

Retail Apparel Group

Corporate Superannuation

Introduction to Colonial FirstChoice Employer Super

Presentation to Head Office Staff
Sydney
21 August 2014



General Advice Warning

This information was prepared by Horizon Wealth Management. It is of a general nature and does not take into account your personal investment objectives, financial situation or particular needs.

You should assess whether this general advice is appropriate to your individual objectives, financial situation and needs. You can make this assessment yourself or seek the help of a professional financial advisor or taxation professional.



Agenda

1. The RAG Corporate Superannuation Plan
2. Background to the Changes and the Selection Process
3. Introducing Colonial First Choice
4. RAG Corporate Superannuation Extranet
5. Questions

Toward Financial Comfort in Retirement



Attributes of the Fund

- Investment
 - Size of Fund – Approx \$4.4 M
 - Default Portfolio – First Choice Lifestage
- Insurance
 - \$250,000 for Life and TPD for Staff earning less than \$100,000
 - \$600,000 for Life and TPD for Staff earning more than \$100,000
 - AAL for Salary Continuance is \$12,000 pm or Base Salary of \$169,412 pa
 - AAL for Life and TPD - \$1,5M

Colonial First Choice –First Choice Employer Super Fees

Investment And Administration Fees	Colonial First Choice First Choice Employer Super
Total Management Expense Ratio	1% pa*
Annual Member Fee	\$60

* Charged on the balance in the account on a monthly basis

Insurance Features: Salary Continuance

- Payout equals 75% of base salary plus 10% super or 85% of base salary
- Waiting period - 30 days
- Benefits for 2 years
- AAL is \$12,000 pm or a Base Salary of \$169,412 pa

This benefit ensures that one of the most important risks ie risk to income, is appropriately managed and addressed

It should be noted that there is exposure for the period from 2 years to age 65 – you can take out an individual policy to mitigate this risk

Salary Continuance - Example

- Member earning \$80,000 base salary plus 10% super:

Payout would equate to 75% of \$80,000 = \$60,000 pa plus \$8,000 super or \$5,666 pm for max of 2 years ie 85% of base.

No underwriting required up to a benefit amount of \$12,000 pm (AAL) or Base Salary of \$169,412 pa

Death and TPD

- \$250,000 for Life and TPD for Staff earning less than \$100,000
- \$600,000 for Life and TPD for Staff earning more than \$100,000

No underwriting required as AAL is \$1.5m

This benefit ensures that one of the most important risks ie risk to assets, is appropriately managed

Background to the changes

- Following passing of MySuper Legislation: ANZ as shareholders of OnePath – with no choice for RAG - Launched ANZ SmartChoice (“SC”) Super - effective 2 December 2013
 - New employees unable to access insurance benefits
 - Inconsistent treatment for NEW employees compared to existing employees
 - Existing employees also lost insurance benefit if they rolled over their superfund balance from One Path to ANZ

RAG decided to conduct a review of superannuation fund providers in order to provide the same benefits to ALL qualifying employees through an integrated Super and Insurance Plan

The Selection Process

- RAG obtained comparative data relating to Superannuation Funds and associated Group Insurance from a number of respected providers including:
 - Australian Super
 - REST
 - MLC
 - BT
 - Colonial
 - ANZ/OnePath

The new RAG Superannuation Provider

- RAG has made a decision to proceed with Colonial First Choice - First Choice Employer Super
- Most appropriate Provider in meeting the following key selection criteria:
 - Integrated Insurance and Superannuation offering
 - No change to the existing plan design
 - No medical underwriting required for Life and TPD
 - Sustainability of offering
 - Service and Support
 - Advisory Services
 - Owned by Commonwealth Bank



Introducing Colonial



- Part of the Commonwealth Bank Group
- Part of Australia's largest wealth management group - \$155.4bn invested globally
- \$57.6bn managed via the FirstChoice platform
- \$7.2bn* invested on behalf of 7,092 employers and over 300,000 members
- 13% Market Share of Australian Corporate Super Market



*employer figures as at Sept 13 all other figures as at January 13



First Choice Employer Super Who is eligible to join?

- All existing members of the existing ANZ Smart Choice Default Fund
- All New Permanent Employees from 1 October 2014
 - Area managers and above only

First Choice Employer Super Implementation Process

- Opt out letter to be sent out on 1 September 2014
 - ANZ Members have 30 days to decide to stay with ANZ – otherwise NEW Contributions paid to CFS wef 1 October 2014.
- Welcome to CFS
 - Insurance benefits remain unchanged
 - Nominate your beneficiary
- Rollover Process
 - Members can rollover their balances from
 - Both OnePath and ANZ (can be done on one form)

Anytime from end of October 2014

Colonial FirstChoice Super: Investment Options



Option 1: Let CFC do the work for you	Option 2: You determine your attitude to risk & let CFC manage your super accordingly	Option 3: Build your own portfolio
FirstChoice Lifestage	FirstChoice Multi-manager and FirstChoice Multi-Index options	From any of the previous options and: FirstChoice Single-manager Options

Option 1: FirstChoice Lifestage

Members' risk tolerance changes through their working life

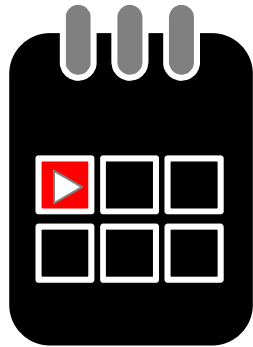


Younger members can
take more risk



Members close to
retirement need to
understand risk

About FirstChoice Lifestage



- 1 Based on your date of birth
- 2 5 year age groups to maximise effectiveness
- 3 Members stay in the one fund

About FirstChoice Lifestage

Designed for people born within this five year age band	Option name
1945 and 1949	FirstChoice Lifestage 1945–49
1950 and 1954	FirstChoice Lifestage 1950–54
1955 and 1959	FirstChoice Lifestage 1955–59
1960 and 1964	FirstChoice Lifestage 1960–64
1965 and 1969	FirstChoice Lifestage 1965–69
1970 and 1974	FirstChoice Lifestage 1970–74
1975 and 1979	FirstChoice Lifestage 1975–79
1980 and 1984	FirstChoice Lifestage 1980–84
1985 and 1989	FirstChoice Lifestage 1985–89
1990 and 1994	FirstChoice Lifestage 1990–94
1995 and 1999	FirstChoice Lifestage 1995–99

FirstChoice Lifestage asset allocation and managers

Asset Class	FirstChoice Lifestage 1995-1999	FirstChoice Lifestage 1990-1994	FirstChoice Lifestage 1985-1989	FirstChoice Lifestage 1980-1984	FirstChoice Lifestage 1975-1979	FirstChoice Lifestage 1970-1974	FirstChoice Lifestage 1965-1969	FirstChoice Lifestage 1960-1964	FirstChoice Lifestage 1955-1959	FirstChoice Lifestage 1950-1954	FirstChoice Lifestage 1945-1949
FirstChoice Cash	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	3.6%	14.0%	30.0%	30.0%
CFS Index											
Australian Bond	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	7.0%	15.8%	19.0%	19.0%
SSgA Index											
Global Bond	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	4.4%	10.2%	11.0%	11.0%
SSgA Index											
Global Property Securities	9.0%	9.0%	9.0%	9.0%	9.0%	9.0%	9.0%	8.3%	5.2%	4.0%	4.0%
SSgA Index											
Global Infrastructure Securities	9.0%	9.0%	9.0%	9.0%	9.0%	9.0%	9.0%	8.3%	5.2%	4.0%	4.0%
Realindex											
Australian Share	32.0%	32.0%	32.0%	32.0%	32.0%	32.0%	32.0%	30.1%	20.7%	13.5%	13.5%
Realindex											
Australian Small Companies	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.1%	4.1%	2.5%	2.5%
Realindex											
Global Share	14.0%	14.0%	14.0%	14.0%	14.0%	14.0%	14.0%	13.6%	11.0%	7.0%	7.0%
Realindex											
Global Share Hedged	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	14.6%	12.0%	8.0%	8.0%
Realindex											
Emerging Markets	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	6.0%	1.8%	1.0%	1.0%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Defensive assets	10%	10%	10%	10%	10%	10%	10%	15%	40%	60%	60%
Growth assets	90%	90%	90%	90%	90%	90%	90%	85%	60%	40%	40%

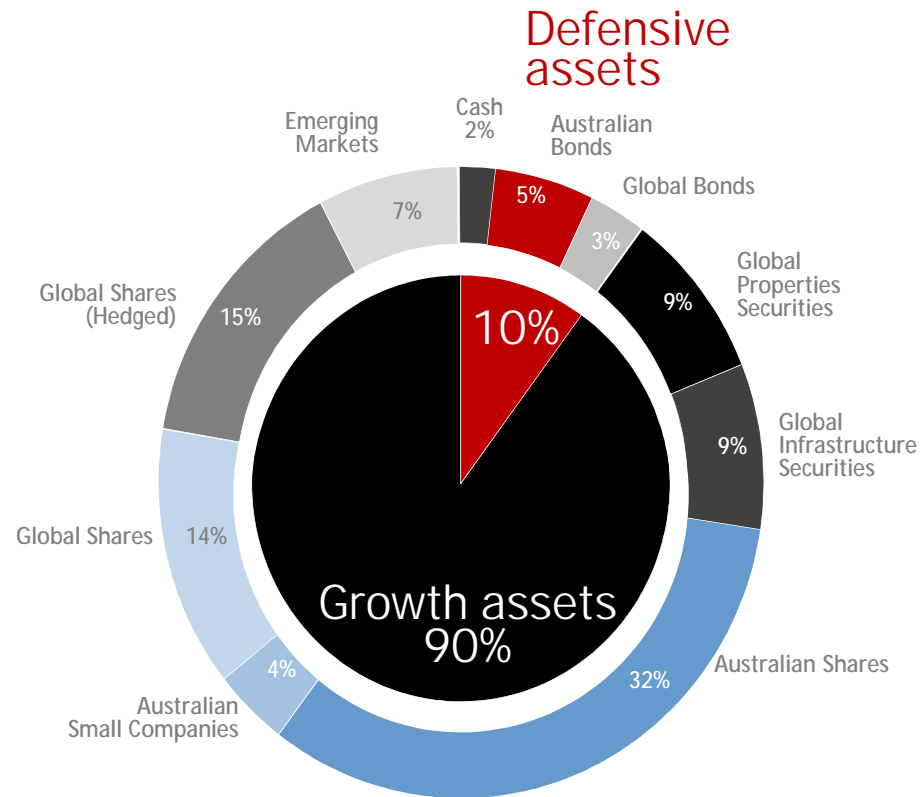
FirstChoice Lifestage 1975-79

Year:

2013

Age:

35



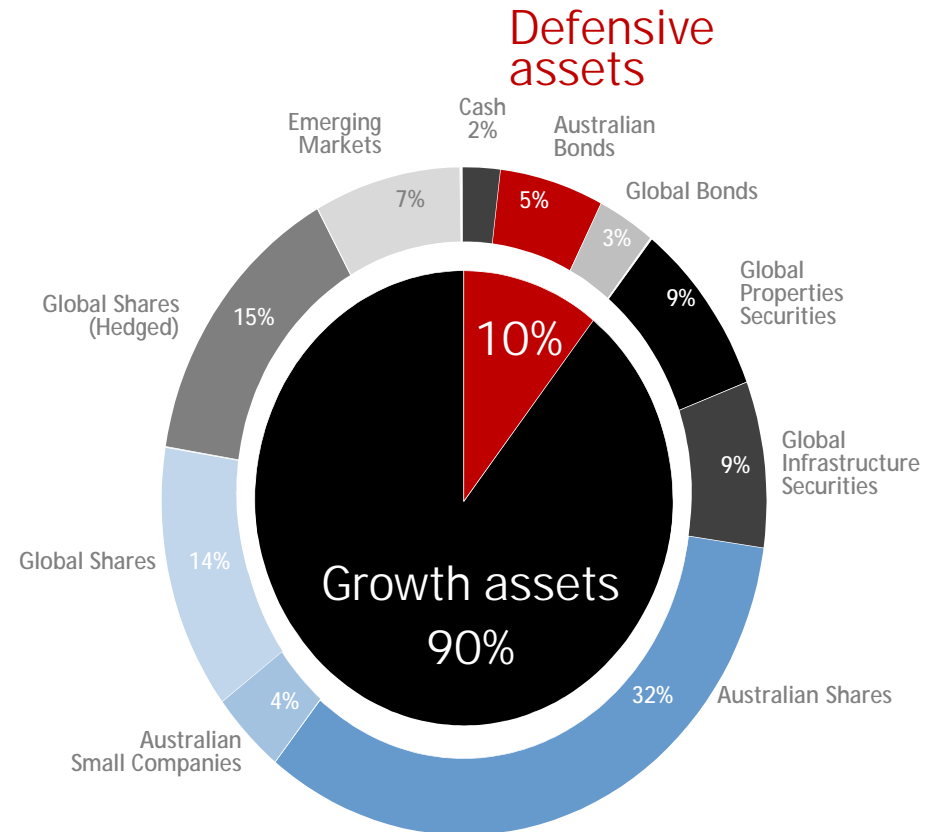
FirstChoice Lifestage 1975-79

Year:

2023

Age:

45



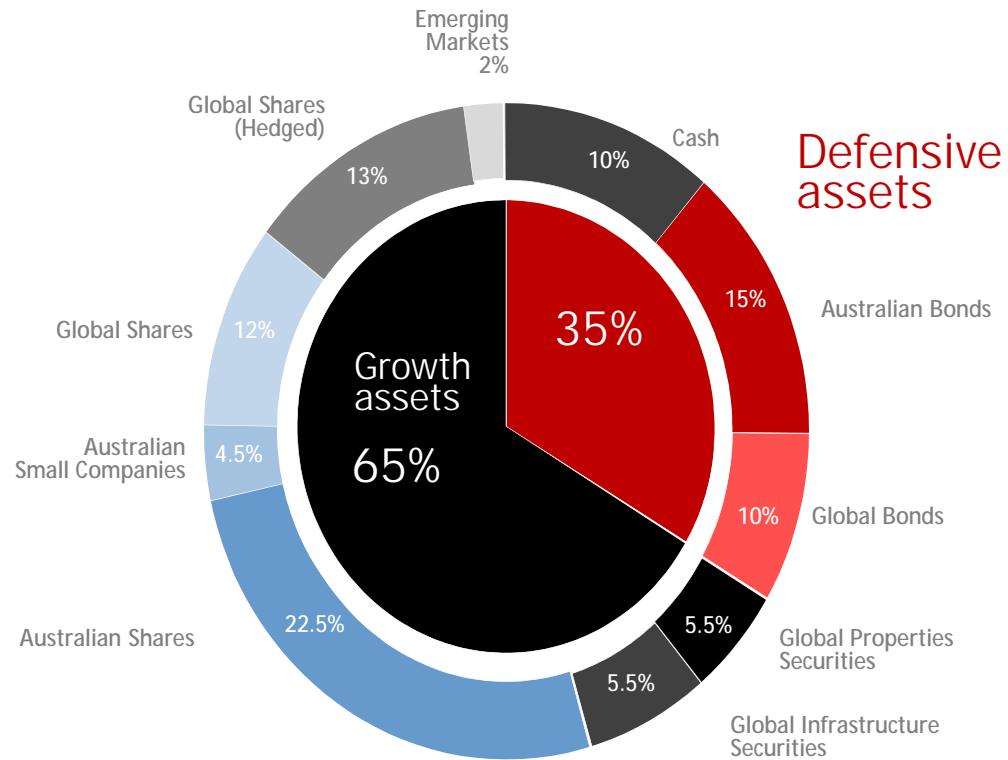
FirstChoice Lifestage 1975-79

Year:

2033

Age:

55



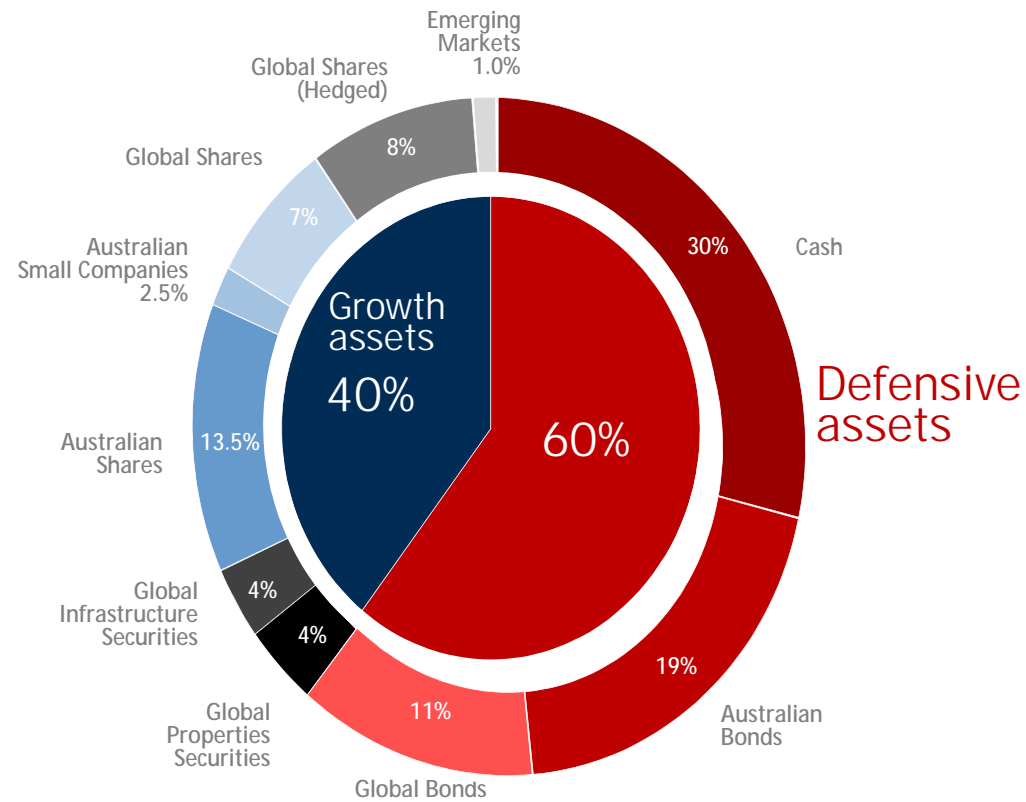
FirstChoice Lifestage 1975-79

Year:

2043

Age:

65



FirstChoice Lifestage investment objectives and benchmarks

FirstChoice Lifestage investment option:	Investment objective	Minimum suggested timeframe
1995 – 1999 1990 – 1994 1985 – 1989 1980 – 1984 1975 – 1979 1970 – 1974 1965 – 1969	<ul style="list-style-type: none"> To achieve a return of CPI + 3% pa over rolling seven-year periods after fees and taxes. 	6 years
1960 – 1964	<ul style="list-style-type: none"> To achieve a return of CPI + 2.5% pa over rolling 7 year periods after fees and taxes. 	5 years
1955 – 1959	<ul style="list-style-type: none"> To achieve a return of CPI + 2% pa over rolling 6 year periods after fees and taxes. 	5 years
1950 – 1954	<ul style="list-style-type: none"> To achieve a return of CPI + 1.5% pa over rolling 5 year periods after fees and taxes. 	4 years
1945 – 1949	<ul style="list-style-type: none"> To achieve a return of CPI + 1% pa over rolling 5 year periods after fees and taxes. 	3 years

FirstChoice Lifestage Performance

Net return compared to CPI benchmarks

Performance to 30 June 2014	One year %	Benchmark %	Excess %
FirstChoice Lifestage 1945-49	9.22	4.02	5.21
FirstChoice Lifestage 1950-54	9.06	4.52	4.54
FirstChoice Lifestage 1955-59	11.82	5.02	6.81
FirstChoice Lifestage 1960-64	14.92	5.52	9.40
FirstChoice Lifestage 1965-69	15.68	6.02	9.66
FirstChoice Lifestage 1970-74	15.68	6.02	9.67
FirstChoice Lifestage 1975-79	15.70	6.02	9.69
FirstChoice Lifestage 1980-84	15.73	6.02	9.72
FirstChoice Lifestage 1985-89	15.80	6.02	9.79
FirstChoice Lifestage 1990-94	15.84	6.02	9.82
FirstChoice Lifestage 1995-99	15.98	6.02	9.96



Source: IRESS, Colonial First State. Performance is after fees and taxes for periods to 30 June 2014. Performance is shown for information purposes only. Past performance is no indication of future performance.

Option 2: FirstChoice Multi-Manager, Single Sector and Multi-Index options

Multi-Sector options:

FirstChoice Defensive
FirstChoice Conservative
FirstChoice Moderate
FirstChoice Balanced
FirstChoice Growth
FirstChoice High Growth

Single Sector options:

FirstChoice Fixed Interest
FirstChoice Property Securities
FirstChoice Australian Share
FirstChoice Small Companies
FirstChoice Global Share
FirstChoice Global Infrastructure Securities

Multi-Index options:

FirstChoice Multi-Index Conservative
FirstChoice Multi-Index Diversified
FirstChoice Multi-Index Balanced

Option 3: Single sector options

9 investment sectors:

- .. Cash and deposits
- .. Fixed interest and income
- .. Property securities
- .. Global property securities
- .. Australian shares
- .. Australian shares-boutique
- .. Australian shares-g geared
- .. Global shares
- .. Global shares-specialist
 - .. Including emerging markets


ALLIANCEBERNSTEIN

 Capital International™





generation__

 RARE


CELESTE
Funds Management

Perpetual 



 MFS
Investment Management®

 Schroders

 UBS Global Asset Management

 BT Investment Management

 Fidelity
WORLDWIDE INVESTMENT

 Platinum
ASSET MANAGEMENT


HORIZON
WEALTH MANAGEMENT

Option 3: FirstChoice Single Manager Options

Investment category	Option
Cash and deposits	FirstRate Saver
Fixed interest and income	Aberdeen Australian Fixed Income
	Colonial First State Diversified Fixed Interest
	UBS Diversified Fixed Income
Property securities	Colonial First State Index Property Securities
	RREEF Property Securities
Global Property securities	Colonial First State Global Property Securities
Australian share	Colonial First State Australian Share - Core
	Colonial First State Index Australian Share
	Fidelity Australian Equities
	Schroder Australian Equity
Australian share - boutique	Ausbil Australian Active Equity
	Perennial Value Australian Share
Global share	MFS Global Equity
	Realindex Global Share
	Realindex Global Share - Hedged
Global specialist	Magellan Global Share
	Platinum Asia
	Platinum International
	Realindex Emerging Markets
Alternatives	Aspect Diversified Futures
Geared	Colonial First State Geared Share

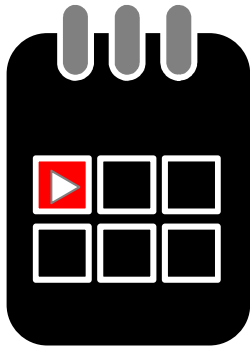
CFS - FirstBenefits – member discounts

- Great savings on private health insurance through Bupa;
- Gift cards for major retailers such as Myer – with free delivery;
- 5% off international travel packages and great deals on Australian hotels and accommodation;
- Discount movie tickets ordered online, special deals on entertainment and a booking service to secure your seats;
- Red hot deals – up to 70% off a range of items including DVDs, laptops and TVs.

To access these benefits, log on to Colonial's secure website, **FirstNet** and click on the FirstBenefits logo.

The logo for Hoyts, featuring the word "HOYTS" in a bold, red, sans-serif font with a small red square icon to the left.The logo for Myer, featuring the word "MYER" in a bold, black, sans-serif font.

What are the next steps?



1 Choose to do nothing:

- From 1 October 2014 Your Super Contributions will be invested in FirstChoice Lifestage
- Your Super Balance in One Path and ANZ SC will remain with those Product Providers

2 Make your own decision / talk to Horizon Wealth to help you choose an investment option:

- Future Contributions?
- Consolidate superfund balances?

3 You can make a change anytime via FirstNet Investor

Employee Considerations: Insurance Cover

- The change of Product Provider present existing RAG Plan members with an opportunity to consider:
 - Whether the Plan insurance cover is adequate for their requirements:
 - Extent of Cover
 - Income Protection from 2 years to age 65
 - Critical Illness cover
 - Whether to apply for additional insurance taking advantage of group risk rates or apply for additional / supplementary insurance in their personal capacities.
 - Can use the Comminsure retail insurance policy to connect to the Colonial Super Fund

RAG Extranet

The screenshot displays the Horizon Wealth Management website. At the top left is the logo for **HORIZON WEALTH MANAGEMENT**. To the right, there is a search bar and a button labeled "Login - Your Super", which is highlighted with a red box and a red arrow. Above the search bar, the text "FINANCIAL PLANNING ASSOCIATION of AUSTRALIA" is visible. The navigation menu includes: Home, Our Philosophy, Corporate Benefits, Our Process, Our People, Upcoming Events, Educational Resources, Horizon In The News, Contact, and Your Portfolio (with a dropdown menu). Below the navigation is a banner image of a lighthouse with the text "clarity insight partnership". The main content area features a dark blue background with the heading "Welcome to Horizon Wealth Management" and two columns of text.

HORIZON WEALTH MANAGEMENT

FINANCIAL PLANNING ASSOCIATION of AUSTRALIA

Search Login - Your Super

Home Our Philosophy Corporate Benefits Our Process Our People Upcoming Events Educational Resources Horizon In The News Contact Your Portfolio Select...

clarity insight partnership

Welcome to Horizon Wealth Management

Horizon Wealth Management is an independently owned financial advisory firm which provides financial guidance to assist our clients in the efficient management of their wealth.

We are not owned by or affiliated with any wealth institution and have no 'in-house' financial products. This means our financial and investment advice can be specifically tailored to meet your unique personal needs and goals.

At Horizon Wealth Management, we understand that your financial independence and your family's financial well-being are directly affected by how successfully you invest your income and assets to create long-term wealth.

RAG Extranet

Login Page

There are 2 simple requirements for login – user name and date of birth.

2. Enter your First and Last name together - note no spaces (it is not cap sensitive).
3. Enter your date of birth - note format required is DD/MM/YYYY.

The screenshot shows the login page with the following elements:

- Login** header
- Text: "Please enter the following details:"
- Input field 1: "Your first and last name together (no spaces eg: JoeBloggs)" - circled in green, with a red arrow pointing to a box labeled "2".
- Input field 2: "Your date of birth in DD/MM/YYYY Format (eg: 21/05/1974)" - circled in green, with a red arrow pointing to a box labeled "3".
- Checkbox: "Remember Me"
- Buttons: "Login" and "Reset"

RAG Extranet

Home

Welcome

Financial Advice

Superannuation

Educational Resources


Technical Library

Communication - Retail Apparel Group

Leaving RAG

Contact us

Welcome to Retail Apparel Group



- ColonialForms
- My Colonial Portfolio
- Colonial Super Performance
- Colonial Consolidation
- Colonial Retained Benefits
- Lost Super
- Early Release of Super
- Colonial MySuper

...ain who we are at Horizon Wealth Management ("Horizon") and the services we provide to the

...ncial Adviser to the Company Superannuation Fund.

...u with:

...n the features of your Superannuation Fund together with the knowledge that you require in order

...perannuation as the primary vehicle for retirement.

- Advice

Should you wish to avail yourself of this service, Horizon can assist you with the completion of a personal financial plan.



RAG Extranet

Welcome

Financial Advice

Superannuation

Educational Resources

Technical Library

Communication - Retail
Apparel Group

Leaving RAG

Contact us

Superannuation Forms



CFS Employer Super - PDS



Beneficiary Nomination



Change of Personal Details



Super Consolidation



Spouse Application



Insurance Booklet



Investment Options Menu



Application to Increase Insurance



Investment Selection Form

What does Horizon Wealth do for its clients

- Horizon Wealth Management is an **independently owned** financial advisory firm.
- Horizon Wealth Management is in the business of assisting individuals in the efficient management of their personal wealth, helping them to **become financially independent**.

“How successfully you invest your current income and assets.... will determine your family’s long term financial well being.”





Questions and Answers

Creating wealth is not about competing against someone else or a benchmark, but rather ensuring that over time, your investments outperform the value of your expenses.