

Zurich Master Superannuation Fund



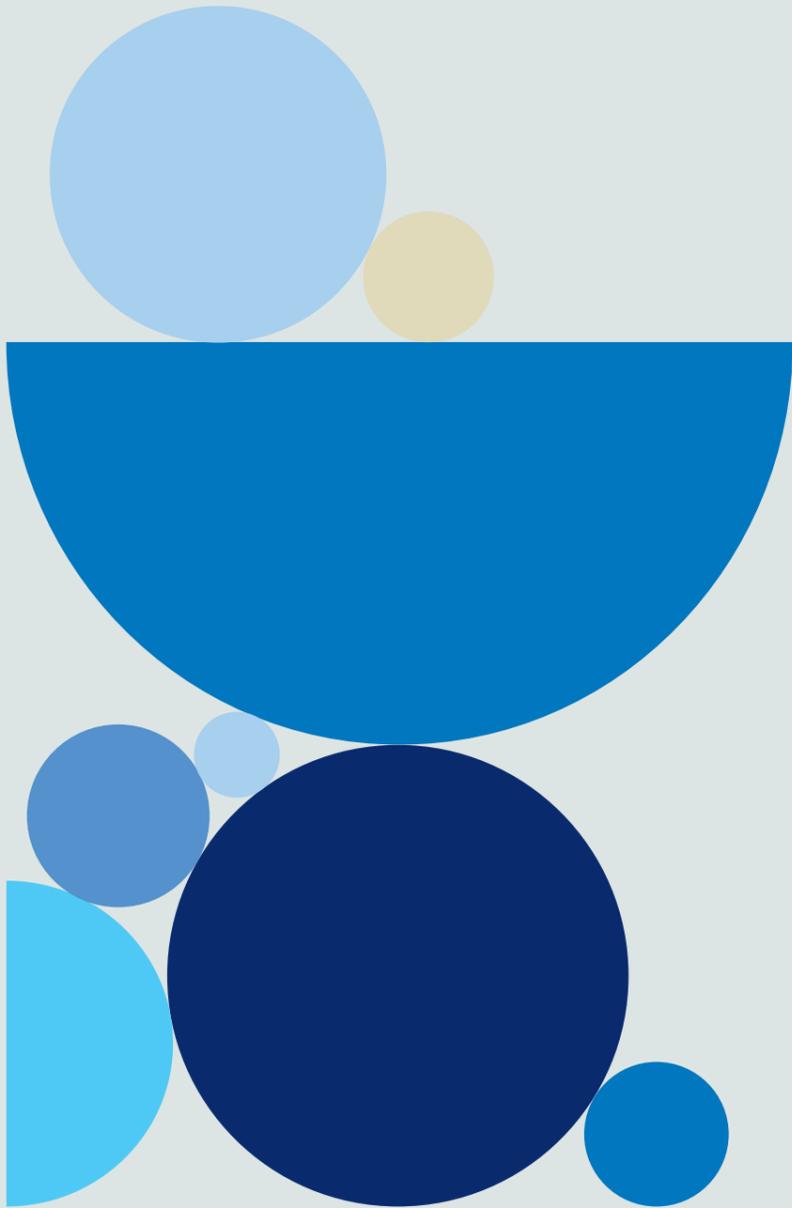
Annual Fund Report
for the year ending 30 June 2021

Equity Trustees Superannuation Limited
ABN 50 055 641 757 AFSL 229757 RSE Licence L0001458 (the Trustee)
is the trustee of the Zurich Master Superannuation Fund (the Fund)
(ABN 33 632 838 393 SFN 2540/969/42)



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Welcome to the Zurich Master Superannuation Fund

Annual Fund Report 2020-21



Dear member

As the Chair of the Trustee Board, I am pleased to present this Annual Fund Report for the year to 30 June 2021.

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

On behalf of the Trustee Board, I would like to assure you our dedicated team work hard every day to provide you with exceptional service together with consistent and reliable returns. Our aim is to help your retirement goals become reality.

We look forward to continuing to act in the best interests of members, providing member-focused products, insurances and services to deliver greater retirement outcomes for this year, and beyond.

Yours sincerely,

Tony Lally
Chair, Equity Trustees Superannuation Limited

Legislative update



Federal Budget 2021 – Superannuation & Retirement update

On 11 May 2021, the Treasurer, Mr Josh Frydenberg, delivered the 2021-22 Budget, and proposed expanding on a number of existing superannuation measures. The measure will have effect from the start of the first financial year after Royal Assent of the enabling legislation, which the Government expects to have occurred prior to 1 July 2022.

If they become law, the changes will give older Australians, including self-funded retirees, greater flexibility to contribute to their superannuation and access their housing wealth if they choose to by:

Repealing the work test for those aged 67 to 74

The Government will allow individuals aged 67 to 74 years (inclusive) to make or receive non-concessional (including under the bring-forward rule) or salary sacrifice superannuation contributions without meeting the work test, subject to existing contribution caps. Individuals aged 67 to 74 years will still have to meet the work test to make personal deductible contributions.

Currently, individuals aged 67 to 74 years can only make voluntary contributions (both concessional and non-concessional) to their superannuation, or receive contributions from their spouse, if they are working at least 40 hours over a 30-day period in the relevant financial year. Removing the requirement to meet the work test when making non-concessional or salary sacrifice contributions will simplify the rules governing superannuation contributions and will increase flexibility for older Australians to save for their retirement through superannuation.

Extending access to downsizer contributions

The eligibility age for individuals to make downsizer contributions into superannuation will be reduced from 65 to 60 years of age.

The downsizer contribution allows people to make a one-off, post-tax contribution to their superannuation of up to \$300,000 per person from the proceeds of selling their home. Both members of a couple can contribute in respect of the same home, and contributions do not count towards non-concessional contribution caps.

This measure will allow more older Australians to consider downsizing to a home that better suits their needs, thereby freeing up the stock of larger homes for younger families.

Giving older Australians the choice to move out of legacy retirement products

Individuals will be able to exit a specified range of legacy retirement products, together with any associated reserves, for a two-year period. The measure will include market-linked, life-expectancy and lifetime products, but not flexi-pension products or a lifetime product in a large APRA-regulated or public sector defined benefit scheme.

Currently, these products can only be converted into another like product and limits apply to the allocation of any associated reserves without counting towards an individual's contribution caps.

This measure will permit full access to all of the product's underlying capital, including any reserves, and allow individuals to potentially shift to more contemporary retirement products.

Social security and taxation treatment will not be grandfathered for any new products commenced with commuted funds and the commuted reserves will be taxed as an assessable contribution.

Removing the \$450 per month threshold for superannuation guarantee eligibility

The current \$450 per month minimum income threshold, under which employees do not have to be paid the superannuation guarantee by their employer, will be removed.

This measure will improve equity in the superannuation system by expanding the superannuation guarantee coverage for cohorts with lower incomes. The Retirement Income Review estimated that around 300,000 individuals would receive additional superannuation guarantee payments each month, 63 per cent of whom are women.

Please be aware that some of the measures mentioned above may have not been legislated at the time this report was published, and if passed by Parliament they may end up looking slightly different to the announcements made in the Federal Budget. It is recommended you seek professional advice from your financial adviser, who will be able to assist you with your retirement planning taking these announcements into consideration.

Changes announced in previous years

As outlined in the 2020 Annual Fund Report, there were a number of changes to superannuation that had not been legislated at the time the Annual Fund Report was prepared. The following changes announced during the 2020 Federal Budget have now been passed into legislation:

Super Reforms – Your Future, Your Super

The Your Future, Your Super reforms are designed to reduce the number of duplicate accounts held by employees as a result of changes in employment and prevent new members joining underperforming funds and include the following four key measures:

1. Fund stapling

To prevent the creation of unintended multiple super accounts and the erosion of super balances, a new super account will no longer be created automatically every time an individual starts a new job. Instead, their super will be 'stapled' to them. Employers will pay super to an existing fund if the individual has one unless they select another fund. From 1 November 2021:

- If an employee does not nominate an account at the time they start a new job, employers will pay their superannuation contributions to their existing fund.
- Employers will obtain information about the employee's existing superannuation fund from the ATO.
- If an employee does not have an existing superannuation account and does not make a decision regarding a fund, the employer will pay the employee's superannuation into their nominated default superannuation fund.

2. YourSuper comparison tool

A new, interactive, online YourSuper comparison tool will help individuals compare MySuper products.

It was introduced on 1 July 2021 and updated to include investment performance from 31 August 2021. The YourSuper comparison tool:

- displays a table of MySuper products ranked by fees and net returns (updated quarterly)
- allows you to select and compare in more detail up to four MySuper products at a time
- links you to a super fund's website when you select a MySuper product from the table
- can show your current super accounts alongside other MySuper products – if you access the personalized version through myGov provides links to help you consolidate your super accounts.

3. Improved transparency and accountability

The Government will ensure superannuation trustees are more accountable and transparent as to how they are managing the retirement savings of their members. From 1 July 2021:

- Super trustees will be required to comply with a new duty to act in the best financial interests of members.
- Trustees must demonstrate that there was a reasonable basis to support their actions being consistent with members' best financial interests.
- Trustees will provide members with key information regarding how they manage and spend their money in advance of Annual Members' Meetings. This requirement will be effective for the Annual Member Meeting for the 2022 financial year.

4. MySuper performance test

APRA is required to conduct an annual performance test for MySuper products from 1 July 2021, and for 'other products as specified in the Regulations, from 1 July 2022. The assessment under the performance test, in conjunction with the ATO's YourSuper comparison tool, is intended to hold RSE licensees to account for underperformance through greater transparency and increased consequences.

Please note that the Zurich Master Superannuation Fund (ZMSF) does not include a MySuper product. Therefore, some of the measures mentioned above do not currently apply to your membership in the ZMSF.

More flexible superannuation

The government announced changes to the cut-off age to access the bring-forward provisions for individuals making non-concessional contributions. Additionally, from 1 July 2021 individuals are able to re-contribute the COVID early release superannuation payments without breaching the excess contribution cap and are no longer subject to excess contributions charge.

Bring-forward arrangement contributions cap

The cut-off age for accessing the bring-forward non-concessional contributions cap has increased from 65 to 67 years. This means individuals aged 65 and 66 who were not previously able to access the bring forward non-concessional contributions cap due to their age may do so. This applies to non-concessional contributions made on or after 1 July 2020.

Remove the excess contributions charge

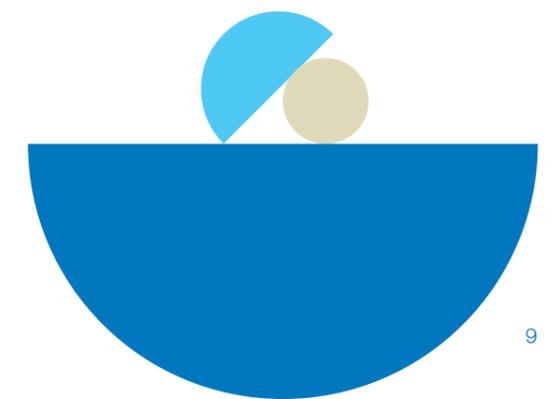
Individuals who make contributions on or after 1 July 2021 that exceed their excess concessional contributions cap, will no longer be liable to pay the excess concessional contributions charge. They will still be issued with a determination and taxed at their marginal tax rate on any excess concessional contribution amount (with a 15% tax offset to account for the contributions tax already paid by their super fund).

Re-contribution of COVID early release superannuation amounts

Individuals who received a COVID-19 early release of super amount can re-contribute up to the amount they received without the contributions counting towards their non-concessional cap. These contributions:

- can be made between 1 July 2021 and 30 June 2030
- cannot exceed the total amount of super accessed under the COVID -19 early release, and
- cannot be claimed as a personal superannuation deduction.

Individuals choosing to re-contribute must notify their super fund in the approved form, either before or at the time of making the re-contribution. The approved form can be obtained on the Zurich website, www.zurich.com.au, or by contacting Zurich Customer Care on 131 551. If you are intending to re-contribute the COVID-19 early release amounts you accessed and have questions on the process, please reach out to your financial adviser or the Zurich Customer Care team for assistance.



Other changes

Written consent required for deduction of advice fees.

From 1 July 2021, under the Financial Sector Reform Act 2021, new requirements for adviser fee consent and renewal apply. Broadly speaking, the new requirements include:

- trustees are required by law to obtain specific written consent before an advice fee (also known as an ongoing adviser service fee or member advice fee) can be deducted from your superannuation fund account.
- ongoing fee arrangements are renewed annually
- your financial adviser must disclose in writing the total fees that will be charged, including a dollar estimate of the fees to be charged during the following 12 month period together with the services that will be provided during the following 12 month period.

In addition:

- You are not under any obligation to consent to an advice fee being deducted. If you are not happy with the amount described or do not wish to have the agreed amount deducted from your Fund account, you do not have to sign a consent to have an advice fee deducted. If you are happy with the amount described, but prefer to pay the fee directly, you do not have consent to its deduction from your Fund account.
- Advice fees can only be deducted from your Fund account if they are in relation to your interest in the Zurich Master Superannuation Fund and meet the sole purpose test requirements of the Superannuation Industry (Supervision) Act 1993.
- A transitional period applies from 1 July 2021 until 1 July 2022 for existing arrangements entered into before 1 July 2021.

Reuniting More Superannuation Regulations

New legislation required eligible rollover funds (ERFs) to close by 30 June 2021 (for accounts that had a balance of less than \$6,000 on 1 June 2021) and by 31 January 2022 (for all other accounts). If a member of an ERF did not make a decision relating to their balance the trustee of the ERF was required to transfer the balance to the Australian Taxation Office where the Taxation Commissioner attempts to reunite amounts received from ERFs with a member's active account.

Temporary 50% reduction in superannuation minimum drawdown rates extended

The Government has extended the reduced minimum drawdown requirements for account-based pensions and similar products by 50% for a further year to 30 June 2022.

The minimum drawdown requirements determine the minimum amount of a pension that a retiree has to draw from their superannuation in order to qualify for tax concessions. Minimum payment amounts are calculated on the basis of asset values on 1 July of each income year.

This change will allow retirees to avoid selling assets in a loss position in order to satisfy the minimum drawdown requirements.

Further information

For basic information about these reforms and insurance in superannuation more generally, the Trustee recommends the ASIC's MoneySmart website (<https://www.moneysmart.gov.au>).



Product and investment update



In this section, ZSP stands for Zurich Superannuation Plan, ZRP stands for Zurich Retirement Plan and ZABP stands for Zurich Account-Based Pension.

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

Change of Strategic Investment Partners

- With effect 1 October 2020, Schroder Investment Management Australia Limited replaced Aberdeen Asset Management Limited in the Fixed Interest and Cash asset classes of the Zurich diversified options.
- With effect 12 April 2021, Yarra Capital Management replaced Nikko Asset Management in the Australian shares asset class of the Zurich diversified options.
- With effect 26 July 2021, Wells Fargo Asset Management (WFAM) announced it would be changing its company name to Allspring Global Investments (Allspring) following the sale of WFAM to GTCR LLC and Reverence Capital Partners. The new name, Allspring, took effect 1 November 2021. This change applies to the International Share asset class in the Zurich diversified options.
- Effective 17 September 2021, the Colonial First State Australian Share Pooled Super Trust was closed, and holdings transferred to the First Sentier Wholesale Australian Share Fund. Members invested in that option were not impacted and did not incur any buy/sell costs because of the transfer.

Change to Buy/Sell spread for the Global Growth Share option

The buy/sell spread for the Global Growth Share option changed following a review of the underlying transaction costs incurred by the fund. Effective 1 December 2020 the buy/sell spread has reduced from 0.06%/0.06% to 0.03%/0.03%.

Reduction of Capital Guaranteed asset charge (ZRP only)

Zurich guarantees the Capital Guaranteed investment option will never declare a negative rate of investment return. Currently there is a deduction of up to 0.50% from the declared rate of the option for the cost of providing this guarantee.

In addition to the cost of guarantee charge, for some members there is an asset charge ranging between 1.00% p.a. and 1.30% p.a.

Following a review of the costs associated with the Capital Guaranteed portfolio, Zurich will be reducing the maximum asset charge to 0.50% p.a. This means the total asset-based fee will not exceed 1.00% p.a. There is no change to the charges for those members whose total asset-based fees are already below 1.00% p.a. or whose policies participate in Zurich's profits.

This change applies for annual investment returns credited to policies from 1 January 2022 and will be reflected in the returns declared at 31 December 2021.

Income protection cover can no longer be added to a Zurich Superannuation Plan

With effect 29 March 2021, Income protection cover, available through the Zurich Income Protector policy, ceased to be available to existing members wishing to add income protection cover to their ZSP for the first time.

Members who have Zurich Income Protector as part of their ZSP are unaffected by this change and remain covered under the terms and conditions that applied when their cover started.

Zurich Superannuation Plan closed to new members

Effective 1 October 2021, the Zurich Superannuation Plan (ZSP) was closed to new members.

Rest assured there is no impact to existing ZSP members from this announcement. All aspects of existing ZSP policies remain the same, including the ability to make additional contributions to an existing ZSP account.

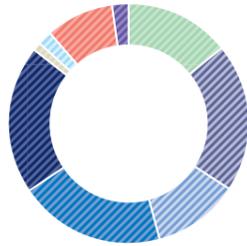
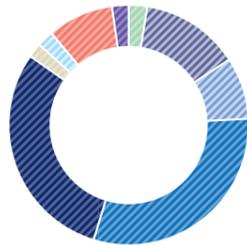
Investment options

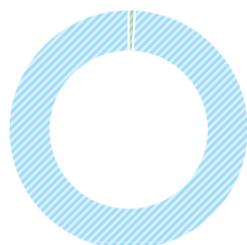
As at 30 June 2021

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.

Investment Option	Category	Investment Objective	Investment Strategy	Minimum time horizon	Standard Risk Measure	Asset Allocations (as at 30 June 2021)
Capital Guaranteed (ZRP only)	Stable	To provide investors with a guarantee of capital, and with the annualised investment return (before fees and taxes) outperforming the Bloomberg AusBond Bank Bill Index by 5 basis points over a five year period.	This option invests in income producing asset classes, such as fixed interest and cash, to protect capital value. The option may hold a relatively small portion in growth assets for diversification benefits.	1 year	Very low	<ul style="list-style-type: none"> Cash 6.02% Australian Fixed Interest 89.00% Australian shares 4.97%
Cash	Stable	To provide investors with security of capital, along with a competitive cash rate over the short term. The option aims to match the Bloomberg AusBond Bank Bill Index over a one year period before fees and taxes.	This option invests in Australian wholesale money markets including bank guaranteed, government guaranteed and corporate securities.	1 year	Very low	<ul style="list-style-type: none"> Cash 100%
Australian Fixed Interest	Stable	To provide investors with security, and some capital growth over the short to medium term. The option aims to outperform the Bloomberg AusBond Composite Bond Index by 1% over rolling three year periods before fees and taxes.	This option invests in a range of fixed interest securities including Australian government, state government and semi-government securities and corporate bonds. 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.	3 years	Medium	<ul style="list-style-type: none"> Cash 16.82% Australian Fixed Interest 83.18%

Investment Option	Category	Investment Objective	Investment Strategy	Minimum time horizon	Standard Risk Measure	Asset Allocations (as at 30 June 2021)
Capital Stable	Stable	To provide investors with security, and some capital growth over the short to medium term, through exposure to a range of asset classes. The option aims to achieve CPI+1% over rolling three year periods before fees and taxes.	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 risk by diversifying across asset classes.	3 years	Medium	<ul style="list-style-type: none"> Cash 34.54% Diversified Fixed Interest 18.92% Absolute Return Bonds 15.13% Australian Shares 9.60% International Shares 9.82% Listed Property Securities Australian 0.97% Global 1.06% Alternatives 8.94% Infrastructure 1.03%
Government Securities (ZRP Only)	Stable	To provide investors with security, and some capital growth over the short to medium term. The option aims to outperform the Bloomberg AusBond Composite Bond Index by 1% over rolling three year periods before fees and taxes.	This option invests in a range of fixed interest securities issued by the Australian government, state government or semi-government entities and corporates.	3 years	Medium	<ul style="list-style-type: none"> Cash 16.82% Australian Fixed Interest 83.18%

Investment Option	Category	Investment Objective	Investment Strategy	Minimum time horizon	Standard Risk Measure	Asset Allocations (as at 30 June 2021)
Balanced	Moderate	To provide investors with security and capital growth over the medium to long term, through exposure across a range of asset classes. The option aims to achieve CPI+2% over rolling four year periods before fees and taxes.	This option invests 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 overall portfolio risk by spreading the option's investments across asset classes.	4 years	High	 <ul style="list-style-type: none"> ■ Cash 14.11% ■ Diversified Fixed Interest 19.95% ■ Absolute Return Bonds 11.36% ■ Australian Shares 21.06% ■ International Shares 19.44% Listed Property Securities <ul style="list-style-type: none"> ■ Australian 0.94% ■ Global 2.10% ■ Alternatives 8.98% ■ Infrastructure 2.06%
Managed Growth	Growth	To provide investors with capital growth over the medium to long term, through exposure across a range of asset classes. The option aims to achieve CPI+2.5% over rolling five year periods before fees and taxes.	This option invests in a mix of Australian and international shares, fixed interest securities, listed property trusts and cash. The option is designed to reduce overall portfolio risk by spreading the option's investments across asset classes.	5 years	High	 <ul style="list-style-type: none"> ■ Cash 2.76% ■ Diversified Fixed Interest 13.11% ■ Absolute Return Bonds 8.48% ■ Australian Shares 30.51% ■ International Shares 30.02% Listed Property Securities <ul style="list-style-type: none"> ■ Australian 1.92% ■ Global 2.15% ■ Alternatives 8.96% ■ Infrastructure 2.08%

Investment Option	Category	Investment Objective	Investment Strategy	Minimum time horizon	Standard Risk Measure	Asset Allocations (as at 30 June 2021)
Australian Property Securities	Growth	To provide investors with capital growth over the medium to long-term. The option aims to outperform the S&P/ASX 300 A-REIT Accumulation Index by 1.5% over periods of rolling five year periods before fees and taxes.	This option invests in a range of listed property securities, spread across retail, commercial, tourism and industrial property sectors.	5 years	Very High	 <ul style="list-style-type: none"> ■ Cash 4.17% ■ Australian Property 95.83%
Global Property Securities	Growth	To outperform the FTSE EPRA/ NAREIT Developed Real Estate Index (hedged in \$A) (Net TRI) by 2% over rolling five year periods before fees and taxes.	The 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.	5 years	Very High	 <ul style="list-style-type: none"> ■ Cash 1.02% ■ Global Property 98.98%

Investment Option	Category	Investment Objective	Investment Strategy	Minimum time horizon	Standard Risk Measure	Asset Allocations (as at 30 June 2021)
Managed Share	High Growth	To provide investors with long term capital growth by investing in a diversified option of Australian and international shares. The option aims to outperform its composite benchmark (50% S&P/ASX 300 Accumulation Index; 50% MSCI World (ex-Australia) Accumulation Index in \$A (net dividends reinvested)) by 2% over rolling five year periods before fees and taxes.	This option invests 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.	7 years	High	<ul style="list-style-type: none"> Australian Shares 52.13% International Shares 47.87%
Priority Growth	High Growth	To provide investors with long term capital growth, through exposure across a range of asset classes. The option aims to achieve CPI+3% over rolling seven year periods before fees and taxes.	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 overall portfolio risk by spreading the option's investments across asset classes.	7 years	High	<ul style="list-style-type: none"> Diversified Fixed Interest 2.64% Absolute Return Bonds 3.64% Australian Shares 37.44% International Shares 36.97% Listed Property Securities Australian 1.92% Global 2.21% Alternatives 13.05% Infrastructure 2.14%
Australian Value Share	High Growth	To provide investors with capital growth over the medium to long term. The option aims to outperform the S&P/ASX 300 Accumulation Index by 2% over rolling five year periods before fees and taxes.	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.	7 years	Very High	<ul style="list-style-type: none"> Cash 1.44% Australian Shares 98.56%

Investment Option	Category	Investment Objective	Investment Strategy	Minimum time horizon	Standard Risk Measure	Asset Allocations (as at 30 June 2021)
Global Growth Share	High Growth	To provide investors with long-term capital growth by investing in securities listed on international stock exchanges. The Option aims to outperform the MSCI World (ex-Australia) Accumulation Index in \$A (net dividends reinvested) by 2% over rolling five year periods before fees and taxes.	To invest in securities with high growth potential that are primarily listed on international stock exchanges. In addition, an active currency management strategy is employed whereby up to 40% of the exposure to international currency may be hedged back to Australian dollars.	7 years	High	<ul style="list-style-type: none"> Cash 0.02% International Shares 99.98%
Global Thematic Share	High Growth	To provide investors with long term capital growth and the benefits of global diversification. The option aims to outperform the MSCI World (ex-Australia) Accumulation Index in \$A (net dividends reinvested) by 2% over rolling seven year periods before fees and taxes.	This option invests in a broad selection of companies listed on foreign stock exchanges.	7 years	High	<ul style="list-style-type: none"> Cash 3.35% International Shares 96.65%
First Sentier – Aust Shares	High Growth	To provide long-term capital growth with some income by investing in a broad selection of Australian companies. The option aims to outperform the S&P/ASX 300 Accumulation Index by 3% over rolling three year periods before fees and taxes.	The Fund's strategy is based on the belief that stronger returns are achieved by investing in growing companies that generate consistent returns and reinvest above their cost of capital. In-depth industry, stock and valuation analysis is the foundation of the process. The Fund predominantly invests in quality Australian companies with strong balance sheets, earnings growth and high or improving returns on invested capital.	7 years	High	<ul style="list-style-type: none"> Cash 1.52% Australian Shares 98.48%

^ For members in ZSP and ZABP, this income is automatically reinvested in the investment option and forms part of the options' unit price; it is not paid out in distributions to members.

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.

Additional information on investments



The Fund investment objectives and strategy

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. Details of the range of investment options are set out in the investment options summaries on pages 14 to 19. 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 (not the Trustee).

Asset allocations

Asset allocations as at 30 June 2021 are included on pages 14 to 19 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 2020 or earlier, copies of previous Annual Fund Reports are available by contacting us or by visiting www.zurich.com.au/annualreports

Standard Risk Measure information

The Standard Risk Measure is based on industry guidance to allow members to compare investment options that are expected to deliver a similar number of negative annual returns over any 20 year period. Investment options are graded across seven 'risk bands'; from 'very low risk' to 'very high risk' (refer to the table below).

The measure includes estimates of how many negative annual returns are expected for each option over a 20-year period, to give you an indication of how a particular risk level may affect a long-term investment. The Standard Risk Measures current at 30 June 2021 for each investment option are included on pages 14 to 19 of this report. Any changes to the Standard Risk Measure will be published on the Zurich website (on the "Updates" tab on the Product Disclosure Statement page for Superannuation and Retirement).

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

Note:

The Standard Risk Measure is not a complete assessment of all forms of investment risk, for instance it does not detail what the size of a negative return could be or the potential for a positive return to be less than a member may require to meet their objectives. Further, it does not take into account the impact of administration fees and tax on the likelihood of a negative return. Members should still ensure they are comfortable with the risks and potential losses associated with their chosen investment option/s.

Switching

You can move your money between investment options (called "switching") 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). 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 \$2,000 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.

Investment performance

For information about investment returns on your plan, please refer to your annual statement. General information on recent investment performance is available from our website at www.zurich.com.au or by calling Zurich Customer Care on 131 551.

The unit price will increase or decrease depending on:

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

Your latest superannuation statement shows the exit unit price at the end of your statement's 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.*

Contributions fees may only have been charged on policies established prior to 1 July 2013 and have been removed from all policies effective 1 December 2020.

Reserving policy – investments

The Trustee does not maintain any reserves for the purposes of smoothing fluctuations in investment performance.

Zurich, as the issuer of the investment policies, may use reserves in managing the Capital Guaranteed investments or in other exceptional circumstances (although this is not a reserve in the Fund).

Tax on earnings and the effect of tax on unit pricing

Zurich superannuation plans:

Investment earnings of the investment options available to accumulation members 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:

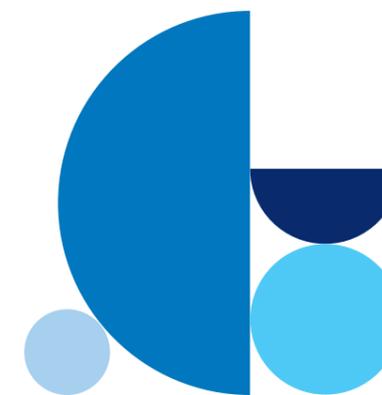
No income tax is paid by the Trustee from the Fund on investment earnings relating to our retirement income plans.

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.

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 Fund have provided the Trustee or its representative with a Derivative Risk 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.



Other important information



Other important information

Unclaimed superannuation

Broadly speaking your superannuation benefit may become unclaimed and paid to the Australian Taxation Office (ATO) if (in summary) you are:

- over 65 years old, haven't made a contribution for the last two years and have been uncontactable by the Fund for five years#
- deceased, haven't made a contribution for the last two years and the Fund has been unable to pay the benefit to the rightful beneficiary because they are uncontactable
- a former temporary Australian resident and it has been six months since you left Australia or since your visa expired
- entitled to be paid your ex-spouse's super in a family law split and the Fund is unable to contact you
- a lost member* whose account balance is less than \$6,000
- a lost member* whose account has been inactive for 12 months and your Fund does not have the information needed to make a payment to you
- a member with a low-balance inactive account, unless an exception applies.

You may contact the ATO to claim your benefits should that occur. For further information about unclaimed superannuation and how to claim, please contact your financial adviser or visit the ATO website, www.ato.gov.au.

In addition to the unclaimed superannuation process described above, if you are identified as an "inactive low-balance member account", your benefit may also be transferred to the ATO.

Generally, for there to be communication (contact) between the Fund and the member, it needs to be established that the communications has been sent and received. Unfortunately, this does not include where the Fund has sent the member their annual statement as the Fund is unable to verify if the member actually received the statement.

** Broadly, a person may be a lost member if they have not made a contribution within a prescribed timeframe and the Fund receives returned mail from their last known address.*

Expense recoveries by Zurich or the Trustee

The trust deed for the Fund allows the Trustee to be reimbursed for expenses it reasonably incurs in administering the Fund. In addition, the investment life insurance policy invested in by the Trustee allows Zurich to recover expenses it incurs in administering the Fund's assets subject to the relevant product disclosure statement or other offer statement.

There is no limit on expense recoveries by the Trustee (subject to applicable laws). These expenses are incurred by the Trustee through activities such as audit, custody, reporting and systems and other changes needed to comply with laws and regulations. Currently the Trustee does not make any additional expense recoveries other than those reflected in the fees and costs set out in the relevant product disclosure statement or offer document, and therefore they are not an additional cost to you.

This arrangement is in place until 30 June 2025 unless there is an acceptable proposal for consolidation of the fund with another superannuation fund before then. Until that time, any additional expense recoveries other than those reflected in the fees and costs set out in the disclosure documents are met by Zurich. This is in consideration for the Trustee paying Zurich an amount equivalent to the tax benefit the Trustee receives arising from the amount by which the Fund's death and disablement insurance costs exceed assessable contributions received for members to whom those contributions relate.

Zurich uses the tax benefit amount to meet the additional expenses of the Fund (that Zurich has agreed to meet under the arrangement outlined above) and expenses Zurich incurs in administering the assets under the Fund's investment life insurance policies. Zurich retains the residue (if any) for its own purposes.

Operational Risk Reserve

The Trustee maintains a reserve in the Fund for managing operational risk. The reserve is invested in a Capital Guaranteed portfolio under a Zurich life insurance policy. The closing balances of the reserve at the end of the financial years ending 30 June 2019 to 30 June 2021 are set out below:

Date	Operational Risk Reserve
30 June 2021	\$2,822,806
30 June 2020	\$2,786,571
30 June 2019	\$3,430,424

Superannuation surcharge

The Trustee may deduct any surcharge payable for any superannuation contribution surcharge liabilities for you, for financial years 2005 and prior, from your account.

Trust Deed

Since the last Annual Fund Report, there have been no changes made to the Trust Deed. A copy of the current Trust Deed can be obtained on the Zurich website, www.zurich.com.au, or by contacting Zurich Customer Care on 131 551.

The Fund accounts

The Fund accounts (or abridged financial information), auditor's report and certain investment information (a statement of net assets as 30 June 2021 and 2020, and information about single investments with a value of more than 5% of total sub-plan or Fund assets) are not included in this annual report. Under relevant Government disclosure regulations, it is not necessary to include this information as Fund benefits are wholly determined by life insurance products. If you would like a copy of the audit report or the audited accounts (available for 2020-21 after 31 October 2021), please contact us. Contact details are on page 29 of this report.

Complaints resolution

Should you have a complaint regarding your ZMSF account, the Fund or a decision of the Trustee (excluding privacy complaints), you should contact Zurich's Customer Service Operations Manager. The Customer Service Operations Manager has been authorised by the Trustee to receive all complaints. You can contact the Customer Service Operations Manager directly via phone, email or in writing and we'll do our best to resolve your issue fairly, respectfully and efficiently, and will keep you informed of our progress.

Email: client.service@zurich.com.au

Phone: 131 551

Mail: Zurich Master Superannuation Fund

Locked Bag 994

North Sydney NSW 2059

If you make a complaint and we resolve it within 5 business days from receipt to your satisfaction, we are not required to send you a formal complaint response, unless you request one; or your complaint relates to hardship, a declined insurance claim, the value of an insurance claim or for any decision of a trustee (or failure by the trustee to make a decision) relating to a complaint.

If you're not satisfied with the initial response to your complaint, your concerns will be escalated to a Dispute Resolution Team. Specialists will work closely with you to find a solution quickly and amicably within the required timeframe.

Legislation requires the Trustee to respond to you within 45 days after receiving your complaint, unless another timeframe is allowed or required under the relevant legislation. For death benefit objections, the Trustee must provide a complaint response no later than 90 calendar days after the expiry of the 28 calendar day period for objecting.

We will do our best to resolve your complaint as soon as possible. However, if we are unable to provide you with a response within the required timeframe, we will provide you with progress updates including reasons for the delay.

We hope that we can resolve your complaint through our Internal Dispute Resolution (IDR) process.

You may also lodge a complaint with the Australian Financial Complaints Authority (AFCA), although AFCA will not normally deal with a complaint until it has been through the Trustee's IDR process.

Online: www.afca.org.au

Email: info@afca.org.au

Phone: 1800 931 678

Mail: Australian Financial Complaints Authority
GPO Box 3, Melbourne VIC 3001

AFCA is an independent body established by the Commonwealth Government and provides a free dispute resolution to consumers and small businesses for all financial products and services.

Important: Time limits may apply to complain to AFCA and so you should act promptly or otherwise consult the AFCA website to find out if or when the time limit relevant to your circumstances expires. Other limits may also apply.

For Privacy complaints, please contact the Trustee by calling (03) 8623 5000, or alternatively via email at privacy@eqt.com.au.

For complaints about your adviser, you should contact their Dealer Group or Australian Financial Services Licensee with which they are associated.

Anti-Money Laundering and Counter-Terrorism Financing Requirements

The Trustee and Zurich are required to satisfy various regulatory and compliance obligations, including under the Anti-Money Laundering/Counter-Terrorism Financing Act 2006 (Cth). As a member of a superannuation fund, you must complete the Customer Identification forms (either included in the application form or available from us on request) and provide the required identity verification information.

The Trustee or Zurich may, from time to time, require additional information from you, which you must provide. In accordance with our obligations, we will monitor your transactions; we may also delay or refuse to process certain transactions. We may also be required to disclose information about you to a regulator or law enforcement body.

Residency and applicable laws

Zurich policies are designed for customers who are resident in Australia. If you move to another country outside of Australia, the policy may no longer be suitable for your individual needs, and you may no longer be eligible to make payments into the policy. The local laws and regulations of the jurisdiction to which you move may affect Zurich's ability to continue to service your policy in accordance with its terms and conditions.

You need to tell Zurich of any planned change in residency before the change happens.

Neither the Trustee or Zurich offer tax advice, so if you decide to live outside Australia, you should obtain advice on the tax consequences of changing your country of residence in relation to your policy. The Trustee or Zurich will not be held liable for any adverse tax consequences that arise in respect of you or your policy as a result of such a change in residence.

Zurich and other companies within the worldwide Zurich group of companies have obligations under Australian and foreign laws. Regardless of any other policy terms and conditions, Zurich reserves the right to take any action (or not take any action) as Zurich considers necessary to ensure it or another company within the Zurich group of companies is not placed at risk of breaching Australian laws or laws in any other country.

All financial transactions, including claim payments and other reimbursements, are subject to compliance with applicable trade or economic sanctions laws and regulations.

A change in residency might require Zurich to suspend or terminate your insurance (if any) accordingly.

Zurich Australia Limited and other companies within the worldwide Zurich group of companies have obligations under Australian and foreign laws. Regardless of any other policy terms and conditions, Zurich and the Trustee reserve the right to take any action (or not take any action) which could place them or another company within the Zurich group at risk of breaching Australian laws or laws in any other country.

All financial transactions, including acceptance of premium payments, claim payments and other reimbursements, are subject to compliance with applicable trade and economic sanctions laws and regulations.

Zurich may terminate a policy where you are considered to be a sanctioned person, or you conduct an activity which is sanctioned, according to trade or economic sanctions laws and regulations. Further, neither Zurich nor the Trustee will provide any cover, service or benefit to any party if either determine it places Zurich or the Trustee at risk of breaching applicable trade or economic sanctions laws or regulations.

Each policy is based on the legal and regulatory requirements applicable at the time the policy is issued. Should the legal and regulatory requirements change in a material way, Zurich is entitled to adapt the terms and condition to the changed legal and regulatory requirements, provided the change is lawful.

Planning to move overseas?

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. You may be asked to provide additional information and your details may be passed to relevant government authorities.

Trustee Privacy Statement

Zurich and the Trustee are bound by the Privacy Act 1988 (Cth). Before providing us with any Personal or Sensitive Information ('Information'), you should know the following information.

When you provide instructions to Equity Trustees Superannuation Limited and/or any related bodies corporate under EQT Holdings Limited ("the EQT Group"), the EQT Group will be collecting personal information about you.

This information is needed to admit you as a Member of the Fund, administer your benefits and identify when you may become entitled to your benefits and to comply with Australian taxation laws and other applicable laws and regulations. If the information requested is not provided, the EQT Group may be unable to process your application or administer your benefits, or your benefits may be restricted.

Use and Disclosure

The information that you provide may be disclosed to certain organisations to which the EQT Group has outsourced functions, or which provide advice to the EQT Group and/or to Government bodies, including but not limited to:

- Organisations involved in providing administration and custody services for the Fund, the Fund's insurers, accountants, auditors, legal advisers, and/or those that provide mailing and/or printing services;
- In the event that you make a claim for a disablement benefit, the insurer may be required to disclose information about you to doctors and other experts for the purposes of assessing your claim;
- The ATO, APRA, ASIC, AUSTRAC, Centrelink and/or other government or regulatory bodies;
- Those where you have consented to the disclosure and/or as required by law.

Collection of Tax File Number ("TFN")

The EQT Group are authorised by law to collect your TFN under the Superannuation (Industry) Supervision Act 1993 (Cth). The EQT Group will only use your TFN for legal purposes including calculating the tax on payments, providing information to the ATO, transferring or rolling over your benefits to another superannuation fund and for identifying or finding your superannuation benefits where other information is insufficient.

Under the law, you do not have to supply your TFN but if you do not, your benefits may be subject to tax at the highest marginal rate on withdrawal plus the Medicare Levy.

Direct Marketing

The EQT Group may from time to time provide you with direct marketing and/or educational material about products and services the EQT Group believes may be of interest to you. Should you not wish to receive this information from the EQT Group (including by email or electronic communication), you have the right to "opt out" by advising the EQT Group by telephoning (03) 8623 5000, or alternatively via email at privacy@eqt.com.au.

Access and Correction

Subject to some exceptions allowed by law, you can ask for access to your personal information. The EQT Group will give you reasons if we deny you access to this information. The EQT Group Privacy Statement outlines how you can request to access and seek the correction of your personal information.

Privacy complaints

The EQT Group Privacy Statement contains information about how you can make a complaint if you think the EQT Group has breached your privacy and about how EQT will deal with your complaint.

Trustee's Privacy Policy

The EQT Privacy policy is available at www.eqt.com.au/global/privacystatement or it can be obtained by contacting the EQT Group's Privacy Officer on (03) 8623 5000, or alternatively by contacting us via email at privacy@eqt.com.au.

You should refer to the EQT Group Privacy policy for more detail about the personal information the EQT Group collects and how the EQT Group collects, uses and discloses your personal information.

Zurich's Privacy Policy

For information about Zurich's Privacy Policy, a list of service providers and business partners that we may disclose your Information to, a list of countries in which recipients of your Information are likely to be located, details of how you can access or correct the Information we hold about you or make a complaint, please refer to the Privacy link on the Zurich homepage – www.zurich.com.au, contact Zurich by telephone on 132 687 or email at privacy.officer@zurich.com.au.

Contact details

Enquiries and administration

The team at Zurich Customer Care understands your product. They are well equipped to answer general questions about the product and provide extra information. They cannot provide financial advice. Please contact Zurich Customer Care in the most convenient way for you:



131 551



client.service@zurich.com.au



Locked Bag 994
North Sydney NSW 2059



www.zurich.com.au

Financial advice

Your financial adviser should be your first point of contact for financial advice. The Trustee and Zurich can only provide you with factual information about your plan and how it operates.

We can help if you need support

We recognise that some members need more help than others. For example, members who are from a non-English speaking background. Your financial adviser can help if you make a change to your ZMSF account or if you want to make a complaint. If you contact Zurich Customer Care and the team identifies that you need more support, they'll do their best to help. This could involve helping you to understand how your ZMSF account works.



Your board of Directors

as at 30 June 2021

Ellis Varejes

Non-Executive Director
21 March 2019 - present

Mark Blair

Executive Director
21 March 2019 - present

Michael O'Brien

Managing Director
21 March 2019 - present

Tony Lally

Non-Executive Director
21 March 2019 - present

Sue Everingham

Non-Executive Director
21 March 2019 - present

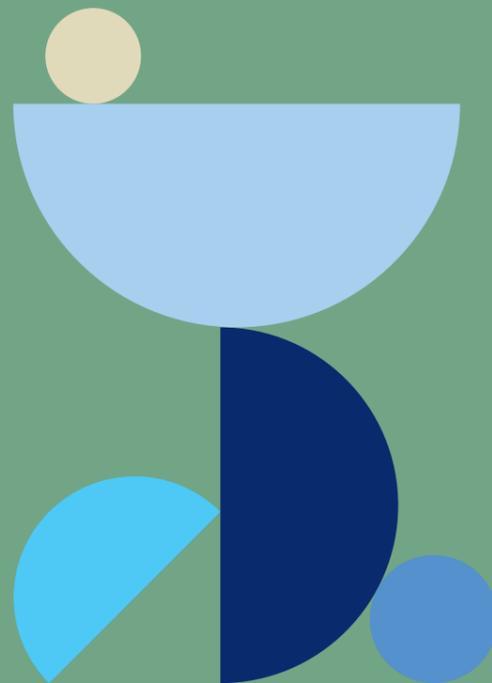
Paul Douglas Rogan

Non-Executive Director
27 August 2019 - present

George Ziellinski

Non-Executive Director
6 July 2020 - present

Current directors' profiles, including remuneration details, are available at ETSL Registrable Superannuation Entity Disclosures at eqt.com.au



Important notes

Date of preparation: 10 December 2021

The trustee of the Zurich Master Superannuation Fund ('Fund') is Equity Trustees Superannuation 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 or they can be viewed on the Superannuation and Retirement Income page at www.zurich.com.au. Our contact details are outlined on page 29. The Trustee is a Registrable Superannuation Entity (RSE) (Licence number L0001458) for the purposes of superannuation legislation and has trustee indemnity insurance in place. Any trustee indemnity insurance is subject to the terms and conditions of the applicable insurance policy.

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 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.

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.

Equity Trustees Superannuation Limited
ABN 50 055 641 757, AFSL 229757, RSE L0001458
Level 1, 575 Bourke Street Melbourne VIC 3000

Zurich Australia Limited
ABN 92 000 010 195, AFSL 232510
118 Mount Street North Sydney NSW 2060

Zurich Customer Care
Telephone: 131 551 Facsimile: 02 9995 3797
www.zurich.com.au

The issuer of the Zurich Superannuation Plan (SPIN ZUR0473AU) and the Zurich Account-Based Pension (SPIN ZUR0469AU) is Equity Trustees Superannuation Limited ABN 50 055 641 757, AFSL 229757 who is the Trustee of the Zurich Master Superannuation Fund ABN 33 632 838 393, SFN 2540/969/42.
