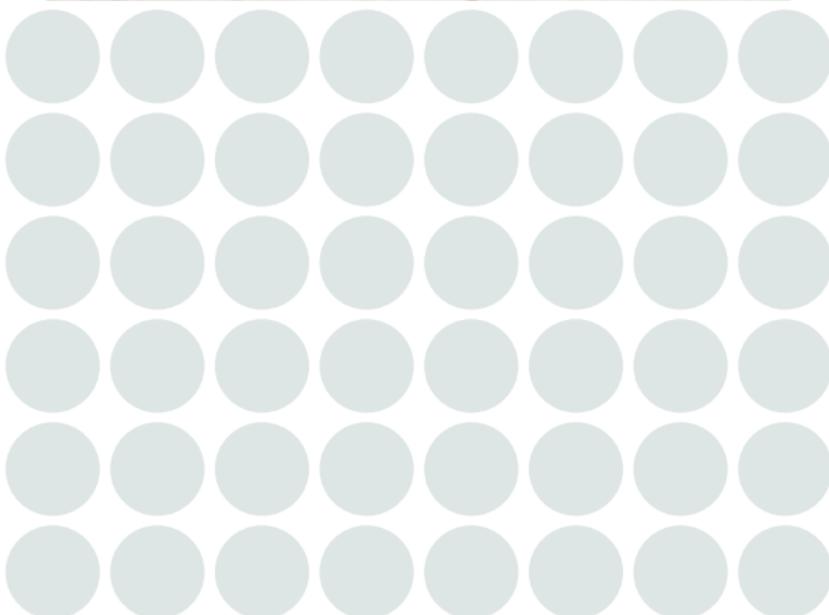


Significant Events Notice

Product and investment changes for the year
ending 30 June 2013



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

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

Zurich Australian Superannuation Pty Limited
ABN 78 000 880 553 AFSL 232500
RSE Licence No. L0003216

5 Blue Street North Sydney NSW 2060
Telephone: 131 551
Facsimile: 02 9995 3797

This notice is to be read in conjunction with the 2013 Zurich Master Superannuation Fund Annual Fund Report (available at www.zurich.com.au/annualreports) which further explains the changes. A copy is available free of charge by contacting Zurich's Client Service Centre.

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

Update: Product and Investment

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

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

Increase to the minimum Monthly Portfolio Management Charge

(ZSP, ZABP, ZAP and ZTAP clients only)

Effective 1 April 2013 the minimum monthly Portfolio Management Charge for the Zurich Superannuation Plan (ZSP), the Zurich Account-Based Pension (ZABP), the Zurich Allocated Pension (ZAP) and the Zurich Term Allocated Pension (ZTAP) increased from \$19.86 to \$20.30.

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. 2012). The CPI is the "Weighted Average of Eight Capital Cities Index" published by the Australian Bureau of Statistics.

Change to allocation benchmarks and ranges

The asset allocation benchmarks and ranges for the Zurich Managed Share and Capital Stable options have been changed in line with the following table:

Managed Share		
Asset class	Benchmark %	Ranges %
Australian Share	50*	40 – 60
International Share	50	40 – 60
Listed Property securities		
– Australian	0	0
– Global	0	0
Alternative investments	0	0
<i>Total growth assets</i>	<i>100</i>	<i>85 – 100</i>
Aust & Int Fixed Interest ^	0	0
Cash	0	0 – 15
<i>Total defensive assets</i>	<i>0</i>	<i>0 - 15</i>

Capital Stable		
Asset class	Benchmark %	Ranges %
Australian Share	16	0 - 24
International Share	10	0 – 22
Listed Property securities		
– Australian	1	0 – 6#
– Global	1	0 – 6#
Alternative investments	2	0 - 4
<i>Total growth assets</i>	<i>30</i>	<i>0 - 56</i>
Aust & Int Fixed Interest ^	44	30 – 60
Cash	26	20 – 50
<i>Total defensive assets</i>	<i>70</i>	<i>50-100</i>

* includes listed property trusts

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

^ this asset class includes both investment grade and non investment grade international fixed interest.

Change of Strategic Investment Partners

Effective 1 June 2013, Presima, Inc was appointed investment manager for the Global Property Securities option as well as for the Global Property Securities asset allocation within the Diversified options, including the Capital Stable, Balanced, Managed Growth and Priority Growth options.

The details of the strategic investment partners for the investment options are contained in the brochure entitled "Zurich's Business Philosophy – Our Strategic Investment Partners" available from the website www.zurich.com.au/strategicpartners.

Upgrades to ZSP Optional Protection Benefits

(ZSP clients only)

Zurich has upgraded the ZSP Optional Protection Benefits effective 1 March 2012 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.

The below is a summary only. Full changes to terms and conditions are set out in the "Zurich Superannuation Plan Optional Protection Benefits Information Booklet". To access the most up to date policy terms and conditions, visit our website www.zurich.com.au/ZSPandZABP or contact us and we will send you a copy free of charge.

Zurich Superannuation Term Life Plus:

Upgraded feature	Summary of upgrade
Improved Buy back death benefit	Inflation protection (indexation) is now available on bought back Death cover following exercise of the Buy back death benefit (following a TPD claim).
Increased Financial planning benefit	The benefit payable has increased from \$1,000 to \$3,000 to reflect the increase in the cost of advice.

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

Upgraded feature	Summary of upgrade
Income benefit – more generous pre-disability income definition	The period over which disability income will be considered is now more generous, based on the best 12 consecutive months in two years prior to claim (rather than the most recent 12 months).
Improved Future insurability option	<p>If selected, the frequency with which you can increase your insured monthly benefit under this option has increased from every third year to every year (if financially justified). The percentage increase allowable is altered from 20% to 15% in line with the higher frequency.</p> <p>The cost of this option has been reduced from 15% of premium to 3% of premium.</p>
Improved Day 4 accident option	If selected, the option has been improved to refer more broadly to an 'injury' rather than an 'accidental injury' as a cause of claim.

Other significant notices

Federal Budget 2013/14

On 14 May 2013 the then Treasurer, Mr Wayne Swan, delivered his sixth Federal Budget. Following are announcements that may impact on your investment in the Fund. We recommend you speak to your financial adviser about how these changes affect your investment.

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

Higher concessional contributions cap

Legislation has been passed allowing a higher concessional contributions cap of \$35,000 for people aged 60 or over with effect from **1 July 2013**. Individuals aged 50 and over will be able to access the higher cap from **1 July 2014**.

A fairer excess contributions tax system

Prior to the 2013/14 income year under the Excess Contribution Tax arrangements, concessional contributions in excess of the annual cap are taxed at the top marginal tax rate (46.5%) regardless of the individual's personal marginal tax rate. In addition, individuals are only able to withdraw up to 85% of any excess concessional contributions the first time they make an excess contribution after 1 July 2011, and only up to a maximum amount of \$10,000.

With effect **1 July, 2013** excess concessional contributions will automatically be included in an individual's assessable income, and subject to an interest charge to account for the deferral of tax. The new laws ensure individuals who make excess concessional contributions are taxed on the contributions at their marginal tax rates, rather than at 46.5% tax for all taxpayers.

Additionally, individuals will be allowed to withdraw up to 85% of any excess concessional contributions from their superannuation fund.

Changes to the tax exemption for earnings on superannuation assets supporting retirement income streams

From 1 July 2014, future earnings on assets supporting income streams will be tax-free up to \$100,000 a year for each individual. Earnings above the \$100,000 threshold will be taxed at the same concessional rate of 15% that applies to earnings in the accumulation phase.

Under current arrangements, all earnings (such as dividends and interest) on assets supporting income streams (superannuation pensions and annuities) are tax-free. In contrast, earnings in the accumulation phase of superannuation are taxed at 15%.

Under this measure, the \$100,000 threshold will be indexed to the Consumer Price Index and will increase in \$10,000 increments. For assets that were purchased before 5 April 2013, the measure will only apply to capital gains that accrue after 1 July 2024. Capital gains that are subject to the tax will receive a 33% discount, and will therefore be effectively taxed at a rate of 10%.

Transfer of lost member accounts to the ATO

The Government announced the threshold below which small inactive accounts and the accounts of uncontactable members are required to be transferred to the Australian Taxation Office (ATO) will be increased from \$2,000 to \$2,500 **from 31 December 2015**, and then to \$3,000 from 31 December 2016.

Reduction of higher tax concession for contributions of very high income earners – minor amendments

The Government will make minor amendments to the 2012-13 Budget measure titled Superannuation – reduction of higher tax concession for contributions of very high income earners, **effective from 1 July 2012**.

These minor amendments involve:

- exempting from the measure employer contributions for Federal judges sitting on or after 1 July 2012 who are entitled to a benefit payable under the Judges' Pension Act 1968, and employer contributions made to constitutionally protected funds for State higher level office holders sitting on or after 1 July 2012 (to mitigate constitutional risks);
- using a similar definition of income for the measure to that used for calculating whether an individual is liable to pay the Medicare levy surcharge; and
- refunding former temporary residents the tax paid under the measure as they effectively do not receive any concessional tax treatment on their contributions to superannuation as a result of the operation of other rules.

Other announcements /changes to superannuation

Member protection repealed

The Government has passed legislation repealing Member Protection Standards with effect from 1 July 2013.

Prior to 1 July 2013 if at your policy anniversary the amount in your account was less than \$1,000 and superannuation guarantee or award contributions had been made into the account by your employer, superannuation law limited the amount of charges that could be deducted from your account. Generally you could not be charged administration fees that exceeded your investment returns during that period.

To assist existing members with small balances Zurich has made a decision to continue providing member protection until 30 June 2014. The standard fees will then apply from that date

Intra-fund consolidation

Legislation for the intra-fund consolidation measure was introduced into parliament on 20 March 2013. Intra-fund consolidation can start anytime after 1 July 2013 with the first round of consolidation to be completed by 30 June 2014.

Intra-fund consolidation involves the merging of multiple accounts for the same member within the Fund, if this is in the member's best interest. When determining whether it is in the member's best interest, we must consider the possible savings in fees, charges and insurance premiums, as well as any other relevant factors.

Zurich expects the first round of intra-fund consolidation will take place before the end of 2013 and will notify you if we have identified accounts that will be consolidated.

Accrued default amounts

Recent changes made by the government to superannuation, under the 'Stronger Super' reforms, mean that if you did not select an investment strategy when commencing your plan or at any time after, your investments could be considered default amounts and may need to be transferred to a MySuper product.

What is a MySuper product?

MySuper is a no investment choice superannuation product designed as a basic default product for people who do not exercise choice in relation their super.

It is important to know that Zurich will not have a MySuper product and therefore your benefits would be transferred to another provider. This will mean that you will lose the benefits and features associated with your Zurich plan including any attached insurance benefits and the ability to choose from a range of investment options.

Further information on the Stronger Super reforms including information on MySuper and default amounts can be found on the government website at strongersuper.treasury.gov.au.

Please note that Zurich have identified clients who have not selected an investment strategy and have written to them seeking their further instructions. If you were a recipient of that letter but have not provided Zurich with your investment instructions, please contact the Zurich Client Service Centre on 131 551 as soon as possible.

The information in this notice, dated 3 October 2013, is derived from sources believed to be accurate as at this date and may be subject to change. The information does not take into account your personal objectives, financial situation or needs. You should consider these factors, the appropriateness of the information and the relevant Product Disclosure Statement issued by Zurich Australian Superannuation Pty Limited ABN 78 000 880 553, AFSL 232500 (available only for open products) before making a decision. This information is not meant as personal financial or legal advice and should not be relied upon as such.

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