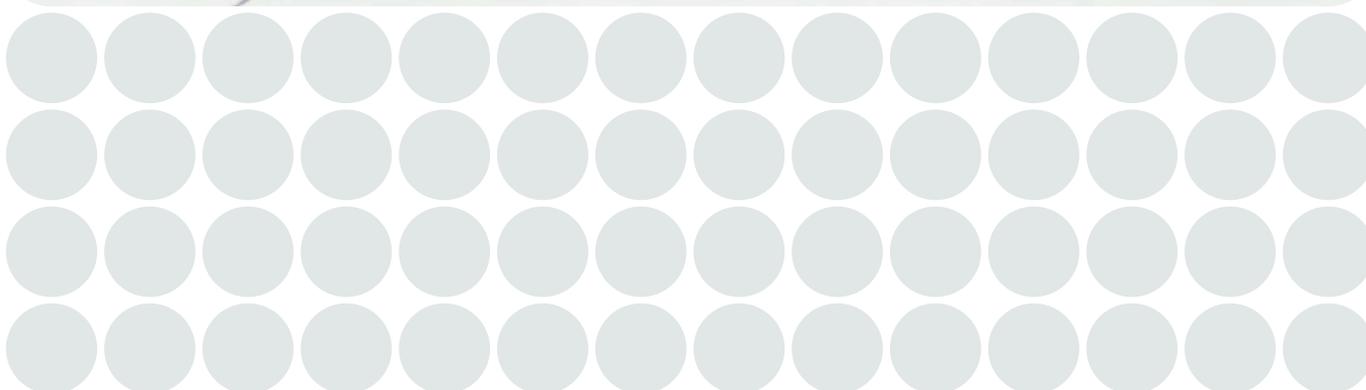


Zurich Master Superannuation Fund

Annual fund Report for the year ending 30 June 2011



Important notes

Date of preparation: 29 September 2011

The trustee of the Zurich Master Superannuation Fund ('Fund') is Zurich Australian Superannuation Pty Limited ('Trustee'). Unless otherwise indicated, 'us', 'our' and 'we' generally means the Trustee. The Fund is administered by Zurich Australia Limited ('Zurich') (ABN 92 000 010 195, AFSL 232510).

The assets of the Fund are invested via life insurance policies issued by Zurich. Policy documents have been issued by Zurich to the Trustee setting out the terms on which the Fund's assets are invested and terms on which insurance benefits are provided in respect of members. Through these life policies, each of the investment options are invested in underlying unit trusts managed by Zurich Investment Management Limited ('ZIM') ABN 56 063 278 400 AFSL 232511 or other selected managers.

The information in this report is subject to change and must not be considered as a substitute for the Trust Deed or policy documents, which govern your membership of the Fund. The Trust Deed is consistent with superannuation law and sets out the rights and obligations of the Trustee and the members of the Fund and is available free of charge for members to read. If you wish to read the Trust Deed or policy documents or require further information, access is available on request by contacting us. Our contact details are outlined on this page. The Trustee is a Registrable Superannuation Entity (RSE) (Licence number L0003216) for the purposes of superannuation legislation and has trustee indemnity insurance in place.

This report should be read in conjunction with your annual statement. Annual statements are generally received shortly after each anniversary of your plan. For members of the Zurich Account-Based Pension and the Zurich Allocated Pension, the annual statement is produced effective 30 June each year.

Please note that the information contained in this document is general information only. It does not take into account your personal investment objectives, financial situation or particular needs. You should consider these factors and the appropriateness of this information having regard to your objectives, financial situation and needs. We recommend you seek professional advice before making any decision affecting any aspect of your membership in the Fund.

This document contains information about changes to the law governing superannuation. This information, although derived from sources believed to be accurate as at the date of preparing this report, may change. It should not be considered to be a comprehensive statement on any matter and should not be relied upon as such.

Zurich and its related entities receive remuneration such as fees, charges or premiums for the financial products which they issue. Details of these payments, including how and when they are payable, can be found in the relevant disclosure documents for each financial product.

Contact details

The team at the Zurich Client Service Centre understands the Fund, and are well equipped to answer questions about the Fund and provide extra information, although they are not able to give financial advice.

To contact Zurich's Client Service centre simply:

- call us on 131 551,
- email us on client.service@zurich.com.au
- fax us on 61 2 9995 3797
- or write to us at: The Manager
Zurich Client Service Centre
Locked Bag 994
North Sydney NSW 2059

For financial advice, please contact your financial adviser.

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A message from the Trustee

Dear member,

The Trustee of the Zurich Master Superannuation Fund is pleased to present this Annual Fund Report for the year to 30 June 2011.

About this Report

This Report has information about recent developments affecting the Fund and the superannuation industry. It also provides you with information on investment options.

Understanding your superannuation plan, your choices and the investment performance is extremely important so we ask that you read this Report carefully.

Need help?

If you have any questions regarding your superannuation or this Report, please do not hesitate to contact your adviser or the Zurich Client Service Centre on 131 551.

Thank you for your continued support.

Yours sincerely

Winsome Hall

Chair, Zurich Australian Superannuation Pty Limited

About the Zurich Financial Services Group

Zurich Financial Services Australia Limited and its subsidiaries ('Zurich Australia'), part of the Swiss-based worldwide Zurich Financial Services Group, is the only global financial services group operating in Australia under a single brand in the core business lines of general insurance, life risk, investment and superannuation solutions. Zurich Australia operate under the global Zurich brand.

Zurich Australia's business is divided into two main segments. They offer general insurance solutions to customers such as small businesses, mid-sized and large companies and multinational corporations, primarily through insurance brokers. They also offer life and investment solutions to corporate and personal customers, primarily through financial advisers.

Their presence in their core lines in Australia has been sustained, no matter what economic conditions prevail. Zurich Australia's offices are Australia-wide with their headquarters in North Sydney. The Trustee is part of the Zurich Australia group.

Zurich Financial Services – a global view

The Zurich Financial Services Group is one of the world's largest insurance based financial services insurance groups, and one of the few to operate on a truly global basis.

It has a global network of subsidiaries and offices in North America and Europe, Asia-Pacific, the Middle East, Latin America and other markets. Founded in 1872, the company's headquarters are in Zurich, Switzerland. Zurich employs over 60,000 people helping customers manage risk in more than 170 countries. It is the second largest insurer of global corporate business.

The Group, headed by Chief Executive Officer Martin Senn, is listed on the Swiss stock exchange. For more information, visit www.zurich.com.

Australian origins

The Australian lineage of Zurich Financial Services Group dates back to 1920, when the Commonwealth General Assurance Corporation Ltd (CGA) was incorporated in New South Wales. In 1961, CGA became part of the Zurich Financial Services Group.

Employees and management

Zurich Australia, with around 1300 employees in Australia and New Zealand, is led by Shane Doyle, Chief Executive Officer – General Insurance, and Colin Morgan, Chief Executive – Life & Investments. Matthew Drennan is Executive General Manager of Zurich Investments (the funds management arm of Zurich Australia).

Corporate Responsibility

Zurich Australia's Corporate Responsibility approach aims to build trust with customers, employees, the community and all stakeholders through thoughtful contribution to the community and environment.

Community

Zurich Australia partners with various organisations, with the aim of addressing the wellbeing of Australian communities. Through the in-house Community Connections program, employees are provided paid volunteering leave to actively participate in their local communities. Around eight per cent of employees participate in the workplace giving program.

Environment

Zurich Australia's Green Office program aims to limit the company's impact on the environment and addresses day-to-day operating procedures via energy, paper, water and recycling initiatives. Zurich Australia has qualified for the government accredited Green Power Tick (www.greenpower.com.au) by sourcing 25 per cent of its electricity from green power.

Zurich's wealth creation solutions

For the past 30 years, Zurich Investments has been managing money on behalf of Australian investors across a range of diversified and sector funds. Zurich Investments provides a unique range of funds that have an edge over mainstream funds. By using global expertise and scale, Zurich Investments forms strategic partnerships with a select group of investment managers, who are experts in their particular asset class.

Strategic investment partners are selected based on their complementary fit with Zurich Investment's investment philosophy, the strength of their processes and their performance track record to truly offer best of breed product to advisers and their clients. Zurich Investments strategic partners at 30 June 2011 are:

Asset class	Zurich's strategic investment partner
International shares – thematic – global small companies shares	Lazard Asset Management Pacific Co.
International shares – growth	American Century Global Investment Management, Inc
Global property securities	Cohen & Steers Capital Management Inc
Australian shares – value	Above The Index Asset Management Pty Ltd
Australian shares – equity income strategy	Denning Pryce Pty Ltd
Australian shares – small companies	Ellerston Capital Ltd
Australian shares – in diversified funds	Schroder Investment Management Australia, Above The Index Asset Management Pty Ltd, State Street Global Advisers Australia, Ellerston Capital
Australian property securities	Renaissance Property Securities Pty Ltd
Fixed interest Cash Active currency overlay	Aberdeen Asset Management

Zurich's wealth protection solutions

Zurich Australia's Life Risk business provides choice and flexibility through a suite of award-winning business and personal life risk solutions. Zurich's personal risk solutions include life and disability insurance. Zurich is able to draw on its global strength to provide exceptional service and outstanding value, and provide innovative, customer-friendly products.

Zurich Australia's Life Risk business continues to receive accolades for delivering innovative products and outstanding value. After being named the 2009 Risk Company of the Year in the Money Management/ dext&r Adviser Choice Awards, Zurich was also recognised in 2010, being one of only two recipients of the Canstar Cannex Outstanding Value Award for life insurance. In the 2010 Money Management/ dext&r Adviser Choice Awards, Zurich received Gold for its income replacement policy and Bronze for its term product. Early in 2011, its Term and TPD product was announced as the category winner in the AFA/Plan for Life Insurer of the Year awards.

These award winning insurance products are available for members of the Zurich Master Superannuation Fund. For more information we recommend you discuss your individual requirements with your financial adviser.

Superannuation news

Federal Budget 2011/12

On 10 May 2011 the Treasurer, Wayne Swan, delivered his fourth Federal Budget. Broadly speaking, superannuation was not at the forefront of this year's Federal Budget, with no significant new measures announced, other than those that had been previously foreshadowed.

It would seem that the Government's clear focus is on putting funding arrangements in place for the delivery of its "Stronger Super" reforms and "Securing Super" policy statements and also providing for the delivery of a range of other superannuation proposals announced over the past twelve months.

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.

Excess contributions

Fund members will 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 2010-11 (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 page 14.

Pension drawdown relief

The Government previously provided pension drawdown relief in the 2008-09, 2009-10 and 2010-11 years by halving the minimum payment amounts (to 50% of the Standard minimum) as a response to the Global Financial Crisis (GFC).

The Government will phase out the pension drawdown relief that has been provided over the last three years. Minimum payment amounts for account-based, allocated and market linked (term allocated) pensions will be increased (from 50% to 75% of the Standard minimum) from 1 July 2011 and will return to the Standard minimum from 1 July 2012.

The reduced minimum income payment factors for the 2011/12 financial year and the Standard minimum are:

Age	Minimum for 2011/12	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+	10.5%	14%

Concessional contributions cap – higher cap for individuals 50 or over

The Budget clarified that from 1 July 2012, the Government will set a higher concessional contributions cap for individuals aged 50 and over with total superannuation balances of less than \$500,000. The higher concessional contributions cap will be \$25,000 above the concessional cap.

The concessional contributions cap is set at \$25,000. When it increases due to indexation, the higher cap will increase by the same dollar amount.

This measure was previously announced as part of the Government's response to the Henry Tax Report back in May 2010 and allows eligible persons 50 or over to continue to utilise the higher \$50,000 cap.

For more information on Contribution Caps, please refer to page 13.

Securing super

As announced in the last election, the Government will ensure that employees receive information on their payslips about the amount of superannuation actually paid into their account.

This measure is meant to help employees keep track of their employer's contributions, and take action where there is a shortfall.

Previous announcements

There was no further mention of the following changes announced in last years' Budget, that have not yet been introduced, so we assume these will be implemented as planned.

- increase in Superannuation guarantee (SG) from 9% to 12%, to be phased in over the period from 2013 to 2019
- extend SG to workers aged between 70 and 74, from 1 July 2013

If you require further information on these previous announcements, please either refer to the Zurich Master Superannuation Fund – 2010 Annual Fund Report available at www.zurich.com.au/annualreports, or contact the Zurich Client Service Centre on 131 551.

Other announcements/changes to superannuation

Government superannuation contributions tax rebate for low income earners

In support of a previous announcement, the Government recently issued a consultation paper in relation to the proposed design features of the low-income earners Government contribution scheme. This scheme is intended provide a superannuation contributions tax rebate of up to \$500 annually for low income earners, with effect from the 2012–13 income year.

It is intended that the amount payable under this measure will be calculated by applying a 15 per cent rebate of tax to the concessional contributions made by or for individuals on adjusted taxable incomes of up to \$37,000 (not indexed), with an annual maximum amount payable of \$500 (not indexed). The rebate will be paid to the individual's superannuation fund to directly boost their retirement savings.

Concessional superannuation contributions made from 2012-13 will be eligible for the Government contribution. This means the Government contribution will first be paid in the 2013-14 financial year, after individuals lodge their tax return for the preceding financial year.

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).

Forfeiture of superannuation due to proceeds of crime

The Government released draft regulations that would amend operating standards in superannuation law removing the capacity of criminals to retain the proceeds of crime by placing them within the superannuation system and beyond the reach of court issued forfeiture orders.

Superannuation – greater use of tax file numbers

The Government will allow superannuation fund trustees to make greater use of tax file numbers (TFNs) to locate member accounts and to facilitate the consolidation of multiple member accounts.

This measure will remove the existing requirement for fund trustees to use other methods of identification to locate accounts before TFNs can be used, with effect from 1 July 2011. It will also assist fund trustees to carry out more efficient consolidation of multiple member accounts, with effect from 1 January 2012, if not proclaimed earlier.

Temporary Flood Levy – impact on members of the Fund

Following the devastating Queensland and Victorian floods and Cyclone Yasi, the Federal Government announced the introduction of a flood levy (also known as the Temporary Flood and Cyclone Reconstruction Levy) to assist communities to recover from these natural disasters and to re-build infrastructure. The levy applies to individual taxpayers that have a taxable income of more than \$50,000 in the 2011/12 financial year.

Superannuation lump sum payments as well as pension/income payments may also be subject to the flood levy, depending on the amount and the components of the benefit or income payment.

For members of the Zurich Master Superannuation Fund (ZMSF), this means that we will be withholding the flood levy from the following payments that we make between the period of 1 July 2011 to 30 June 2012:

- the taxable component of a superannuation lump sum payment, where the member is aged less than 60 (unless the payment is tax free, as will be the case with part of a Total and Permanent Disability payment or terminal illness benefit);
- the taxable component of a death benefit paid to non-dependants for tax purposes; and
- the taxable component of any pension payments, where the member is aged less than 60.

Flood levy rates

Taxable income	Flood levy on this income
\$0 to \$50,000	Nil
\$50,001 to \$100,000	Half a cent for each \$1 over \$50,000
Over \$100,000	\$250 plus 1c for each \$1 over \$100,000

Please note:

- individual superannuation lump sum payments will be treated separately when calculating the flood levy, and
- where a flood levy is payable, it is calculated on the full amount of the taxable component.

Exempt payments

Not all superannuation lump sum payments are subject to the flood levy. In addition to rollovers to a complying superannuation fund, other payments that are excluded from the flood levy include:

- death benefits paid to dependants or to an Estate
- terminal illness benefits
- Departing Australia Superannuation Payments
- payments from accounts where no Tax File Number has been quoted
- any payment to a member aged 60 or above (taxed funds only).

Exempt individuals

Individuals who have received an Australian Government Disaster Recovery Payment in relation to a natural disaster in 2010/2011 will be exempt from the levy.

Please note that due to the considerable amount of time it would take for Zurich to make the necessary system changes to accommodate a reasonably small number of “exempt individuals”, we have made the decision that we will not be accepting completed exemption declarations. This means exempt individuals will need to declare their exemption status when they lodge their 2011/2012 income tax return and the ATO will credit any flood levy payments that were withheld during the year.

More information

To understand how the flood levy may impact on your superannuation benefits, members are encouraged to contact their financial adviser.

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 2011 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 \$18.76 to \$19.26 and the Cheque Fee (for ZABP, ZAP and ZTAP only) increased from \$6.53 to \$6.71.

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. 2010). The CPI is the "Weighted Average of Eight Capital Cities Index" published by the Australian Bureau of Statistics.

Closure of three investment option (ZSP, ZABP and ZAP clients only)

Effective 30 April, 2011 the following three investment options were closed:

- One Path (ING) Wholesale Capital Stable
- Investors Mutual Australian Share
- RREEF Global (ex Aust) Property

Members in these options were asked to nominate an alternative option(s) for their investments or their investment was 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.

Changes to Zurich Investments' diversified investment options

Following a review of Zurich Investments' diversified options range, the following changes have been made:

1. introducing an alternative investments asset class
2. adding a value strategic investment partner to the international shares asset class
3. re-weighting strategic asset allocations

These changes have been made to ensure that Zurich's diversified options have the right mix of asset classes and investments managers to deliver investors with solid performance in the current market environment.

All of these changes apply to the Zurich Investments Managed Growth, Balanced, and Priority Growth investment options. The only change that applies to the Zurich Investments Capital Stable option is the new strategic investment partner within the international shares asset class. The changes took place over June and July and were finalised by 25 July 2011.

1. Introduction of an alternative investments asset class

Alternative investments include investments in infrastructure, soft commodities (agribusiness) and derivatives based equity strategies. Alternative investments may also include investments in any other non traditional asset class.

Zurich believes that blending this asset class with the existing asset classes will result in more consistent performance over time. Investment strategies within this asset class will have a low correlation to existing asset classes and their underlying investments strategies, which will provide members with broader diversification than they had previously.

The following three strategic investment partners have been appointed to deliver the alternative investment strategies for our diversified funds:

- Colonial First State Investments Limited – Global Soft Commodities
- Lazard Asset Management Pacific Co – Global Listed Infrastructure
- Denning Pryce Pty Ltd – Alternative Global Equity

2. Addition of a value style strategic investment partner to the international shares asset class

To complement the existing thematic and growth style managers within the international shares asset class Zurich has introduced a global value strategy managed by Real Index Investments Pty Ltd.

Investment description

Growth investing

A strategy that aims to invest primarily in those companies that offer the best prospect of capital growth over the medium to longer term.

Thematic investing

A strategy which uses a range of ideas or 'themes' based on the analysis of broad trends to guide investment strategy.

Value investing

A strategy that aims to invest primarily in those companies which they perceive to have an intrinsic value greater than their share price suggests. Value managers aim to invest in these companies until their true value is fully reflected in their share price.

3. Strategic asset allocations re-weighted

To implement the changes above Zurich has had to re-weight the allocations to the existing asset classes. The addition of the alternative investments asset class has meant a lesser allocation to the Australian and international shares. The changes to the asset allocations are provided in the tables below.

Previous Asset Allocation (Benchmark Ranges)

Asset Class	Capital Stable	Balanced	Managed Growth	Priority Growth
Australian Shares	15 (0–24)	26 (10–38)	36 (20–46)	46 (31–60)
International Shares	12 (0–22)	20 (7–30)	27 (10–38)	36 (21–50)
Aust. Property Securities	1 (0–13)*	2 (0–17)*	3 (0–12)*	2 (0–17)*
Global Property Securities	2 (0–13)*	4 (0–17)*	6 (0–12)*	5 (0–17)*
Total growth	30 (0–59)	52 (17–85)	72 (30–96)	89 (55–100)
Fixed Interest	62 (41–92)	43 (15–63)	24 (4–55)	9 (0–30)
Cash	8 (0–30)	5 (0–20)	4 (0–15)	2 (0–15)
Total defensive	70 (41–100)	48 (15–83)	28 (4–70)	11 (0–45)
TOTAL	100	100	100	100

* The range shown for Australian and Global Property Securities is a combined range.

New Asset Allocation (Benchmark Ranges)

Asset Class	Capital Stable	Balanced	Managed Growth	Priority Growth
Australian Shares	15 (0–24)	23 (10–38)	32.5 (20–46)	42 (31–60)
International Shares	12 (0–22)	17 (7–30)	23.5 (10–38)	32 (21–50)
Aust. Property Securities	1 (0–13)*	2 (0–17)*	3 (0–12)*	2 (0–17)*
Global Property Securities	2 (0–13)*	4 (0–17)*	6 (0–12)*	5 (0–17)*
Alternative Investments	N/A –	6 (0–8)	7 (0–10)	8 (0–10)
Total growth	30 (0–59)	52 (17–85)	72 (30–96)	89 (55–100)
Fixed Interest	62 (41–92)	43 (15–63)	24 (4–55)	9 (0–30)
Cash	8 (0–30)	5 (0–20)	4 (0–15)	2 (0–15)
Total defensive	70 (41–100)	48 (15–83)	28 (4–70)	11 (0–45)
TOTAL	100	100	100	100

* The range shown for Australian and Global Property Securities is a combined range.

Renewal notices change from monthly to quarterly to support our commitment to the environment

(ZSP and ZRP clients only)

Zurich remains committed to reducing the environmental impact of our daily work practices. Zurich's Green Office program aims to limit the company's impact on the environment and addresses day-to-day operating procedures.

The introduction of electronic Product Disclosure Statements, together with other initiatives such as the provision of annual fund reports online and the introduction of *My Zurich*, once again illustrates Zurich's commitment to the Environment.

To further support the Green Office program, Zurich has replaced monthly renewal notices with quarterly notices to those clients whose retirement strategy is based on making contributions on a regular basis by cheque. Please also note that these notices will be renamed "Contribution Notice".

It is important to note that you will still be able to make more frequent investments, it is just the frequency of the notices you receive that will change.

Help reduce waste and save the environment:

You can help Zurich lessen the impact on the environment further by switching your payment method from cheque to either Direct Debit or BPay. This helps by reducing paper waste as there is no need to issue Notices, write cheques or use envelopes when using Direct Debit or BPay.

For further information on making your regular investments by either Direct Debit or BPay, or on the change to Quarterly notices, please contact Zurich's Client Service Centre on 131 551.

Adviser remuneration – more options (ZSP, ZABP, ZAP and ZTAP only)

The financial adviser who recommended your Zurich product may receive payment ("remuneration") for advice and services to you in relation to your Zurich plan. Financial advisers have to meet their expenses from this remuneration, and also rely on it to provide an income. Adviser remuneration is negotiable between you and your financial adviser.

Effective 11 March 2011, you and your adviser have two options available in respect of how they can receive remuneration within the plans mentioned above. From that date the remuneration options include the new Member Advice Fee payment option or the existing commission-based payment option.

Under the Member Advice fee option, an advice fee is paid directly from your account to the adviser instead of being included in your other fees. Changing can affect the amount of fees and charges you pay which is explained in the fees and charges section in the current ZSP/ZABP Product Disclosure Statement available online at www.zurich.com.au/ZSPandZABP.

If you have any questions regarding fee and remuneration options, please contact either your financial adviser or the Zurich Client Service Centre.

ZSP Optional Protection Benefits: Income Replacement Name Change (ZSP clients only)

If you are insured under a Zurich Income Replacement Insurance Plus (superannuation version) without the Basic cover option, your insurance cover has been re-named: Income Replacement (superannuation version) – comprehensive.

If you are insured under a Zurich Income Replacement Insurance Plus (superannuation version) with the Basic cover option, your insurance cover has been re-named: Income Replacement (superannuation version) – standard.

The name for Zurich Special Risk Income Replacement Insurance Plus (superannuation version) remains the same.

Upgrades to ZSP Optional Protection Benefits (ZSP clients only)

Zurich has upgraded the ZSP Optional Protection Benefits effective 11 March 2011 summarised in the tables below.

These upgrades only apply if you have chosen ZSP Optional Protection Benefits and some upgrades only apply if you have selected certain options or if you work in certain occupations. You can find out whether your cover includes any of the upgraded features by checking your Policy schedule.

The upgrades outlined below have been automatically added to your insurance cover at no extra cost. Any new claim in relation to a new injury or medical condition arising after the effective date will be eligible for the new benefits summarised below.

Policy conditions for all of the benefits and options impacted by these enhancements are set out in the sections referred to in the "Zurich Superannuation Plan Optional Protection Benefits Information Booklet" which can be assessed online at www.zurich.com.au/ZSPandZABP. A printed copy is available free of charge by contacting us. The new policy conditions, where applicable, add to or replace the wordings which are in the existing Policy conditions.

Zurich Superannuation Term Life Plus:

Upgraded feature	Summary of upgrade	Policy conditions changes
Improved TPD over 64 cap	The maximum benefit payable from the policy anniversary following the 64th birthday has increased from \$1m to \$3m.	"Total and permanent disablement (TPD) option" – refer part 2, page 9
Future Insurability triggers	The following additional triggers for increasing cover under this benefit have been included: <ul style="list-style-type: none"> • if you have a significant increase in salary (15% or more) • on the death of your spouse • if you become a full-time carer • if you purchase an investment property. 	"Future insurability benefit" – refer part 2, page 8
Financial planning advice benefit	After a benefit is paid under the policy, up to \$1,000 is payable towards the cost of financial planning advice.	"Financial planning advice benefit" – refer part 2, page 8
TPD cover – improvement to the 'own' occupation definition	The definition of Total and Permanent Disablement has been altered so that if you have 'own' occupation TPD, 'unable to work' during the 3 month qualification period is determined by reference to your 'own' occupation instead of 'any' occupation.	Definition of "total and permanent disablement or TPD" – refer part 2, page 20 Definition of "unable to work" – refer part 2, page 21
New built-in Buy-back death benefit	If your cover includes Death cover and TPD cover, it now automatically includes a new buy-back feature. If you make a claim for TPD, the Death cover is reduced by the amount of the TPD payment – but will be reinstated after 12 months.	"Buy back death benefit (TPD)" – refer part 2, page 9

Zurich Income Replacement (superannuation version) – standard and comprehensive:

Upgraded features	Summary of upgrade	Policy condition changes
Backdate Confined to bed benefit	After qualification period (2 days), this benefit will be paid for each day the Life Insured is disabled during the waiting period (previously benefit was paid only from day three).	“Confined to bed benefit” – refer part 2, page 13
Improved Super contributions option	Allow this optional benefit to be increased under the Future insurability option.	“Super contributions option” – refer part 2, page 16
Income benefit – Qualifying for an income benefit	A new ‘10 hours’ qualification has been added to the existing ‘loss of income’ and ‘duties’ qualification, giving you three ways in which to qualify for the Income benefit.	“Income benefit” – refer part 2, page 12
Income benefit – Approach to locums has been clarified	The definition of eligible business expenses has been amended to include the net cost of hiring a locum.	Definition of “eligible business expenses” – refer part 2, page 17
Income benefit – Improved offset position for under 10 hours work	If you are working for 10 hours or less per week the payment received for that work will not be included as <i>post-disability income</i> in the calculation of your Income benefit.	Definition of “post-disability income” – refer part 2 page 19
Income benefit – Improved offset position for certain occupations	If you are working in an A1, A1M or A2 occupation, then other payments received (via other Disability Income policies not disclosed to us at the time of underwriting, workers’ compensation or other legislated benefits) will not be included as <i>post-disability income</i> , unless those other payments push total income above 75% of the life insured’s <i>pre-disability income</i> .	Definition of “post-disability income” – refer part 2 page 19
Improved offset position for some occupations	If your occupation class is A1, A1M or A2 (as shown on your Policy schedule), your policy no longer contains an offset for workers’ compensation or other legislated benefits unless the total amount of benefits received exceeds 100% of <i>pre-disability income</i> .	Definition of “post-disability income” – refer part 2 page 19

Zurich Special Risk Income Replacement Plus (superannuation version):

Upgraded features	Summary of upgrade	Policy condition changes
Income benefit – Qualifying for an income benefit	A new ‘10 hours’ qualification has been added to the existing ‘loss of income’ and ‘duties’ qualification, giving you three ways in which to qualify for the Income benefit.	“Income benefit” – refer part 2, page 12
Income benefit – Improved offset position for under 10 hours work	If you are working for 10 hours or less per week the payment received for that work will not be included as <i>post-disability income</i> in the calculation of your Income benefit.	Definition of “post-disability income” – refer part 2 page 19

Update: Superannuation rates and thresholds

Concessional contributions cap

Concessional contributions include employer contributions (eg. Superannuation Guarantee and contributions made under a salary sacrifice arrangement) and personal contributions claimed as a tax deduction by a self-employed or other eligible person.

Income Year	Amount of cap
2011/12	\$25,000
2010/11	\$25,000
2009/10	\$25,000
2008/09	\$50,000
2007/08	\$50,000

Note:

- The concessional contributions cap will be indexed in line with Australian Weekly Ordinary Times Earnings (AWOTE), in increments of \$5000.
- If you have more than one fund, all concessional contributions made to all your funds are added together and count towards the cap.
- Contributions that exceed the cap are taxed at the top marginal tax rate plus Medicare Levy at 46.5% and count towards your non-concessional contribution cap. If your non-concessional cap is exceeded as a result, then additional tax of 46.5% is applied.

Transitional arrangement for the concessional contributions cap

A transitional concessional contributions cap will apply until 30 June 2012 for people aged 50 or over any time during the financial year. During this time, if you are aged 50 or over the annual cap will be \$50,000. This cap is not indexed.

Non-concessional contributions cap

Non-concessional contributions include personal after-tax contributions for which you do not claim an income tax deduction.

Income Year	Amount of cap
2011/12	\$150,000
2010/11	\$150,000
2009/10	\$150,000
2008/09	\$150,000
2007/08	\$150,000

Note:

- A 'bring-forward' option is available allowing people under 65 years of age to make non-concessional contributions of up to \$450,000 over a three-year period.
- The non-concessional cap for income years from 2010/11 is six times the concessional contributions cap in that income year. Therefore as the concessional cap increases so will the non-concessional cap.
- If you have more than one fund, all non-concessional contributions made to all your funds are added together and count towards the cap.
- Contributions that exceed the cap are taxed at the highest marginal tax rate plus Medicare Levy at 46.5%.

Government Co-contribution Income Thresholds

The Super Co-contribution is a government contribution to assist eligible individuals to save for their retirement. If you are eligible and make personal super contributions, the government will match your contribution with a Super Co-contribution up to certain limits. To receive a Co-contribution you must be earning less than the Higher Income Threshold. To receive the maximum Co-contribution you must be earning no more than the Lower Income Threshold. If you earn in between the two thresholds, you may be able to receive a limited Co-contribution.

There are other criteria you must meet to be eligible for the Super Co-contribution – for further information please visit the ATO website: www.ato.gov.au.

Co-contribution Income Thresholds

Income year	Low income threshold	High income threshold
2011/12	\$31,920	\$61,920
2010/11	\$31,920	\$61,920
2009/10	\$31,920	\$61,920
2008/09	\$30,342	\$60,342
2007/08	\$28,980	\$58,980
2006/07	\$28,000	\$58,000
2005/06	\$28,000	\$58,000
2004/05	\$28,000	\$58,000
2003/04	\$27,500	\$40,000

Superannuation guarantee contributions

Since 1 July 2002, employers have been required to contribute 9% of an employee's earnings to a superannuation fund under the superannuation guarantee (SG) law. If an employee earns more than \$43,820 in a quarter of the 2011/12 financial year, the employer is not obligated to pay superannuation guarantee contributions on the excess above \$43,820 in that quarter.

Lump sum low rate cap amount

For members aged between 55 and 60, the taxed element of the taxable component of a superannuation lump sum up to the Low rate cap is taxed at a lower (or nil) rate of tax. Amounts exceeding the low rate cap are taxed at 15% plus the Medicare levy.

Income Year	Low rate cap
2011/12	\$165,000
2010/11	\$160,000
2009/10	\$150,000
2008/09	\$145,000
2007/08	\$140,000

The low rate cap only applies once a member has reached their preservation age (currently 55) and below age 60. The low rate cap amount is reduced by any amount previously received by the member as a superannuation lump sum utilising the low rate cap.

CGT cap amount

Under certain circumstances, the proceeds of the sale of small businesses and assets contributed to superannuation might not count towards the concessional and non-concessional contribution caps. Provided certain conditions are satisfied, these additional amounts may count towards a separate cap (CGT cap) instead. The CGT cap amount is a lifetime limit. The CGT cap amount applies to all qualifying CGT contributions.

Income Year	Amount of cap
2011/12	\$1.205million
2010/11	\$1.155million
2009/10	\$1.1million
2008/09	\$1.045million
2007/08	\$1million

\$18.8 billion in lost super ... is some of this yours?

During your working life the majority of people have several employers who pay compulsory superannuation contributions on your behalf. However, when you leave these employers your superannuation often remains in that employer's superannuation plan or is rolled over into an eligible rollover fund...and sometimes you may lose track of it.

In fact, there are approximately 5.8 million super accounts, or about one in five, that are lost. This is an average of one lost account for every two working Australians. The total amount of lost superannuation is a staggering \$18.8 billion.¹ Could some of this be yours?

What to do next?

The Government makes it very easy for you to track down lost super. Simply log on to Australian Taxation Office's SuperSeeker website, located at www.ato.gov.au/superseeker. This online service will instantly provide possible matches for lost super using your tax file number, name and date of birth.

If you locate lost superannuation benefits, you may want to consider consolidating those benefits with your current Zurich superannuation account by taking advantage of Zurich's Consolidation Service*.

Why consolidate?

- **Less fees.** With more than one superannuation fund, it's likely that you are paying higher ongoing fees. Consolidate today and ensure these savings are put towards your future.
- **Ease and convenience.** If all your superannuation was in one fund, not only would it be easier for you to keep track of it, but you could rely on that one source for information about your superannuation.
- **Focus.** One superannuation plan ensures one cohesive investment strategy to ensure you remain focussed on growing your retirement benefits.

Easy steps to consolidate

To take advantage of Zurich's consolidation service today, simply follow these easy steps:

1. In addition to any lost superannuation that you found, gather together copies of your old superannuation statements that you have stored away. Check whether any exit fees or charges apply if you roll your super out of their fund.
2. Complete the Superannuation Transfer Request Form# (copies of the form should be made if you are transferring from more than one fund). When completed and signed, return this form to:

Zurich Client Service Centre
Locked Bag 994
North Sydney NSW 2059

When the money is received by Zurich, we will confirm that the money has been received and how much was deposited to your account. **It's that easy with Zurich.**

Helpful tips

- If you can't locate all of your super, call your previous employer. Ask them where your super money was placed. Find out the name, address, member/policy number and telephone number of the super fund and call them to confirm that they have your money, and if any exit fees apply.
- Remember to discuss the strategy most appropriate to your individual circumstances with your financial adviser.
- Even if you are not ready to consolidate your superannuation benefits into one account, don't forget to provide details of your current address to the administrator of the superannuation fund that was lost.

Further information

Should you require further information about the benefits of consolidating your superannuation into one fund, please do not hesitate to contact your financial adviser or the Zurich Client Service Centre on 131 551.

1. *Making it Easier to Find Lost Super*, press release from The Hon Bill Shorten MP, 4 February 2011

* There is no charge for the consolidation service, however your standard contribution fee may be applicable to any amount you decide to rollover to your Zurich superannuation account. (Check your plan summary for the applicable rollover fee, if any)

copies of the Superannuation Transfer Request form can be accessed at www.zurich.com.au, or by calling the Zurich Client Service Centre on 131 551.

Additional information

View your investment details online via *My Zurich*

You can access your Zurich investment details 24 hours a day via *My Zurich* on the Zurich website. *My Zurich* will enable you to access your personal information – including balances, transactions and statements – online. You can also nominate to receive information relating to your account, such as this Annual Fund Report, online rather than as a printed paper copy via your communication preferences in *My Zurich*.

To register now, go to www.zurich.com.au and click on 'My Zurich' followed by the 'Register here' link. You will need to provide your Zurich Investments Number which can be found on your statement. If you are unsure what your Investments Number is, please call the Zurich Client Service Centre on 131 551.

Accessing your statements online

Choosing to receive statements for eligible accounts online instead of by paper is a great way to reduce paper clutter and ease the strain on the environment.

If you've already registered to *My Zurich* you can view past investment statements online now and set your communication preferences so that you will be notified via email as soon as future statements are available for you to view.

Benefits of online statements

There are a number of benefits in accessing your statements online when compared to paper statements:

- By choosing to receive online statements, you will be able to view your statement sooner than via "snail mail".
- Unauthorised interception of paper statements is prevented, giving you peace of mind that details of your Zurich plan remains protected
- You will be able to view your Zurich Investment statements when and where it is convenient for you
- All your Zurich Investment statements will be stored in one location, making it easier for you to locate past statements.

And of course, you can still print your statement for those times when you may need to.

Need help?

If you need any assistance in setting up your *My Zurich* access, please do not hesitate to contact Zurich's Client Service Centre on 131 551.

The importance of Tax File Numbers

Superannuation law requires you to provide your Tax File Number (TFN) to the Trustee in order to make personal contributions (including contributions from your after tax income and personal deductible contributions) and/or to avoid paying excessive tax on employer contributions (including Superannuation Guarantee and salary sacrifice contributions from your before tax income).

If the Trustee has not been informed of your TFN:

- **Personal contributions**, including any contributions you make for yourself or that your spouse makes to your superannuation account on your behalf, cannot be accepted by the Fund.
- **Employer contributions**, including any salary sacrifice contributions. If a member has not quoted their TFN by the end of the financial year and their account was opened:
 - before 1 July 2007, the assessable contributions will be taxed an extra 31.5% once those contributions reach \$1000 in an income year. The extra tax is on all assessable contributions made in the income year, which includes the first \$1000, or
 - on or after 1 July 2007, all the assessable contributions made during the income year will be taxed an extra 31.5%.

The extra tax on these assessable contributions is in addition to the standard 15% rate of tax payable by superannuation funds on their taxable income.

Important notes:

1. Contributions received from **self-employed** and other eligible persons are treated as non-concessional contributions until such time as the Trustee receives written notification, in the approved form, of the person's intention to claim the contribution(s) as a tax deduction (at which time the relevant contribution(s) will be treated as a concessional contribution). If the Trustee has not been notified of a TFN for these members, contributions cannot be accepted into the fund.
2. If you propose to **transfer or cash your benefits** in the Fund and the benefit (if any) which will remain in your account after such transfer or cashing is less than the tax liability payable because you have not provided your TFN, we will withhold an amount of the benefit being cashed or transferred which is sufficient to satisfy the tax liability.

What do you need to do?

To avoid paying more tax than you need to, and to ensure you are able to make personal contributions whenever you wish, you should consider providing Zurich with your TFN. You can provide Zurich with your TFN by:

- Phone: Call our Client Service Centre on 131 551
- Mail/Email: Complete a TFN Notification form (available online at www.zurich.com.au) and return it to Zurich at Locked Bag 994, North Sydney NSW 2059 or email it to client.service@zurich.com.au.

Transfers to an Eligible Rollover Fund (ERF)

Where one of the following occurs, a Fund member's benefit may be transferred to an ERF:

- The benefit is immediately payable, and we have not been provided with instructions for payment within 90 days from the date the benefit became payable;
- We have lost track of the member (this is usually when we believe a member has not received at least two consecutive statements from Zurich) and the account does not meet the minimum balance;
- The member is inactive and has a balance of under \$1,000; or
- The member has engaged in activity which could result in, or has resulted in, financial detriment to other Fund members or beneficiaries ("misconduct").

Superannuation law also allows the trustee to determine other transfer circumstances.

The Zurich Master Superannuation Fund's nominated ERF is AUSfund. Where we intend to transfer your benefits to AUSfund, we will provide you with prior notification. If your benefits are transferred:

- you will no longer be a member of the Zurich Master Superannuation Fund and all associated benefits such as insurance (if any) will cease;
- you will instead become a member of AUSfund;
- AUSfund will invest your benefit using a default investment strategy without knowing whether it is appropriate to your needs;
- AUSfund will have a different fee structure;
- AUSfund will not provide death or disablement insurance benefits.

If you are transferred to the AUSfund, you may request access to, or correction of, any personal information held by AUSfund by writing to AUSfund's Privacy Officer. AUSfund can be contacted at:

AUSfund Administration
PO Box 2468,
Kent Town SA 5071

Phone: 1300 361 798

Fax: 1300 366 233

Email: admin@ausfund.net.au

Web: <http://unclaimedsuper.com.au//>

If we do not transfer your benefit to an ERF and your benefit becomes unclaimed money as defined by superannuation law, we are required to transfer it in full to the Australian Taxation Office (ATO). You may contact the ATO to claim your benefits should that occur.

For information about unclaimed superannuation for holders of temporary resident visas who permanently depart Australia, please contact your financial adviser.

Trust Deed

Since the last Annual Fund Report, there have been no changes to the Trust Deed. A copy of the current Trust Deed can be obtained by contacting the Zurich Client Service Centre on 131 551.

Policy committees

In certain circumstances a policy committee may have been formed in respect of an employer group in the Fund. The policy committee liaises between those members, the employer and the Trustee and is designed to provide the Trustee with feedback on any concerns members may have about the Fund. For further information about the role of a policy committee, including how to set one up, contact the Zurich Client Service Centre on 131 551.

The Fund accounts

The Fund accounts, auditor's report and certain investment information (a statement of net assets and information about single investments with a value of more than 5% of the portfolio's value) are not included in this annual report. If you would like a copy of the audit report or the audited accounts (available for 2010/11 after 31 October 2011), please contact us. Contact details are on the inside cover of this report.

Your privacy

We are bound by the National Privacy Principles. Before providing us with any personal information or sensitive personal information, you should know that:

- we need to collect personal information and, in some cases, sensitive personal information about you in order to comply with our legal obligations, assess your application and, if your application is successful, to administer the products or services provided to you ('Purposes');
- where relevant for the Purposes, we will disclose the personal information and/or sensitive personal information to your adviser (and the licensed dealer or broker they represent) and to our agents, contractors and service providers that provide financial, administration or other services in connection with the operation of our business or the products and services we offer;
- a list of the type of agents, contractors and service providers we commonly use is available on request, or from our website, www.zurich.com.au, by clicking on the Privacy link on our home page;
- we may use personal information (but not sensitive personal information) collected about you to notify you of other products and services we offer. If you do not want your personal information to be used in this way, please contact us;
- we may also disclose personal information or sensitive personal information about you or where we are required or permitted to do so by law;
- if you do not provide the requested information or withhold your consent for us to disclose your personal information or sensitive personal information, we may not be able to accept your application, administer the products or services provided to you, action a transaction you have requested or respond to an enquiry raised by yourself;
- in most cases, on receiving a written request, we will give you access to the personal information we hold about you. However, we may charge a fee for this service; and
- for further information, or a copy of Zurich's Privacy Policy, you can contact us by telephone on 132 687, email us at privacy.officer@zurich.com.au or by writing to The Privacy Officer, Zurich Financial Services Australia Limited, PO Box 677, North Sydney NSW 2059.

Complaints resolution

We are committed to providing you with a high level of service and we have arrangements in place for handling enquiries or complaints. If you have an enquiry or complaint (regarding your account or the way you have been treated) or if you require any further information about your investment or the management of your Zurich superannuation account, please contact the Zurich Client Service Centre on 131 551. We aim to acknowledge any complaint within 5 days and to resolve the complaint within 90 days. If you are not satisfied with the response you receive from us, or we fail to resolve the complaint within 90 days, you can raise the matter with the Superannuation Complaints Tribunal (SCT) at Locked Bag 3060, Melbourne VIC 3001. The SCT's telephone number is 1300 884 114.

The SCT is an independent body established by the Commonwealth Government to review trustee decisions relating to its members, as opposed to trustee decisions about the management of a superannuation fund as a whole. The objective of the SCT is to provide a fair, timely and economical means of resolution of complaints as an alternative to the court system. The SCT cannot consider complaints that have not been first referred to a trustee's complaints resolution process.

If your complaint is outside the jurisdiction of the SCT, you may instead be able to raise it with the Financial Ombudsman Service (FOS). The FOS is an independent body designed to help you resolve complaints relating to your Zurich product, as well as complaints relating to financial or investment advice and sales of financial or investment products. You can contact the FOS at GPO Box 3, Melbourne VIC 3001. The FOS's telephone number is 1300 780 808.

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 Resident 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 you 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.

Information on investments

Investments and the use of derivatives

Derivatives are investments that derive their value from an underlying asset or asset class (for example, an option to purchase a share at a particular price some time in the future).

All of the relevant investment managers involved in the Zurich Master Superannuation Fund have provided the Trustee or its representative with a Risk Management Statement in relation to their management of derivatives.

Derivatives are generally used to manage the market value of assets or to otherwise protect the value of an investment and not for borrowing or leveraging purposes. The Trustee itself does not invest in derivatives on behalf of the Fund and has not given a charge over any assets of the Fund for derivatives transactions entered into.

The Fund investment objectives and strategy

Within the constraints of the Trust Deed of the Fund, the overarching investment objective of the Fund is to offer a range of investment options (which have different levels of risk and generate investment returns in different ways, over different time frames and from different asset classes) to build the retirement benefits of members of the Fund by enabling members to select the investment option/s that most closely meet their own particular needs and circumstances.

In accordance with the Trust Deed of the Fund, the overarching investment strategy is to invest the assets of the Fund in policies issued by Zurich Australia Limited to provide the range of investment options set out in the investment options summaries (page 30). Those investment options have different levels of risk and expected return so that members can choose the option(s) that best suit their financial needs. The Trustee does not guarantee a return of invested capital, future investment performance or returns. However, under the Capital Guaranteed option, your investment (less any fees, withdrawals or tax) plus any interest that is credited to your account is guaranteed by Zurich.

Switching

You can move your money (called "switching") between investment options at any time. There is no minimum amount that must be switched. If we accept a switch request before 3pm in Sydney on a business day, the exit and entry unit prices determined for the relevant options for that business day will generally apply.

Net earnings of the Fund

Net earnings of the Fund are allotted to members via changes in unit prices (except under the Capital Guaranteed option*).

When you contribute to the Fund (or someone else such as your employer, contributes on your behalf), a contribution fee (if any) is deducted from the contribution. The amount remaining is then used to purchase units in your chosen option(s) (or the default option if no choice has been made).

The number of units allocated is determined by the 'entry price' for the option, which is the unit price for the date when we process your contribution. For example: assume a net contribution of \$2000 after deduction of the contribution fee, and that the entry price for the relevant investment option at the time we processed the transaction was 1.2112. The number of units issued would have been $2000/1.2112 = 1651.254$. Further units will be added with additional contributions and units will be deducted when management costs, tax, premiums (if any) and benefits are paid.

The unit price will increase or decrease depending on:

- the investment performance of the underlying assets;
- the taxation liabilities of the Fund; and
- management costs deducted directly from the underlying assets.

Your latest superannuation statement shows the exit unit price at the end of the reporting period. It also shows the number of units and the total value of the balance held in each investment option at the end of the reporting period. Note that the exit unit price differs from the entry unit price by the amount of the buy/sell spread applicable to the investment option, if any. The buy/sell spread is an allowance to cover the cost of buying and selling the underlying assets.

It is intended to:

- reflect an estimate of the transaction costs (for example brokerage) payable for buying and selling the underlying assets; and
- ensure that members of the Fund who rarely transact do not disproportionately bear the transaction costs associated with those members that transact more regularly.

The buy/sell spread is not a fee paid to the Fund, the Trustee, or Zurich.

*Under the Capital Guaranteed option, net earnings are allotted to members via an annual declared interest rate.

Reserving policy

The Fund does not maintain any reserves for the purposes of smoothing fluctuations in investment performance. Zurich may use reserves in managing the Capital Guaranteed investments or in other exceptional circumstances.

Tax on earnings and the effect of tax on unit pricing

Zurich superannuation plans: Investment earnings of the investment options are taxed at a maximum rate of 15%. Imputation credits from share dividends can reduce the tax payable and result in a tax refund for the Fund if there are any excess credits. The calculation of unit prices takes into account the tax on earnings and any imputation credits available.

There may be circumstances where the tax in unit pricing for an investment option is affected by the tax experience of other investment options (for example where the Fund as a whole has significant realised or unrealised capital losses). Where this occurs, the allocation of tax between investment options will be managed in the best interests of the overall fund membership.

Zurich retirement income plans: No income tax is paid by the Fund on its investment earnings relating to our retirement income plans.

Imputation credits

The Fund will generally benefit from any imputation credits (from share dividends) earned on the options' investment earnings. The calculation of unit prices takes into account a credit given to the account-based pension options equivalent to the imputation credits earned by those options.

Asset allocations

Asset allocations as at 30 June 2011 are included on pages 30 to 35 of this report. Asset allocations for investment options prior to this reporting period are not included in this annual report. If you would like details of the asset allocation for the investment options as at 30 June 2010 or earlier, copies of previous Annual Fund Reports are available by contacting us or by visiting www.zurich.com.au/annualreports.

Asset allocations in this report are shown on a pre-tax basis and do not include tax provisions that may be held in relation to an investment option. In practice an investment option may also include a tax provision. The tax provision will reflect that investment option's own tax experience, but may also be affected by the experience of other investment options. For example, an investment option may exchange investment assets (such as shares or bonds) with another for tax losses.

The maximum amount of exchanged tax losses an investment option can acquire is limited, currently to 5% of its total assets. Tax assets are not income producing, and exchanging them between investment options may have a slight effect on the investment returns of the relevant investment options.

Where exchanges take place, this activity will be managed in the best interests of the overall fund membership.

Investment performance

Pricing and performance at 30 June 2011

Open superannuation products (single and regular premium)

Investment product and options	APIR Code	Inception Date	Exit Price \$	Compound annualised returns for periods ending 30 June 2011			Annual rate of return for the 12 months to 30 June				
				3 year % pa	5 year % pa	Since inception	2011 %	2010 %	2009 %	2008 %	2007 %
Zurich Superannuation Plan (Entry Fee)											
Diversified options											
Capital Stable	ZUR0054AU	6/02/98	\$2.1332	3.99	3.24	4.18	4.59	7.54	-0.03	-1.55	5.93
Balanced	ZUR0254AU	28/02/00	\$1.8537	2.18	1.82	3.93	5.09	9.44	-7.24	-6.00	9.13
Managed Growth	ZUR0053AU	6/02/98	\$2.2269	1.16	1.01	4.51	5.68	9.94	-10.91	-9.34	12.03
Priority Growth	ZUR0381AU	1/10/99	\$2.0680	0.41	0.41	4.25	5.39	9.59	-12.35	-11.67	14.15
Managed Share	ZUR0050AU	6/02/98	\$2.4359	1.86	1.22	5.21	3.13	11.60	-8.16	-15.05	18.33
Sector specific options											
Cash	ZUR0049AU	6/02/98	\$1.8678	2.78	3.40	3.14	2.65	2.54	3.17	4.72	3.94
Australian Fixed Interest	ZUR0255AU	28/02/00	\$1.7646	4.27	2.86	3.53	2.74	8.18	2.00	0.05	1.52
Australian Property Securities	ZUR0259AU	28/02/00	\$1.5666	-7.29	-8.93	2.33	12.22	21.91	-41.76	-35.48	21.88
Global Property Securities	ZUR0571AU	19/11/07	\$0.8099	-2.78	N/A	-6.76	20.97	23.36	-38.44	N/A	N/A
Australian Value Share	ZUR0256AU	28/02/00	\$2.4380	4.79	3.51	6.48	7.90	17.50	-9.24	-17.84	25.71
Global Thematic Share	ZUR0051AU	6/02/98	\$1.4427	-3.09	-2.70	1.18	-1.48	-0.12	-7.50	-10.31	6.79
Global Small Companies Share	ZUR0257AU	1/03/00	\$0.8519	-1.66	-4.32	-2.94	4.31	12.46	-18.93	-22.74	9.16
Equity Income	ZUR0553AU	15/01/07	\$1.1871	4.88	N/A	2.44	9.56	10.60	-4.80	-8.02	N/A
Externally managed options											
BlackRock Balanced	ZUR0046AU	6/02/98	\$1.9572	-0.82	0.83	3.39	4.70	6.56	-12.56	-5.11	12.57
Colonial First State PST – Australian Share	ZUR0048AU	6/02/98	\$2.8964	0.87	0.92	6.42	6.70	15.64	-16.83	-15.27	20.40
Advance Imputation Fund	ZUR0554AU	15/01/07	\$0.9971	-0.06	N/A	-1.83	5.88	12.34	-16.07	-10.66	N/A
Perpetual Wholesale Balanced Growth Fund	ZUR0556AU	15/01/07	\$0.9915	0.27	N/A	-1.61	5.80	9.09	-12.66	-9.67	N/A

1. Returns for each option are calculated using exit prices, and are net of tax, the administration fee (PMC) (Charged at 1.50% for the Entry Fee option and 2.10% pa for the Nil Entry Fee option as quoted in the Disclosure Statement), the investment management fee and any expense recovery fee. No allowance is made for any contribution fee, withdrawal fee, adviser service fee or other fees.

2. **Past returns is not a reliable indicator of future performance**, which will depend on factors such as economic conditions, future taxation and the performance of the underlying assets in the plan.

Open superannuation products (single and regular premium)

Investment product and options	APIR Code	Inception Date	Exit Price \$	Compound annualised returns for periods ending 30 June 2011			Annual rate of return for the 12 months to 30 June				
				3 year % pa	5 year % pa	Since inception	2011 %	2010 %	2009 %	2008 %	2007 %
Zurich Superannuation Plan (Nil Entry Fee)											
Diversified options											
Capital Stable	ZUR0273AU	7/11/00	\$2.1332	3.38	2.63	3.39	3.98	6.91	-0.62	-2.13	5.31
Balanced	ZUR0274AU	7/11/00	\$1.8537	1.58	1.22	2.87	4.48	8.80	-7.79	-6.55	8.49
Managed Growth	ZUR0275AU	7/11/00	\$2.2269	0.56	0.41	2.50	5.06	9.30	-11.44	-9.88	11.38
Priority Growth	ZUR0276AU	7/11/00	\$2.0680	-0.18	-0.18	2.60	4.77	8.95	-12.88	-12.19	13.49
Managed Share	ZUR0277AU	7/11/00	\$2.4359	1.27	0.62	2.23	2.52	10.95	-8.70	-15.56	17.64
Sector specific options											
Cash	ZUR0278AU	7/11/00	\$1.8678	2.18	2.79	2.62	2.04	1.93	2.56	4.11	3.33
Australian Fixed Interest	ZUR0279AU	7/11/00	\$1.7646	3.66	2.26	2.69	2.14	7.55	1.40	-0.54	0.93
Australian Property Securities	ZUR0280AU	7/11/00	\$1.5666	-7.84	-9.47	1.24	11.56	21.20	-42.12	-35.88	21.18
Global Property Securities	ZUR0572AU	19/11/07	\$0.8099	-3.36	N/A	-7.33	20.27	22.65	-38.82	N/A	N/A
Australian Value Share	ZUR0281AU	7/11/00	\$2.4380	4.17	2.90	5.39	7.27	16.81	-9.78	-18.34	24.98
Global Thematic Share	ZUR0282AU	7/11/00	\$1.4427	-3.66	-3.28	-2.99	-2.06	-0.70	-8.05	-10.84	6.17
Global Small Companies Share	ZUR0283AU	7/11/00	\$0.8519	-2.24	-4.88	-3.40	3.70	11.80	-19.42	-23.20	8.52
Equity Income	ZUR0559AU	15/01/07	\$1.1871	4.26	N/A	1.84	8.92	9.96	-5.37	-8.56	N/A
Externally managed options											
BlackRock Balanced	ZUR0286AU	7/11/00	\$1.9572	-1.41	0.23	1.77	4.08	5.94	-13.08	-5.67	11.91
Colonial First State PST – Australian Share	ZUR0287AU	7/11/00	\$2.8964	0.27	0.33	4.58	6.08	14.96	-17.32	-15.78	19.71
Advance Imputation Fund	ZUR0560AU	15/01/07	\$0.9971	-0.64	N/A	-2.40	5.26	11.69	-16.57	-11.19	N/A
Perpetual Wholesale Balanced Growth Fund	ZUR0562AU	15/01/07	\$0.9915	-0.32	N/A	-2.18	5.18	8.45	-13.18	-10.21	N/A

1. Returns for each option are calculated using exit prices, and are net of tax, the administration fee (PMC) (Charged at 1.50% for the Entry Fee option and 2.10% pa for the Nil Entry Fee option as quoted in the Product Disclosure Statement), the investment management fee and any expense recovery fee. No allowance is made for any contribution fee, withdrawal fee, adviser service fee or other fees.

2. **Past returns is not a reliable indicator of future performance**, which will depend on factors such as economic conditions, future taxation and the performance of the underlying assets in the plan.

Allocated / Account-Based Pension products

Investment product and options	APIR Code	Inception Date	Exit Price \$	Compound annualised returns for periods ending 30 June 2011			Annual rate of return for the 12 months to 30 June				
				3 year % pa	5 year % pa	Since inception	2011 %	2010 %	2009 %	2008 %	2007 %
Zurich Allocated / Account-Based Pension (Entry Fee and Deferred Entry Fee)											
Diversified options											
Capital Stable	ZUR0003AU	4/04/94	\$3.1661	4.94	4.11	5.81	5.58	8.49	0.90	-1.34	7.26
Balanced	ZUR0004AU	4/04/94	\$3.4485	2.83	2.39	6.34	6.06	10.16	-6.92	-6.68	10.90
Managed Growth	ZUR0005AU	4/04/94	\$3.6189	1.56	1.40	6.65	6.55	10.29	-10.87	-10.39	14.20
Priority Growth	ZUR0242AU	28/02/00	\$1.9964	0.71	0.73	4.70	6.15	9.95	-12.47	-12.99	16.64
Managed Share	ZUR0006AU	16/05/94	\$4.3415	2.20	1.54	7.53	3.06	12.02	-7.55	-16.74	21.46
Sector specific options											
Cash	ZUR0002AU	4/04/94	\$2.4978	3.66	4.38	4.28	3.51	3.35	4.13	5.90	5.02
Australian Fixed Interest	ZUR0243AU	28/02/00	\$1.9594	5.47	3.78	4.57	3.73	10.08	2.75	0.43	2.19
Australian Property Securities	ZUR0247AU	28/02/00	\$1.7301	-6.85	-9.33	3.28	13.12	22.33	-41.60	-39.58	25.51
Global Property Securities	ZUR0569AU	19/11/07	\$0.8179	-1.78	N/A	-6.50	24.80	23.58	-38.56	N/A	N/A
Australian Value Share	ZUR0244AU	28/02/00	\$2.7375	5.56	4.10	7.65	8.63	18.11	-8.32	-20.15	30.15
Global Thematic Share	ZUR0055AU	6/09/96	\$2.3247	-3.37	-2.87	4.62	-2.32	-0.04	-7.59	-11.33	8.07
Global Small Companies Share	ZUR0245AU	28/02/00	\$0.8667	-0.70	-4.08	-2.72	6.38	12.59	-18.25	-25.27	10.97
Equity Income	ZUR0541AU	15/01/07	\$1.2032	5.69	N/A	2.84	11.47	11.99	-5.41	-9.16	N/A
Externally managed options											
Advance Imputation Fund	ZUR0542AU	15/01/07	\$0.9783	-0.31	N/A	-2.19	4.23	13.37	-16.15	-11.92	N/A
Perpetual Wholesale Balanced Growth Fund	ZUR0544AU	15/01/07	\$0.9771	0.29	N/A	-1.82	5.27	9.36	-12.37	-10.85	N/A

1. Returns for each option are calculated using exit prices, and are net of tax, the administration fee (PMC) (Charged at 1.40% for the Entry Fee option and 2.00% pa for the Nil Entry Fee option as quoted in the Product Disclosure Statement), the investment management fee and any expense recovery fee. No allowance is made for any contribution fee, withdrawal fee, adviser service fee or other fees.

2. **Past returns is not a reliable indicator of future performance**, which will depend on factors such as economic conditions, future taxation and the performance of the underlying assets in the plan.

Allocated / Account-Based Pension products

Investment product and options	APIR Code	Inception Date	Exit Price \$	Compound annualised returns for periods ending 30 June 2011			Annual rate of return for the 12 months to 30 June				
				3 year % pa	5 year % pa	Since inception	2011 %	2010 %	2009 %	2008 %	2007 %
Zurich Allocated / Account-Based Pension (Nil Entry Fee)											
Diversified options											
Capital Stable	ZUR0146AU	28/10/98	\$2.2082	4.34	3.50	4.47	5.00	7.85	0.31	-1.94	6.63
Balanced	ZUR0147AU	28/10/98	\$2.1930	2.22	1.80	4.41	5.44	9.55	-7.52	-7.17	10.27
Managed Growth	ZUR0148AU	28/10/98	\$2.2261	0.97	0.80	4.53	5.93	9.67	-11.40	-10.94	13.54
Priority Growth	ZUR0248AU	28/02/00	\$1.9946	0.10	0.19	4.11	5.45	9.66	-13.28	-13.21	16.00
Managed Share	ZUR0149AU	18/10/98	\$2.4462	1.55	0.87	5.31	2.51	11.49	-8.39	-17.40	20.74
Sector specific options											
Cash	ZUR0145AU	28/10/98	\$1.9557	3.05	3.76	3.46	2.90	2.75	3.51	5.28	4.40
Australian Fixed Interest	ZUR0249AU	28/02/00	\$1.9557	4.87	3.19	3.97	3.10	9.44	2.20	-0.14	1.59
Australian Property Securities	ZUR0253AU	28/02/00	\$1.7248	-7.56	-9.89	2.67	12.49	21.57	-42.25	-39.74	24.80
Global Property Securities	ZUR0570AU	19/11/07	\$0.8197	-2.28	N/A	-7.02	24.03	23.35	-39.00	N/A	N/A
Australian Value Share	ZUR0250AU	28/02/00	\$2.7688	5.13	3.63	7.16	7.93	17.69	-8.52	-20.44	29.29
Global Thematic Share	ZUR0113AU	28/10/98	\$1.3753	-3.83	-3.41	0.63	-2.91	-0.71	-7.74	-12.03	7.48
Global Small Companies Share	ZUR0251AU	28/02/00	\$0.8604	-1.39	-4.75	-3.33	5.77	11.95	-19.03	-25.76	10.14
Equity Income	ZUR0547AU	15/01/07	\$1.2052	5.10	N/A	2.28	10.84	11.50	-6.07	-9.69	N/A
Externally managed options											
Advance Imputation Fund	ZUR0548AU	15/01/07	\$0.9791	-0.94	N/A	-2.74	3.66	12.71	-16.81	-12.25	N/A
Perpetual Wholesale Balanced Growth Fund	ZUR0550AU	15/01/07	\$0.9816	-0.19	N/A	-2.30	4.63	8.92	-12.76	-11.25	N/A

1. Returns for each option are calculated using exit prices, and are net of tax, the administration fee (PMC) (Charged at 1.40% for the Entry Fee option and 2.00% pa for the Nil Entry Fee option as quoted in the Product Disclosure Statement), the investment management fee and any expense recovery fee. No allowance is made for any contribution fee, withdrawal fee, adviser service fee or other fees.

2. **Past returns is not a reliable indicator of future performance**, which will depend on factors such as economic conditions, future taxation and the performance of the underlying assets in the plan.

Closed products (superannuation and retirement income)

(Closed products cannot accept new investments but may accept additional contributions from existing investors excl. Zurich Term Allocated Pension)

Investment product and options	APIR Code	Inception Date	Exit Price \$	Compound annualised returns for periods ending 30 June 2011			Annual rate of return for the 12 months to 30 June				
				3 year % pa	5 year % pa	Since inception	2011 %	2010 %	2009 %	2008 %	2007 %
Zurich Term Allocated Pension (Entry Fee)											
Diversified options											
Capital Stable	ZUR0484AU	20/09/04	\$3.1661	4.94	4.11	5.40	5.58	8.49	0.90	-1.34	7.26
Balanced	ZUR0477AU	20/09/04	\$3.4485	2.83	2.39	4.99	6.06	10.16	-6.92	-6.68	10.90
Managed Growth	ZUR0489AU	20/09/04	\$3.6189	1.56	1.40	5.14	6.55	10.29	-10.87	-10.39	14.20
Priority Growth	ZUR0491AU	20/09/04	\$1.9964	0.71	0.73	5.53	6.15	9.95	-12.47	-12.99	16.64
Managed Share	ZUR0490AU	20/09/04	\$4.3415	2.20	1.54	6.26	3.06	12.02	-7.55	-16.74	21.46
Sector specific options											
Cash	ZUR0485AU	20/09/04	\$2.4978	3.66	4.38	4.40	3.51	3.35	4.13	5.90	5.02
Australian Fixed Interest	ZUR0475AU	20/09/04	\$1.9594	5.47	3.78	3.63	3.73	10.08	2.75	0.43	2.19
Australian Property Securities	ZUR0492AU	20/09/04	\$1.7301	-6.85	-9.33	-3.57	13.12	22.33	-41.60	-39.58	25.51
Australian Value Share	ZUR0476AU	20/09/04	\$2.7375	5.56	4.10	8.58	8.63	18.11	-8.32	-20.15	30.15
Global Thematic Share	ZUR0488AU	20/09/04	\$2.3247	-3.37	-2.87	2.19	-2.32	-0.04	-7.59	-11.33	8.07
Global Small Companies Share	ZUR0487AU	20/09/04	\$0.8667	-0.70	-4.08	1.75	6.38	12.59	-18.25	-25.27	10.97

- Returns for each option are calculated using exit prices, and are net of tax, the administration fee (PMC) (Charged at 1.40% for the Entry Fee option and 2.00% pa for the Nil Entry Fee option as quoted in the Product Disclosure Statement), the investment management fee and any expense recovery fee. No allowance is made for any contribution fee, withdrawal fee, adviser service fee or other fees.
- Past returns is not a reliable indicator of future performance**, which will depend on factors such as economic conditions, future taxation and the performance of the underlying assets in the plan.

Closed products (superannuation and retirement income)

(Closed products cannot accept new investments but may accept additional contributions from existing investors excl. Zurich Term Allocated Pension)

Investment product and options	APIR Code	Inception Date	Exit Price \$	Compound annualised returns for periods ending 30 June 2011			Annual rate of return for the 12 months to 30 June				
				3 year % pa	5 year % pa	Since inception	2011 %	2010 %	2009 %	2008 %	2007 %
Zurich Term Allocated Pension (Nil Entry Fee)											
Diversified options											
Capital Stable	ZUR0506AU	20/09/04	\$2.2082	4.34	3.50	4.78	5.00	7.85	0.31	-1.94	6.63
Balanced	ZUR0495AU	20/09/04	\$2.1930	2.22	1.80	4.39	5.44	9.55	-7.52	-7.17	10.27
Managed Growth	ZUR0511AU	20/09/04	\$2.2261	0.97	0.80	4.53	5.93	9.67	-11.40	-10.94	13.54
Priority Growth	ZUR0513AU	20/09/04	\$1.9946	0.10	0.19	4.95	5.45	9.66	-13.28	-13.21	16.00
Managed Share	ZUR0512AU	20/09/04	\$2.4462	1.55	0.87	5.58	2.51	11.49	-8.39	-17.40	20.74
Sector specific options											
Cash	ZUR0507AU	20/09/04	\$1.9557	3.05	3.76	3.78	2.90	2.75	3.51	5.28	4.40
Australian Fixed Interest	ZUR0493AU	20/09/04	\$1.9557	4.87	3.19	3.02	3.10	9.44	2.20	-0.14	1.59
Australian Property Securities	ZUR0514AU	20/09/04	\$1.7248	-7.56	-9.89	-4.15	12.49	21.57	-42.25	-39.74	24.80
Australian Value Share	ZUR0494AU	20/09/04	\$2.7688	5.13	3.63	8.05	7.93	17.69	-8.52	-20.44	29.29
Global Thematic Share	ZUR0510AU	20/09/04	\$1.3753	-3.83	-3.41	1.61	-2.91	-0.71	-7.74	-12.03	7.48
Global Small Companies Share	ZUR0509AU	20/09/04	\$0.8604	-1.39	-4.75	1.03	5.77	11.95	-19.03	-25.76	10.14

1. Returns for each option are calculated using exit prices, and are net of tax, the administration fee (PMC) (Charged at 1.40% for the Entry Fee option and 2.00% pa for the Nil Entry Fee option as quoted in the Product Disclosure Statement), the investment management fee and any expense recovery fee. No allowance is made for any contribution fee, withdrawal fee, adviser service fee or other fees.

2. **Past returns is not a reliable indicator of future performance**, which will depend on factors such as economic conditions, future taxation and the performance of the underlying assets in the plan.

Closed products (superannuation and retirement income)

(Closed products cannot accept new investments but may accept additional contributions from existing investors excl. Zurich Term Allocated Pension)

Investment product and options	APIR Code#	Inception Date	Exit Price \$	Compound annualised returns for periods ending 30 June 2011			Annual rate of return for the 12 months to 30 June				
				3 year % pa	5 year % pa	Since inception	2011 %	2010 %	2009 %	2008 %	2007 %
Zurich Retirement Policy (ZRP)											
Cash	ZUR0116AU	27/07/92	\$2.0548	2.99	3.59	3.87	2.84	2.72	3.41	4.88	4.13
Capital Stable	ZUR0117AU	27/07/92	\$2.5861	4.24	3.48	5.18	4.85	7.78	0.22	-1.32	6.17
Balanced	ZUR0118AU	27/07/92	\$2.8759	2.44	2.06	5.77	5.35	9.71	-6.98	-5.79	9.35
Managed Growth	ZUR0119AU	27/07/92	\$3.1559	1.40	1.24	6.32	5.92	10.18	-10.67	-9.12	12.26
Managed Share	ZUR0120AU	27/07/92	\$3.8805	2.16	1.51	7.52	3.42	11.90	-7.87	-14.81	18.63
Global Thematic Share	ZUR0121AU	17/07/95	\$1.8968	-2.90	-2.52	4.18	-1.29	0.07	-7.30	-10.12	6.98
Australian Fixed Interest (ZRP only)	ZUR0171AU	12/01/98	\$1.5820	4.48	3.07	3.46	2.99	8.37	2.19	0.24	1.72
Government Securities (ZRP only)	ZUR0172AU	12/01/98	\$1.5596	4.47	3.06	3.35	2.99	8.38	2.16	0.22	1.73
Property (ZRP only)	ZUR0173AU	12/01/98	\$1.4572	-6.98	-8.62	2.84	12.47	22.15	-41.42	-35.22	22.21

Investment product and options	APIR Code#	Inception Date	Exit Price \$	Compound annualised returns for periods ending 30 June 2011			Annual rate of return for the 12 months to 30 June				
				3 year % pa	5 year % pa	Since inception	2011 %	2010 %	2009 %	2008 %	2007 %
Zurich Super Bond (Nil Entry Fee)											
Cash	ZUR0101AU	31/08/99	\$1.4464	2.68	3.28	3.17	2.53	2.42	3.10	4.56	3.82
Capital Stable	ZUR0102AU	31/08/99	\$1.6084	3.91	3.19	4.12	4.59	7.33	-0.07	-1.50	5.87
Balanced	ZUR0103AU	31/08/99	\$1.5778	2.13	1.78	3.97	5.04	9.37	-7.27	-5.99	9.06
Managed Growth	ZUR0104AU	31/08/99	\$1.5621	1.09	0.95	3.90	5.61	9.86	-10.95	-9.36	11.94
Managed Share	ZUR0105AU	31/08/99	\$1.5970	1.80	1.18	4.13	3.10	11.56	-8.26	-15.03	18.29
Global Thematic Share	ZUR0106AU	31/08/99	\$0.9686	-3.17	-2.80	-0.18	-1.56	-0.21	-7.58	-10.43	6.68

1. Returns for each option are calculated using exit prices, and are net of tax, the administration fee (PMC) at the maximum rate quoted in the offer document ignoring any minimum dollar charge. Ongoing management charges are determined in accordance with the offer document and are deducted from the investment option selected.

2. **Past returns is not a reliable indicator of future performance**, which will depend on factors such as economic conditions, future taxation and the performance of the underlying assets in the plan.

The APIR codes are for those products as indicated. For other APIR codes please contact the Zurich Client Service Centre on 131 551.

Closed products (superannuation and retirement income)

(Closed products cannot accept new investments but may accept additional contributions from existing investors excl. Zurich Term Allocated Pension)

Investment product and options	APIR Code#	Inception Date	Exit Price \$	Compound annualised returns for periods ending 30 June 2011			Annual rate of return for the 12 months to 30 June				
				3 year % pa	5 year % pa	Since inception	2011 %	2010 %	2009 %	2008 %	2007 %
Money Maker Series											
Capital Stable	ZUR0153AU	30/09/84	\$2.9238	4.53	3.78	5.86	5.14	8.07	0.52	-1.05	6.51
Fixed Interest	ZUR0154AU	30/09/84	\$11.0039	4.78	3.36	6.68	3.24	8.71	2.48	0.49	2.07
Australian Property	ZUR0155AU	30/09/84	\$14.3200	4.77	3.36	7.77	3.28	8.68	2.46	0.54	2.03
Australian Property	ZUR0156AU	30/09/84	\$11.2698	-6.80	-8.44	6.76	12.66	22.47	-41.32	-35.10	22.46
Managed Growth	ZUR0157AU	30/09/84	\$19.6196	1.71	1.57	8.94	6.23	10.51	-10.37	-8.82	12.68
Managed Share	ZUR0158AU	9/03/92	\$32.3048	2.45	1.80	10.82	3.71	12.24	-7.61	-14.53	18.96

Investment product and options	APIR Code#	Inception Date	Exit Price \$	Compound annualised returns for periods ending 30 June 2011			Annual rate of return for the 12 months to 30 June				
				3 year % pa	5 year % pa	Since inception	2011 %	2010 %	2009 %	2008 %	2007 %
Zurich Performance Superannuation Bond											
Cash*	ZUR0416AU	1/03/89	N/A	2.78%	2.87%	2.72%	1.08%	2.85%	3.89%	3.44%	2.56%

* Returns for the Cash Guaranteed Performance Bond are to 30/06/11. Rates are declared quarterly.

Investment product and options	APIR Code#	Inception Date	Exit Price \$	Compound annualised returns for periods ending 31 December 2010			Annual rate of return for the 12 months to 31 December				
				3 year % pa	5 year % pa	10 Year % pa	2010 %	2009 %	2008 %	2007 %	2006 %
Capital Guaranteed[^]											
Zurich Retirement Policy (non-participating)	ZUR0219AU	7/6/98	N/A	4.91%	4.92%	5.24%	3.65%	4.55%	6.55%	4.55%	5.30%
Zurich Retirement Policy (participating)	ZUR0219AU	2/1/86	N/A	6.60%	6.70%	7.06%	5.85%	7.10%	6.85%	6.85%	6.85%

1. Returns for each option are calculated using exit prices, and are net of tax, the administration fee (PMC) at the maximum rate quoted in the offer document ignoring any minimum dollar charge. Ongoing management charges are determined in accordance with the offer document and are deducted from the investment option selected.

2. **Past returns is not a reliable indicator of future performance**, which will depend on factors such as economic conditions, future taxation and the performance of the underlying assets in the plan.

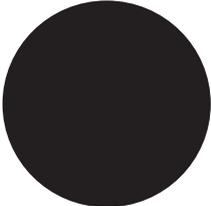
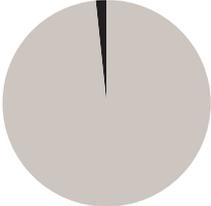
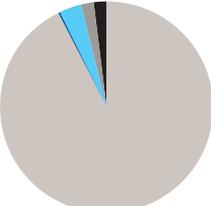
The APIR codes are for those products as indicated. For other APIR codes please contact the Zurich Client Service Centre on 131 551.

[^] Returns for Capital Guaranteed products are to 31 December 2010. Rates are declared yearly. Annual returns are for 12 months to 31 December of the previous year.

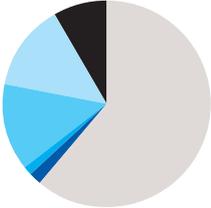
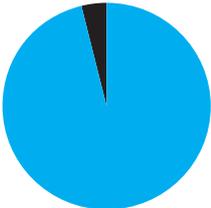
Investment option summaries

As at 30 June 2011

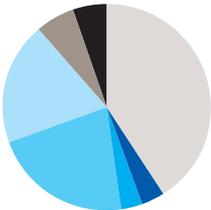
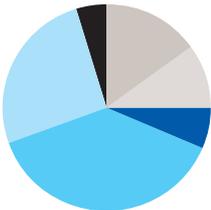
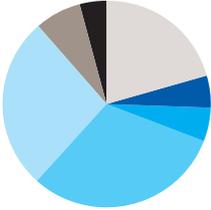
Please note, objectives shown in this section are goals only and may not be met. Objectives, strategies, asset allocation and other aspects of the investment options are subject to change. Unless otherwise specified there is no guarantee as to the performance of any of the investment options or the repayment of capital.

Option	Objectives	Strategies	Risk/return	Asset Allocations*
Cash	To provide investors with security of capital, along with a competitive cash rate over the short-term.	This option invests in Australian wholesale money markets including bank guaranteed, government guaranteed and corporate securities.	Low	 <ul style="list-style-type: none"> ● Cash 100.00%
Australian Fixed Interest	To provide investors with security and some capital growth over the short to medium-term.	<p>This option invests in a range of fixed interest securities including Australian government, state government and semi-government securities and corporate bonds.</p> <p>Australian fixed interest assets include securities issued by international bodies which are traded on the domestic Australian fixed interest market and which may be backed by investments in overseas investments and assets.</p>	Low to medium	 <ul style="list-style-type: none"> ● Aust Fixed Interest 98.53% ● Cash 1.47%
Capital Guaranteed	To provide capital security with long-term capital appreciation.	In order to limit volatility, this option is biased towards fixed interest investments and cash. A smaller proportion of the option is invested in shares and property to provide the prospect of some capital growth.	Low to medium	 <ul style="list-style-type: none"> ● Aust Fixed Interest 92.80% ● Aust Listed Property 0.02% ● Aust Listed Equity 3.49% ● Aust Indexed Bonds 1.98% ● Liquids 1.71%

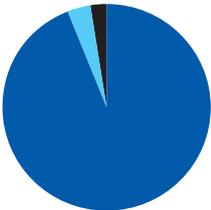
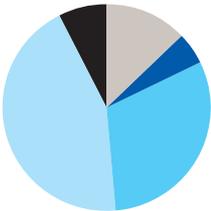
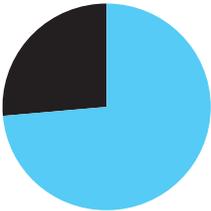
* As at 30 June 2011.

Option	Objectives	Strategies	Risk/return	Asset Allocations*
Capital Stable	To provide investors with security, and some capital growth over the short to medium term, through exposure to a range of asset classes.	This option invests mainly in fixed interest securities and cash with some exposure to growth assets such as Australian and international shares and listed property trusts. The option is designed to reduce investment risk by diversifying across asset classes.	Low to medium	 <ul style="list-style-type: none"> ● Diversified Fixed Interest 61.30% ● Aust Property Securities 1.79% ● Global Property 1.60% ● Aust Shares 13.59% ● Int Shares 13.60% ● Cash 8.12%
Government Securities	To provide capital over the medium to long-term by investing in government securities.	This option will invest in fixed interest securities issued by the Australian government, state government or semi-government entities.	Low to medium	 <ul style="list-style-type: none"> ● Aust Fixed Interest 98.56% ● Cash 1.44%
Global Property Securities	To outperform the FTSE EPRA / NAREIT Developed Real Estate Index (hedged in \$A) over a period of five years.	This option invests in a range of global listed property securities of companies that own income producing properties or land and that intend to derive at least 50% of their revenue from the ownership, construction, financing, management or sale of commercial or residential real estate (including property sectors and sub-sectors as defined by NAREIT) or that have at least 50% of their assets in real estate.	Medium	 <ul style="list-style-type: none"> ● Global Property 96.31% ● Cash 3.69%

* As at 30 June 2011.

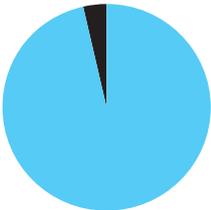
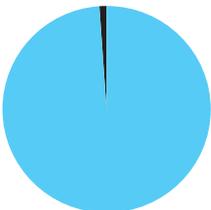
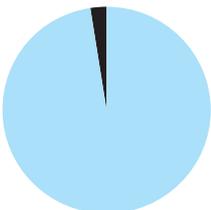
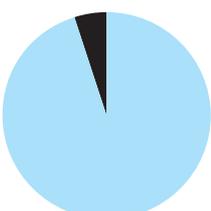
Option	Objectives	Strategies	Risk/return	Asset Allocations*														
Balanced	To provide investors with security and capital growth over the medium to long-term.	This option invests mainly in a balanced mix of income and growth assets, which will include Australian and international shares, fixed interest securities, listed property trusts and cash. The option is designed to reduce investment risk by diversifying across asset classes.	Medium	 <table border="1"> <tr> <td>Diversified Fixed Interest</td> <td>41.10%</td> </tr> <tr> <td>Aust Property Securities</td> <td>3.43%</td> </tr> <tr> <td>Global Property</td> <td>3.36%</td> </tr> <tr> <td>Aust Shares</td> <td>21.63%</td> </tr> <tr> <td>Int Shares</td> <td>19.29%</td> </tr> <tr> <td>Alternative Investments</td> <td>6.05%</td> </tr> <tr> <td>Cash</td> <td>5.14%</td> </tr> </table>	Diversified Fixed Interest	41.10%	Aust Property Securities	3.43%	Global Property	3.36%	Aust Shares	21.63%	Int Shares	19.29%	Alternative Investments	6.05%	Cash	5.14%
Diversified Fixed Interest	41.10%																	
Aust Property Securities	3.43%																	
Global Property	3.36%																	
Aust Shares	21.63%																	
Int Shares	19.29%																	
Alternative Investments	6.05%																	
Cash	5.14%																	
BlackRock Balanced	To provide investors with the highest possible returns consistent with a 'balanced' investment strategy encompassing: <ul style="list-style-type: none"> an orientation towards growth assets; a bias toward Australian assets; and active asset allocation, security selection and risk management. 	This option's strategy is built around two steps: <ol style="list-style-type: none"> Establishing the most appropriate strategic benchmark subject to the growth/income splits and market risk exposures of the range of Australian balanced funds; and Enhancing the returns of the Fund relative to the strategic benchmark to the maximum extent possible by utilising investment teams, strategies and techniques from BlackRock's resources around the globe subject to a risk budgeting framework. 	Medium	 <table border="1"> <tr> <td>Aust Fixed Interest</td> <td>15.00%</td> </tr> <tr> <td>Int Fixed Interest</td> <td>10.00%</td> </tr> <tr> <td>Aust Property Securities</td> <td>6.50%</td> </tr> <tr> <td>Aust Shares</td> <td>38.00%</td> </tr> <tr> <td>Int Shares</td> <td>26.00%</td> </tr> <tr> <td>Cash</td> <td>4.5%</td> </tr> </table>	Aust Fixed Interest	15.00%	Int Fixed Interest	10.00%	Aust Property Securities	6.50%	Aust Shares	38.00%	Int Shares	26.00%	Cash	4.5%		
Aust Fixed Interest	15.00%																	
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Aust Property Securities	6.50%																	
Aust Shares	38.00%																	
Int Shares	26.00%																	
Cash	4.5%																	
Managed Growth	To provide investors with capital growth over the medium to long-term.	This option invests mainly in a mix of Australian and international shares, fixed interest securities, listed property trusts and cash. The option is designed to reduce investment risk by diversifying across asset classes.	Medium to high	 <table border="1"> <tr> <td>Diversified Fixed Interest</td> <td>20.77%</td> </tr> <tr> <td>Aust Property Securities</td> <td>5.00%</td> </tr> <tr> <td>Global Property</td> <td>5.20%</td> </tr> <tr> <td>Aust Shares</td> <td>30.79%</td> </tr> <tr> <td>Int Shares</td> <td>26.91%</td> </tr> <tr> <td>Alternative Investments</td> <td>7.27%</td> </tr> <tr> <td>Cash</td> <td>4.06%</td> </tr> </table>	Diversified Fixed Interest	20.77%	Aust Property Securities	5.00%	Global Property	5.20%	Aust Shares	30.79%	Int Shares	26.91%	Alternative Investments	7.27%	Cash	4.06%
Diversified Fixed Interest	20.77%																	
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Alternative Investments	7.27%																	
Cash	4.06%																	

* As at 30 June 2011.

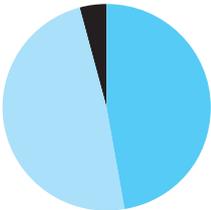
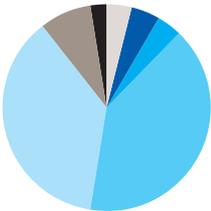
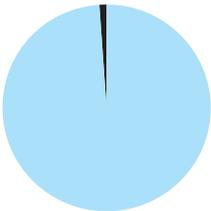
Option	Objectives	Strategies	Risk/return	Asset Allocations*										
Australian Property Securities	To provide investors with capital growth over the medium to long-term.	This option invests in a range of listed property securities, spread across retail, commercial, tourism and industrial property sectors.	Medium to high	 <table border="1"> <tr> <td>● Aust Property Securities</td> <td>94.06%</td> </tr> <tr> <td>● Aust Shares</td> <td>3.48%</td> </tr> <tr> <td>● Cash</td> <td>2.46%</td> </tr> </table>	● Aust Property Securities	94.06%	● Aust Shares	3.48%	● Cash	2.46%				
● Aust Property Securities	94.06%													
● Aust Shares	3.48%													
● Cash	2.46%													
Perpetual Wholesale Balanced Growth	To provide investors with long-term capital growth and income through investment in a diversified portfolio with an emphasis on Australian and international share investments.	Perpetual invests in a diverse mix of assets (such as Australian shares, international shares, fixed income, property, enhanced cash and other investments) ⁽¹⁾ . Tactical asset allocation strategies (using derivatives) may be applied to shares, fixed income and cash (the Fund may adjust its exposure to these asset classes on a regular basis). Perpetual may outsource the investment management of one or more asset classes in whole or in part to external managers. Currency hedges may be used from time to time. Derivatives may be used in managing each asset class. ^(2, 3)	Medium to high	 <table border="1"> <tr> <td>● Aust Fixed Interest</td> <td>12.80%</td> </tr> <tr> <td>● Aust Property Securities</td> <td>5.10%</td> </tr> <tr> <td>● Aust Shares</td> <td>30.90%</td> </tr> <tr> <td>● Int Shares</td> <td>43.70%</td> </tr> <tr> <td>● Cash</td> <td>7.50%</td> </tr> </table>	● Aust Fixed Interest	12.80%	● Aust Property Securities	5.10%	● Aust Shares	30.90%	● Int Shares	43.70%	● Cash	7.50%
● Aust Fixed Interest	12.80%													
● Aust Property Securities	5.10%													
● Aust Shares	30.90%													
● Int Shares	43.70%													
● Cash	7.50%													
Equity Income Fund	To provide investors with regular income and some capital growth from the Australian sharemarket.	This option invests in a range of securities listed on the Australian Stock Exchange that are expected to deliver a regular income stream. The option maintains a portfolio of bought and sold options over shares and equity index futures in order to deliver additional income and reduce investment risk.	Medium to high	 <table border="1"> <tr> <td>● Aust Shares</td> <td>73.66%</td> </tr> <tr> <td>● Cash</td> <td>26.34%</td> </tr> </table>	● Aust Shares	73.66%	● Cash	26.34%						
● Aust Shares	73.66%													
● Cash	26.34%													

* As at 30 June 2011.

- (1). Perpetual may allocate up to 30% of the portfolio to other investments, which may include infrastructure, mortgages (including mezzanine mortgages) and alternative investments such as private equity, opportunistic property, hedge funds, specialist credit, commodities and diversified beta funds. The additional exposure to other investments enhances the Fund's diversification and may help reduce volatility.
- (2). Derivatives may be used to manage actual and anticipated interest rate and credit risk, currency risk and credit exposure. They may also be used for hedging, arbitrage, as a replacement for trading a physical security and for managing the duration of the Fund.
- (3). Derivatives may be used to:
 - adjust currency exposure (where appropriate);
 - hedge selected shares or securities against adverse movements in market prices;
 - gain exposure to relevant indices;
 - gain short-term exposure to the market;
 - build positions in selected companies or issuers of securities as a short-term strategy to be reversed as the physical positions are built up;
 - create a short exposure to a stock for Funds authorised to take net negative positions.

Option	Objectives	Strategies	Risk/return	Asset Allocations*
Australian Value Share	To provide investors with capital growth over the medium to long-term.	This option invests in a range of companies listed on the Australian Stock Exchange. These investments may include shares and units in listed property trusts.	High	 <p>● Aust Shares 96.58% ● Cash 3.42%</p>
Colonial First State PST – Australian Shares	To provide investors with long-term capital growth by investing in a broad selection of Australian companies.	Colonial First State's Growth approach is based on the belief that, over the medium to long term, stock prices are driven by the ability of management to generate excess returns over their cost of capital in their chosen industry. The strategy of the fund is to generally invest in high quality companies with strong balance sheets and earnings. The fund predominantly invests in Australian companies and therefore does not hedge currency risk.	High	 <p>● Aust Shares 98.90% ● Cash 1.10%</p>
Global Small Companies Share	To provide investors with long-term capital growth with the benefits of smaller companies global diversification.	This option primarily invests in the smallest 10% of companies listed on foreign stock exchanges, or those with a market capitalisation below \$US5 billion. The option may invest up to 20% of its assets in the equity securities of larger companies.	High	 <p>● Int Shares 97.74% ● Cash 2.26%</p>
Global Thematic Share	To provide investors with long-term capital growth and the benefits of global diversification.	This option invests in a broad selection of securities listed on foreign stock exchanges.	High	 <p>● Int Shares 95.27% ● Cash 4.73%</p>

* As at 30 June 2011.

Option	Objectives	Strategies	Risk/return	Asset Allocations*														
Managed Share	To provide investors with long-term capital growth by investing in a diversified portfolio of Australian and international shares.	This option invests mainly in a mix of Australian and international shares. The option mainly invests in Australian companies, including property trusts, with a smaller allocation to shares listed on foreign stock exchanges.	High	 <table border="1"> <tr> <td>● Aust Shares</td> <td>47.44%</td> </tr> <tr> <td>● Int Shares</td> <td>48.47%</td> </tr> <tr> <td>● Cash</td> <td>4.09%</td> </tr> </table>	● Aust Shares	47.44%	● Int Shares	48.47%	● Cash	4.09%								
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Priority Growth	To provide investors with long-term capital growth, through exposure across a range of asset classes.	This option invests mainly in growth assets including Australian and international shares and listed property trusts and holds a smaller proportion of income assets including fixed interest and cash. The option is designed to reduce investment risk by diversifying across asset classes.	High	 <table border="1"> <tr> <td>● Diversified Fixed Interest</td> <td>3.96%</td> </tr> <tr> <td>● Aust Property Securities</td> <td>4.53%</td> </tr> <tr> <td>● Global Property</td> <td>3.92%</td> </tr> <tr> <td>● Aust Shares</td> <td>40.24%</td> </tr> <tr> <td>● Int Shares</td> <td>36.81%</td> </tr> <tr> <td>● Alternative Investments</td> <td>8.25%</td> </tr> <tr> <td>● Cash</td> <td>2.29%</td> </tr> </table>	● Diversified Fixed Interest	3.96%	● Aust Property Securities	4.53%	● Global Property	3.92%	● Aust Shares	40.24%	● Int Shares	36.81%	● Alternative Investments	8.25%	● Cash	2.29%
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● Aust Shares	40.24%																	
● Int Shares	36.81%																	
● Alternative Investments	8.25%																	
● Cash	2.29%																	
Advance Imputation Wholesale Units	To provide a tax effective income stream and long-term capital growth from a wide range of shares listed, or expected to be listed, on the Australian Stock Exchange. The Fund aims to provide investors with a total investment return (before fees and taxes) that outperforms the S&P/ASX 200 Accumulation Index over periods of 5 years or longer.	To invest in a wide range of Australian shares, chosen for their perceived "fundamental value". Cash plays an important part in managing the volatility of investment returns.	High	 <table border="1"> <tr> <td>● Aust Shares</td> <td>99.15%</td> </tr> <tr> <td>● Cash</td> <td>0.85%</td> </tr> </table>	● Aust Shares	99.15%	● Cash	0.85%										
● Aust Shares	99.15%																	
● Cash	0.85%																	

* As at 30 June 2011.

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Zurich Australian Superannuation Pty Limited
ABN 78 000 880 553 AFSL 232500
RSE L0003216 Registration No. R1067651
5 Blue Street North Sydney NSW 2060
Zurich Client Service Centre
Telephone: 131 551 Facsimile: 61 2 9995 3797
Email: client.service@zurich.com.au
www.zurich.com.au

