low income super contribution (LISC) which has been introduced to ensure any tax deducted from contributions for low income earners will be returned to the individuals super accounts. The LISC is 15% of the concessional (before tax) contributions you or your employer makes from 1 July 2012. The maximum payment you can receive for a financial year is \$500 and the minimum is \$20.

You are eligible for the low income super contribution (LISC), if you satisfy the following requirements:

- you have concessional contributions for the year made to a complying super fund
- your adjusted taxable income does not exceed \$37,000 (if you are required to lodge a tax return)
- you are not a holder of a temporary resident visa (New Zealand citizens in Australia do not hold a temporary resident visa and, as such, are eligible for the payment)
- 10% or more of your total income is derived from business or employment
- the amount payable is \$20 or more.

If you lodge an income tax return, the Australian Taxation Office (ATO) will use the information on your income tax return to work out your eligibility for a LISC and will send any LISC entitlement direct to the individual's fund. If you do not lodge an income tax return, you don't have to do anything – the ATO will work out your eligibility using

other information they collect. However, this process may take up to 14 months to complete.

Please note that this new payment will be in addition to the existing co-contribution scheme whereby the Government matches eligible non-concessional contributions made by lower income individuals up to \$1,000. So the good news is some individuals will be eligible to receive both the new Government contribution payment and the existing co-contribution (subject to meeting eligibility requirements).

Excess contributions

Legislation has been passed that allows Fund members to have a once-only opportunity to withdraw from the superannuation system excess concessional contributions of up to \$10,000 made in the 2011/12 and later years. This will mean the amount refunded will be assessed as income at the member's marginal tax rate, rather than incurring excess contribution tax.

Important: This measure is not available for members who exceed their concessional contribution caps for years prior to the 2011/12 financial year.

Government Co-contribution

Under the superannuation co-contribution scheme, the Government provides a matching contribution for contributions made into superannuation out of after-tax income. The matching contribution is up to \$1,000 for people with incomes of up to \$31,920 in 2011/12 (with the amount available phasing down for incomes up to \$61,920).

The Government announced they will continue the freeze, for an additional year to 2012/13, of the indexation applied on the income threshold above which the maximum superannuation co-contribution begins to phase down. This measure will continue to freeze the thresholds at \$31,920 and \$61,920 respectively.

For more information on the Government Co-contribution, please refer to the Annual Fund Report.

Employer contributions without TFN

On 21 September 2011, the then Assistant Treasurer and Minister for Financial Services and Superannuation announced the 'Stronger Super' reforms designed to improve the superannuation system and better safeguard the retirement savings of all Australians.

Under proposed changes, from 1 July 2013, super funds will have to report and forward employer contributions received for employees without a TFN to the ATO. Funds will be given a specified time to obtain the missing TFN before having to forward the contributions to the ATO.

These proposed changes are not law as they have not been passed by Parliament or received royal assent.

Changes to the superannuation guarantee

The Superannuation Guarantee (Administration)

Amendment Act 2012 received royal assent on 29 March 2012. In the legislation:

- the superannuation guarantee (SG) rate will gradually increase from 9% to 12% between 1 July 2013 and 1 July 2019 (refer to the Annual Fund Report for details of the gradual increase)
- the SG age limit of 70 will be removed from 1 July 2013, and employers will be required to contribute to complying super funds of eligible mature age employees aged 70 and older.

Reporting of contributions

To ensure workers get better information about when their superannuation is being paid, employers will be required to disclose on payslips when contributions are due to be paid. This will provide an early warning if superannuation entitlements aren't being paid.

In addition, the introduction of proposed e-commerce and data standards will enable money to be allocated to member accounts in a more timely manner and reduce the likelihood of member accounts being lost due to incomplete or incorrect information being provided to funds.

At this stage it is expected the data and e-commerce standards will be mandated for superannuation funds from 1 July 2013. The Government will extend the data and e-commerce standards to large and medium sized employers from 1 July 2014.

Pension drawdown relief

In response to the downturn in global financial markets, the government provided pension drawdown relief in 2008/09, 2009/10 and 2010/11 by halving the Standard minimum payment amounts. This relief has been extended in 2011/12 and 2012/13 by reducing the Standard minimum payment amounts by 25 per cent. This means that for the financial year commencing 1 July 2012, the minimum payment amounts for account-based, allocated and market linked (term allocated) pensions will be 75 per cent of the Standard minimum. The minimum payment amount is expected to return to normal from 1 July 2013.

Drawdown relief over the past four years has helped retirees by reducing the need to sell assets at a loss in order to meet the minimum payment requirements. Continuing the minimum payment amounts at 75 per cent of the Standard minimum for the 2012/13 financial year is expected to provide continuing opportunity for retirees to recoup capital losses incurred as a result of the Global Financial Crisis.

The reduced minimum income payment factors for the 2012/13 financial year and the Standard minimum are:

Age	Reduced minimum for 2012/13 year	Standard minimum
Under 65	3%	4%
65 – 74	3.75%	5%
75 – 79	4.5%	6%
80 – 84	5.25%	7%
85 – 89	6.75%	9%
90 – 94	8.25%	11%
95 or older	10.5%	14%

Compliance with Australian and foreign law

The Zurich worldwide group of companies has obligations under various Australian and foreign laws. Despite anything to the contrary in any document related to the Fund, your plan terms will operate subject to all laws with which a Zurich worldwide company considers it must comply. This means that we may:

- refrain from taking any action which we consider could place you, us or another company within the worldwide Zurich group at risk of breaching any law in force in Australia or in any other country;
- take any action which we consider could be necessary to enable you, us or another company within the worldwide Zurich group to comply with any law in force in Australia or in any other country.

Planning to move overseas?

Zurich's superannuation plans are designed for Australian residents. Its operation and your rights may be restricted if you cease to be an Australian resident. Please contact us before moving so that we can provide you with further information, and consider taking independent financial and/or tax advice on your circumstances.

US residents for US Federal income tax purposes

US law treats products that contain certain cash-accumulation features, such as unit-linked superannuation products, as securities. Although US securities laws generally do not regulate products bought outside the US as securities, subsequent investment decisions made by US residents after arriving in the US can become subject to US securities regulation. For example, new money placed in a plan classified as a "cash-accumulation product" under US Securities and Exchange Commission (SEC) regulation is considered to be buying a new security.

As Zurich Australia is not licensed to offer securities in the US, and its products have not been registered for sale in the US, a range of transactions, including accepting new investments and investment switching, is not permitted in

certain circumstances. Where the restrictions apply, processing the applicable transaction requests for customers who are US Residents for US Federal income tax purposes exposes Zurich Australia to the risk of penalties for the sale of an unregistered security.

In addition to being unable to accept further contributions to your plan, we will also be unable to accept any rollover or transfer payments into your plan from other superannuation products whilst you remain a US resident for US Federal income tax purposes.

The restrictions vary depending on the characteristics of the particular products and there are some exceptions which may apply. The exceptions currently include, but are not limited to:

- providing insurance protection with no accumulated cash value payable to the insured on policy maturity or upon surrender; or
- where implementing the restriction would cause the policyholder to suffer a “substantial penalty”. One such circumstance is where the policy death benefit exceeds its cash surrender value by more than either 120% or US\$100,000.

Please note that under Australian superannuation law, you are only able to access your superannuation benefit if you satisfy a condition of release (such as retirement after attaining your preservation age). In view of this, where restrictions apply, your account will continue to be managed in the existing investment option(s) until such time as you are able to access your superannuation benefit, or you elect to rollover your benefits to another superannuation product before that time.

Further information

If are currently living in, or intend to move to, the United States of America, we suggest that you contact the Zurich Client Service Centre on +61 2 9995 1111, or drop an email to client.service@zurich.com.au. If you need advice on retirement planning while in the US, we suggest you talk to a US financial adviser.

The information in this notice, dated 19 September 2012, is derived from sources believed to be accurate as at this date and may be subject to change. The information does not take into account your personal objectives, financial situation or needs. You should consider these factors, the appropriateness of the information and the relevant Product Disclosure Statement issued by Zurich Australian Superannuation Pty Limited ABN 78 000 880 553, AFSL 232500 (available only for open products) before making a decision. This information is not meant as personal financial or legal advice and should not be relied upon as such.

Zurich Australian Superannuation Pty Limited

ABN 78 000 880 553 AFSL 232500

RSE Licence No. L0003216

5 Blue Street North Sydney NSW 2060

Zurich Service Centre

Telephone: 131 551

Facsimile: 02 9995 3797

www.zurich.com.au

