



Annual Report – 30 September 2013

TAL Superannuation Limited ABN 69 003 059 407 AFSL No. 237851
TAL Superannuation and Insurance Fund ABN 20 891 605 180

For ARC Master Trust superannuation members

The Annual Report is to be read in conjunction with your Annual Statement and is provided by the Trustee of the TAL Superannuation and Insurance Fund, TAL Superannuation Limited. It provides you with the information you need to understand the management, financial condition and investment performance of your investment option(s) and product, as well as the Fund as a whole.

Your Annual Statement provides details of your accumulated benefit entitlement in the Fund, including details of opening and closing balances, transactions, and investment options (including long term returns).

If you'd like a printed copy of this report or have any questions, please call us on 1300 209 088 or email customerservice@tal.com.au quoting your member number.

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Directory

Superannuation Fund

TAL Superannuation and Insurance Fund
ABN 20 891 605 180

Issuer & Trustee

TAL Superannuation Limited
ABN 69 003 059 407
AFSL 237851
RSE L0000642

Administrator, Insurer & Investment Manager

TAL Life Limited
ABN 70 050 109 450
AFSL 237848

Customer Service

1300 209 088
Monday to Friday
8.30am – 5.30pm (AEST/AEDT)

customerservice@tal.com.au

TAL Life Limited
GPO Box 5380
Sydney NSW 2001

Terms used in this Annual Report

ABN	Australian Business Number
AEST/AEDT	Australian Eastern Standard Time/Australian Eastern Daylight Time
AFSL	Australian Financial Services Licence
AML/CTF Act	Anti-Money Laundering and Counter-Terrorism Financing Act 2006
APRA	Australian Prudential Regulation Authority
ATO	Australian Taxation Office
CPI	Consumer Price Index
ERF	Eligible Rollover Fund
the Fund	TAL Superannuation and Insurance Fund
RSEL	RSE Licence
Russell Investments	Russell Investment Management Limited ABN 53 068 338 974
SCT	Superannuation Complaints Tribunal
Trust Deed	the Fund's trust deed dated 1 June 1989, as amended
the Trustee	TAL Superannuation Limited
Unit Linked	an investment option where members purchase units, with each unit representing an equal share of the underlying assets of the option. The value of each unit, ie. the unit price, reflects the market value of the underlying assets
'we', 'us', 'our', 'TAL'	TAL Life Limited, which provides insurance policies, and administration and investment management services to the Fund
'you', 'your', 'member'	member of the Fund

Disclaimer

TAL Superannuation Limited does not (nor any of its related bodies corporate and their respective directors and associates) guarantee any particular rate of return, or the repayment of capital or income, or the performance of any of the products or investment options referred to in this Annual Report unless otherwise stated. The information contained in the Annual Report is general information only. It does not take into account your individual investment objectives, financial situation or particular needs. You should obtain your own advice from a financial adviser with respect to your own individual investment objectives, financial situation and particular needs.

Your superannuation strategy

Whether you've just started working or are nearing retirement age, keeping track of your superannuation is important. You should review your investment strategy regularly and make sure details such as your address and nominated beneficiaries are up to date.

Keep your superannuation up to date

Key life events such as changing jobs, getting married or preparing for retirement usually trigger a need for you to review your financial situation. Superannuation is often a major part of a long term savings plan which is why it's important to review your investment strategy regularly. Your investment strategy has a significant impact on your final superannuation balance so it's a good idea to keep on top of your superannuation and consult a financial adviser if you need to. If you don't have a financial adviser, please contact us and we'll put you in touch with one. Don't forget to let us know about any changes to your account details such as your address so we can keep you up to date on your superannuation.

How to nominate or update your beneficiaries

Understanding who receives your superannuation (and any applicable insurance) in the event of your death is important. If you would like to nominate or update your beneficiary details for your superannuation benefit, please call us on 1300 209 088 to obtain the appropriate form. Alternatively, email us at customerservice@tal.com.au quoting your member number.

For more information on how the Trustee pays death benefits from the Fund, please refer to the section titled '[Superannuation death benefits](#)' on the TAL website.

Important information about how we manage your superannuation

Processing of contributions and withdrawals

We reserve the right to temporarily suspend or restrict the processing of some or all transactions where:

- in our absolute opinion, market disruptions or extraordinary circumstances mean that it would not be fair and reasonable to continue processing transactions;
- for whatever reason, we are unable to determine the unit price(s) at which transactions should be processed; or
- one or more investment options are illiquid in that they do not have sufficient assets that can reasonably be expected to be realised and converted into cash to satisfy redemption requests within the timeframe set by legislation or the Fund's Trust Deed.

Additionally, if we do not receive all the necessary information, we may, at our absolute discretion, reject an application for units in whole or in part.

The temporary suspension or restriction of processing of transactions will be lifted when, in our absolute opinion, the risk to members has abated sufficiently to make it fair and reasonable to resume processing transactions.

If the Trustee believes that processing withdrawals would have a significant adverse effect on the financial position of the Fund or the interests of other members of the Fund, the Trustee may seek approval from APRA for a suspension of withdrawals lasting more than 30 days.

Identification requirements

TAL has processes in place to help to prevent unauthorised people from gaining access to your superannuation. However, there are some steps that you can take to help protect your personal information from unauthorised access or use. The website of the Office of the Australian Information Commissioner at www.oaic.gov.au contains useful information on how you can protect your personal information.

The AML/CTF Act requires us to identify you or verify your identity when you make withdrawals from your superannuation. Generally, you will need to provide documents (such as a certified copy of your passport or current driver's licence) to establish or verify your identity. If you do not provide identifying documents, we will not be able to process your withdrawal. The AML/CTF Act also imposes reporting obligations on us if we form suspicions about the identity of someone we are transacting with or about the purpose of the transaction itself. In these circumstances we may decide to delay or decline to process that transaction and report it to the regulator if we are concerned that the request or transaction may be in breach of the provisions of the AML/CTF Act or cause us to commit an offence under that Act. If we take this step, we will not incur any liability to you.

Unit pricing

The following section provides information about unit pricing. Our current process may differ to the description in your original product terms. We reserve the right to alter our process at any time without notice.

How unit pricing works

When you invest money in an investment option, your money is pooled together with that of other members. TAL then uses this pool of funds to buy assets which are managed on behalf of all members. All units within each Unit Linked investment option have an equal value. Unit prices for these investment options are determined daily (for each business day) by dividing the total net asset value of the investment option by the number of units on issue within that investment option. For non-Unit Linked investment options, income is credited to members' accounts through an interest rate rather than movements in the unit price.

The net asset value of all investment options includes the market value of the assets (including some tax benefits that may arise in the future) and provisions for fees, taxes, transaction costs and any other expenses of the option. We use the most recent best estimate of these provisions in each day's net asset value. These estimates are updated regularly and may be subject to change.

Withdrawals and benefit payments

TAL's current procedure is to calculate the withdrawal value using the latest available unit price at the time of calculating the payment. Our current process has been updated and may differ from the benefit calculation procedure in your original product terms.

Adjustments

Unfortunately, from time to time, administration or unit pricing errors occur that may affect the value of accrued benefits in the Fund. When a material error has been identified, TAL will adjust members' accounts as follows:

- for current members, we will adjust their account to ensure it is in the same economic position it would have been in had the error not occurred; and
- for exited members, compensation will generally be paid where the adjustment is \$20 or more.

Where an exited member has been overpaid, TAL may seek to recover the overpayment from the Trustee. In these circumstances, the Trustee reserves its right to recover the overpayment from the exited member.

Fees

We will provide you with 30 days' notice before introducing any additional fee(s) or before any increases (other than CPI increases) to existing fees.

Lost members

The ATO maintains a register of 'lost members'. Members may search this register to help trace any superannuation entitlements that may have been transferred to an eligible rollover fund. It is important to ensure that we are always advised of any change of address.

Unclaimed superannuation

In some circumstances, your benefit in the Fund may become subject to the unclaimed money laws. For example, if you reach the prescribed age (ie. 65 years of age) and a benefit from the Fund is to be paid to you but we have not received any contributions or rollovers into your account in the last two years and, after making reasonable efforts and after 12 months, we are unable to contact you about the benefit payable, your benefit will be treated as an unclaimed benefit.

We must pay unclaimed benefits to the ATO. To claim any benefit transferred to the ATO, you or your dependants will need to contact the unclaimed money service of the ATO. Their contact details are:

Call: 13 10 20

Website: www.ato.gov.au

On transfer to the ATO, any benefit entitlement (including any optional insurance benefit, if applicable) that you have in the Fund will cease.

From 31 December 2012 the balance threshold for members that are classified as lost is \$2,000. From 1 July 2013, the ATO will pay interest on all unclaimed superannuation money payments in respect of individuals. In August 2013, the Government put forward a proposal to increase the threshold from \$2,000 to \$4,000 from 31 December 2015, and then to \$6,000 from 31 December 2016. This proposal has not been passed by Parliament. Information on these changes is available on the Australian Government's Treasury website at www.treasury.gov.au

Superannuation surcharge

The superannuation surcharge was abolished with effect from 1 July 2005. However, if a surcharge assessment is still outstanding, it will be deducted from your account balance. Details of any such deduction will be shown on your Annual Statement.

Eligible rollover fund

We are required by superannuation law to select an ERF to which we may transfer your withdrawal benefit. The Trustee has established a policy setting out the circumstances under which we may transfer your withdrawal benefit to an ERF. These circumstances include:

- your account balance falls below \$1,500 and no contributions have been received for you in the last 2 years;
- when you become a lost member because we have never held an address for you or two written communications sent to your last known address have been returned unclaimed;
- you were enrolled as a member of the Fund by your employer and are an inactive member because no contributions or rollovers have been received for you in the last 5 years; or
- to facilitate the closure of a product where the Trustee concludes that it would not be in the interests of affected members to keep the product open.

All other cases where it is proposed that your withdrawal benefit be transferred to an ERF must be referred to the Trustee for approval.

We will write to you and give you an opportunity to transfer your superannuation to another product or fund. If you do not transfer your superannuation to another product or fund within the notice period shown in the following table, your superannuation will be transferred to an ERF:

REASON FOR TRANSFER	MINIMUM NOTICE PERIOD (Calendar Days)
Account balance less than \$1,500 and no contributions received in the last 2 years	30 days' notice
Two written communications are returned unclaimed	30 days' notice
No contributions or rollovers have been received in the last 5 years	30 days' notice
Closure of a member's product	60 days' notice
Closure of a member's product where member holds insurance	90 days' notice

The Trustee reserves the right to alter these circumstances at any time. If we pay your benefit to the ERF, you cease to be a member of the Fund and become a member of the ERF. On transfer to the ERF, any benefit entitlement (including any optional insurance benefit, if applicable) that you have in the Fund will cease. You are able to transfer or withdraw your benefit from the ERF as permitted by superannuation law.

The Trustee has nominated the Australian Eligible Rollover Fund as the Fund's ERF. Their contact details are:

Australian Eligible Rollover Fund
Locked Bag 5429
Parramatta NSW 2124

Call: 1800 677 424
Email: aerfenquiries@perpetual.com.au
Website: www.perpetual.com.au/super-funds-aerf.aspx

Member protection rebate

From 1 July 2013, superannuation funds no longer need to have a member protection rebate in place. The rebate applies for accounts with a closing balance of less than \$1,000 containing Award or SG contributions. TAL currently rebates the amount of any administration fees charged in excess of the investment earnings applied to these accounts. While the rebate will continue to apply for the 2013-2014 financial year, TAL is considering whether to continue with the rebate in future financial years. We will update you on any change.

Overview of governance arrangements

The Trustee's primary duty is to administer the Fund solely in the interests of members within the parameters of the superannuation law, prudential standards issued by APRA and the Fund's Trust Deed. To this end, the Trustee has adopted the following Governance Principles which are designed to continuously improve the delivery of products and strategic initiatives in the interests of members through efficient, ethical and effective practices. The Principles focus on the decision-making and conduct of the Trustee, and the relationships between the Trustee, TAL and members.

Lay solid foundations for management and oversight

- The Trustee Board has established processes to govern the Trustee and the Fund, both directly and through the Office of the Trustee. These processes are documented in various charters and governance policies for the Trustee, which include charters for the Trustee's Remuneration Committee and its Audit, Compliance and Risk Management Committee.
- The Remuneration Committee reviews and makes recommendations regarding the remuneration of the Trustee's directors and officers. The Audit, Compliance and Risk Management Committee provides an objective non-executive review of the effectiveness of the Fund's financial reporting and the Trustee's risk management framework.
- The Office of the Trustee is an independent executive office within the TAL Limited Group which facilitates the roles and responsibilities of the Trustee Board which have been delegated to it in the Charter for the Office of the Trustee.
- As required or permitted by the Trust Deed, members' benefits in the Fund are wholly determined by reference to life insurance policies issued by TAL to the Trustee.
- TAL also administers the Fund on behalf of the Trustee under a documented Administration Agreement which complies with APRA's prudential standards and the Trustee's outsourcing policy, and was negotiated between TAL and the Office of the Trustee on arm's length terms.
- The Office of the Trustee ensures that TAL has met its obligations to the Trustee under the Administration Agreement, and continues to have the human, technological and financial resources it needs to administer the Fund and meet its financial obligations under the insurance policies.
- The operations of the Office of the Trustee and TAL are subject to independent review by TAL internal audit and the external auditor.

Structure the Board and the Office of the Trustee to add value

- The Board Charter sets out the role, responsibilities, authority and membership of the Trustee Board, the protocols for Board meetings, and the requirements for and tenure of directors. The performance of the Board and individual directors is reviewed on an annual basis.
- The Directors and Officers of the Trustee, and senior managers of TAL who are responsible for the delivery of administration services to members, have been appointed as responsible officers of the Trustee.
- The Trustee's Fit and Proper Policy sets out the processes that the Board uses to ensure that the Trustee's responsible officers are fit and proper persons. These processes include the confirmation of the fitness and propriety of responsible officers on appointment and annually thereafter.

Promote ethical and responsible decision-making

- The Trustee's Governance Framework implements the Governance Principles and thereby provides the structure within which the Trustee, among other things, promotes an effective governance culture and remains a good corporate citizen.
- Key elements of the Framework include the charters and delegations that have been established to, among other things, set out the decision-making authority and processes for the Trustee Board, the Office of the Trustee and other persons who act for the Trustee. This authority is constrained by the Trustee's duties at law and under the Trust Deed.
- These charters and delegations are reviewed on a regular basis to ensure that they remain effective and relevant controls because they are appropriately designed, adequately implemented and operating effectively.
- Where a decision falls outside of a delegate's authority limit, it must be referred to the Office of the Trustee or the Trustee Board, as appropriate.
- Conflicts of interests and duty have been identified and documented, and are managed to an outcome that is consistent with the best interests of members under the Trustee's Conflicts of Interest Policy.

Safeguard the integrity of Fund assets

- As required or permitted by the Trust Deed, members' benefits in the Fund are wholly determined by reference to life insurance policies issued by TAL to the Trustee.
- The Trustee Board has established an investment strategy and an insurance strategy for the Fund which set out, respectively, the types of investment options and risk insurance cover that TAL may make available to members through the insurance policies.
- The Office of the Trustee ensures that TAL has met its obligations to the Trustee under the Administration Agreement and continues to have the human, technological and financial resources it needs to meet its financial obligations under the insurance policies.
- TAL has appointed an investment manager and custodian to separately invest and manage the underlying assets of the insurance policies.
- The AML/CTF Joint Program for the Trustee and TAL sets out how the identity of members is verified when withdrawals are requested.
- The Fund's annual financial statements and APRA statistical returns are subject to an independent external audit.
- The Trustee has implemented a Business Continuity Plan and associated measures to ensure the successful resumption of the operations of the Office of the Trustee and TAL Life following an incident including loss of system, loss of building access or complete destruction of the building/local area.

Make timely and balanced disclosure to members

- Members receive a Product Disclosure Statement when they take out their product which describes the significant characteristics and features of the product, including the benefits available to members, the risks associated with the product and the cost of the product.
- Members receive an Annual Statement which provides the information they need to understand their investment in their product, including details of opening and closing balances, transactions, and investment options (including long term returns).
- The Fund's Annual Report provides members with the information they need to understand management, financial condition and investment performance of the Fund. The Annual Report is published on TAL's website.
- The Trustee Board has established a policy which sets out when and how members must be informed of a material change or significant event, such as a change to their product or investment options. If members are not required to be notified before the

change or event occurs, notification will usually be made through the Annual Report or an annual update that may be sent with the Annual Statement.

- The Trustee's Fit and Proper Policy sets out the processes that the Board uses to ensure that the Trustee's responsible officers have the collective fitness needed to authorise these documents.

Respect the rights of members

- Where a member has suffered a financial loss as a result of a default by the Trustee or TAL, the Trustee will (or ensure that TAL will) put the member into the same economic position they would have enjoyed had the default not occurred or provide an appropriate amount of compensation.
- Compensation may not be provided where the cost of recovering / delivering the compensation is greater than the amount of the compensation.
- This obligation is supported by the Trustee's Operational Risk Financial Requirement and by the indemnity insurance described below. The adequacy of these arrangements is reviewed annually.
- A process is in place to ensure that member inquiries and complaints are properly considered and dealt with in 90 days.

Recognise and manage key material risks

- The Trustee's Governance Framework implements the Governance Principles and thereby provides the structure within which the Trustee, among other things, manages the key material risks to an acceptable level within its risk appetite.
- Key elements of the Framework include the Trustee's Business Strategy and the Risk Management Strategy for its key material risks. The Risk Management Strategy sets out the process through which the Trustee recognises, assesses, manages and reports on risk.
- The Business and Risk Management Strategies are reviewed each year to ensure they remain effective and relevant because they are appropriately designed, adequately implemented and operating effectively.
- Compliance with and the adequacy of the Risk Management Strategy is subject to an independent external audit.
- The Trustee's Investment Governance Framework and Insurance Management Framework, which include the Fund's Investment Strategy and Insurance Strategy (respectively), manage the risks that the investments and risk insurance provided through the Fund are not in the best interests of members and/or do not comply with the superannuation law.
- The Trustee maintains adequate financial resources because it can absorb the costs arising from the materialisation of a key material risk without disruption within its sources of funding, which include the Operational Risk Financial Requirement and indemnity insurance discussed below.

Encourage enhanced performance

- The Administration Agreement sets out the service standards under which TAL administers the Fund and its general standard of care when doing so. The Agreement also sets out what happens if TAL fails to meet these standards.
- The Office of the Trustee ensures that TAL has met its obligations to the Trustee under the Administration Agreement and continues to have the human, technological and financial resources it needs to administer the Fund and meet its financial obligations under the insurance policies.

Fund information

The Fund

The Fund is a complying superannuation fund under the Superannuation Industry (Supervision) Act 1993 (Cth).

Products

The Trustee currently issues a range of investment and risk-only superannuation products from the Fund.

Investment superannuation products allow members to make a financial investment towards their retirement from the workforce by contributing to an investment insurance policy issued by TAL through the Fund. The product pays a benefit from the Fund when the member retires, or dies or becomes permanently incapacitated before they retire. In some cases, a member can augment these benefits with optional insurance cover against death, temporary incapacity and/or permanent incapacity.

Risk-only superannuation products, such as Accelerated Protection, structured as superannuation allow members to manage the financial risk of being unable to work, either permanently or temporarily, before they retire by participating in a risk insurance policy issued by TAL through the Fund. The product is designed to pay a benefit from the Fund when the member dies, becomes temporarily incapacitated or becomes permanently incapacitated before they retire. Unlike investment superannuation products, risk-only products do not have an account balance – all contributions are paid to TAL as premiums for the risk insurance cover.

MySuper

Under Superannuation Guarantee legislation, employers select an investment superannuation product into which they must make compulsory contributions for those eligible employees who do not nominate their own superannuation product into which these contributions can be paid. These employer-selected superannuation products are called 'default products'.

The Government has introduced a low cost default superannuation product called MySuper, which aims to simplify default superannuation products and improve their comparability and transparency. From 1 January 2014, all employers must use a MySuper product as their default superannuation fund. Superannuation providers who wish to issue a MySuper product must apply to APRA for a licence. Having carefully considered the matter, the Trustee has decided that it will not be issuing a MySuper product from the Fund and is implementing a transition plan for affected members and their employers.

Bank guarantee / Operational Risk Financial Requirement

The Trustee currently has guarantee from the National Australia Bank which guarantees all liabilities the Trustee incurs as a result of fulfilling its duties as trustee of the Fund. This guarantee extends up to the amount of \$5 million. A copy of the guarantee is available for review upon request by contacting us.

This guarantee is being replaced with an Operational Risk Financial Requirement which will comprise common equity tier 1 capital in the Trustee. In accordance with the Prudential Standards, the Operational Risk Financial Requirement can only be used to rectify a loss caused by the materialisation of an operational risk.

Indemnity insurance

The Trustee is covered under a professional indemnity insurance policy which meets the requirements of its AFS Licence.

Trust Deed

A legal document called a Trust Deed sets out the Fund's governing rules. The Trustee is responsible for ensuring that the Fund operates according to the Trust Deed and that it complies with the superannuation law.

Members may inspect the Trust Deed at any time by arrangement with us (see Directory for our contact details).

Fund review date

The annual fund review date is 30 September. This is the date each year when your account balance is valued specifically for the purpose of:

- determining and reporting your benefits to you (ie. as at the end of the reporting period), as required by law; and
- preparing the Fund's financial accounts (see 'Financial Information' for further information) and annual statistical return to APRA.

Please note that where applicable, your member account balance as at 30 June each year is used to determine your minimum and maximum pension levels for the financial year ahead.

Financial information

The Fund's financial statements are prepared in accordance with the Australian Accounting Standard AAS25 *Financial Reporting by Superannuation Plans*, and within the rules set out in the Trust Deed and relevant legislative requirements.

As members' benefits in the Fund are wholly determined by reference to life insurance policies, the Fund is exempt from providing the following information to members:

- audited fund accounts, auditor's report or abridged financial information
- statement of assets; and
- details of any assets (or group of associated assets) which exceed 5% of the value of the Fund.

All administration expenses incurred in operating the Fund to date have been borne by us, and reflected in the premiums charged to the life insurance policies within the Fund. The Trustee is entitled (and may commence) to recover reasonable expenses from the Fund by giving 30 days' notice to members. Any such expense recoveries may be made by deducting the relevant amounts from the Fund's assets as a whole.

About the investment information

Investment management arrangements

The Trustee pays all contributions and rollovers received in the Fund to TAL as premiums for the life insurance policies that TAL has issued to the Trustee and which underwrite all benefits in the Fund. TAL then invests these premiums into the investment option(s) that the member has selected. These investment options invest in managed investment schemes issued by Russell Investments, except for ARC Australian Property, which is invested in a managed investment scheme issued by Vanguard Investments Australia Limited, and ARC Ethical Growth, which is invested in a managed investment scheme issued by AMP Capital Investors Limited. Each investment option has an investment strategy and objective which is consistent with the investment strategy, investment objective and strategic asset allocation prepared by the underlying manager for the corresponding managed investment scheme.

Asset allocations and benchmarks

Asset allocations as at 30 September 2013 and 30 September 2012 for each of the investment options have been rounded to the nearest one decimal place. The actual allocations may vary from time to time due to market fluctuations and investment decisions. A limited portion of the investment portfolios may be held as cash for liquidity or other investment purposes from time to time. This cash holding is included in the asset class specified in the underlying manager's strategic asset allocation. For example, a specialist shares manager may hold some cash (within specified limits) and this would be classified as shares. For current or further information about asset allocation benchmarks and minimum and maximum ranges, please contact your financial adviser, call us on 1300 209 088 or select your product from the [ARC website homepage](#), navigate to 'Investment Options' and select the relevant investment option.

Changes to the strategic asset allocation

As part of our ongoing commitment to continually improve investment options, we regularly review the strategic asset allocation of each investment option. The strategic asset allocation is the weighting to asset classes that we believe is required to achieve an option's investment objective based on long-term risk and asset return expectations. Any changes to the strategic asset allocation are detailed in the 'Investment information as at 30 September 2013' section.

Risk and return profile

Volatility can be simply defined as fluctuations in the returns of an investment and is the most common way to measure the risk associated with certain asset classes such as shares, fixed interest and property. An investment which is more volatile than another is said to be riskier. This is because the greater the volatility of an investment, the greater the chance that its return could be less than expected. It is widely accepted that over long periods of time, a relationship exists between the risk and return of each investment option. Generally, the investment options with the potential for earning higher returns carry a higher risk (ie. have higher volatility of returns). If you would like details for each of the investment options available to you as a member (including asset allocation benchmarks and ranges) call us on 1300 209 088 or select your product from the [ARC website homepage](#), navigate to 'Investment Options' and select the relevant investment option.

Multi-manager investment style

TAL's multi-manager investment options are managed by Russell Investments. Russell's investment strategy begins by researching some of the world's best investment managers. Underlying investment managers are then selected for inclusion in the investment options – each chosen for what Russell believes are their outstanding capabilities. These underlying managers, with different approaches and styles to investing, are then combined together to manage portfolios of securities. It's a multi-dimensional process that provides a simple yet sophisticated investment for members.

For nearly 40 years, Russell's extensive understanding of markets, managers and investors has enabled them to design funds that seek to deliver consistent long-term results. Through the TAL investment options, you gain exposure to a highly awarded investment company.

Labour standards and environmental, social and ethical considerations

Other than for the Ethical Growth investment option, labour standards, environmental, social, or ethical considerations are not taken into account for the purpose of selecting, retaining, or realising an investment. Underlying investment managers may or may not take these considerations into account.

Investment in derivatives

Derivatives such as futures, forwards, options and swaps (as applicable) may be used, within agreed limits, by the underlying investment managers in managing the various asset classes.

Changes to the investment options

TAL reserves the right to withdraw or close an investment option. We may also change any other aspect of any investment option that you invest in at any time. You will be notified in writing of any such change. If an investment option is withdrawn, we will transfer your investment to the nearest equivalent option available at that time.

Investment information as at 30 September 2013

Trustee's investment objective and strategy

The Trustee's investment objective is to provide a product with suitable investment options from which all members can select investments which are broadly suitable for their personal circumstances at any particular time.

The Trustee's investment strategy is to invest in insurance policies issued by TAL, which provide investment options consistent with the Trustee's investment objective.

The investment objective and strategy for each investment option is consistent with the Trustee's investment objective and strategy for the Fund.

Investment option profiles

Asset allocations for 30 September 2013 and 2012 for each of the investment options are shown below, and have been rounded to the nearest one decimal place.

ARC Balanced Growth

Investment objective	To provide returns over the medium to long term, with moderate to high volatility, consistent with a diversified mix of predominantly growth-oriented assets and some defensive assets.		
Investment strategy	The investment option typically invests in a diversified portfolio mix with exposure to growth investments around 70% and defensive investments around 30%. Derivatives may be used to implement investment strategies.		
Investment timeframe	5+ years		
Risk and return profile	Moderate – high		
Asset allocation	Asset class	2013 (%)	2012 (%)
	Alternatives	8.7	12.7
	Australian shares	31.1	28.3
	Fixed interest and cash	29.3	30.4
	International shares	28.7	26.0
	Property	2.2	2.6

ARC Capital Assured

Investment objective	The option aims to provide modest investment growth over the medium term from a portfolio that invests in a range of asset classes.		
Investment strategy	The option invests in a range of asset classes, with a strong emphasis on defensive assets such as cash and fixed interest.		
Investment timeframe	3+ years		
Risk and return profile	Low – moderate		
Asset allocation	Asset class	2013 (%)	2012 (%)
	Australian fixed interest	41.6	41.6
	Australian shares	8.7	8.8
	Cash and short-term securities	20.7	20.6
	International fixed interest	20.8	19.9
	International shares	4.6	4.9
	Property	3.6	4.2

ARC Conservative Balanced

Investment objective	To provide returns over the medium term, with moderate volatility, consistent with a diversified mix of defensive and growth-orientated assets.		
Investment strategy	The investment option typically invests in a diversified portfolio mix with exposure to growth investments around 50% and defensive investments around 50%. Derivatives may be used to implement investment strategies.		
Investment timeframe	4+ years		
Risk and return profile	Moderate		
Asset allocation	Asset class	2013 (%)	2012 (%)
	Alternatives	6.9	10.5
	Australian shares	22.6	20.5
	Fixed interest and cash	48.4	48.8
	International shares	20.4	18.3
	Property	1.7	1.9

ARC Growth Maximiser

Investment objective	To provide capital growth over the long term consistent with a portfolio focusing on growth assets, while accepting fluctuations in capital values in the short term.		
Investment strategy	The investment option typically invests in a diversified portfolio mix with exposure to growth investments around 90% and defensive investments around 10%. Derivatives may be used to implement investment strategies.		
Investment timeframe	6+ years		
Risk and return profile	High		
Asset allocation	Asset class	2013 (%)	2012 (%)
	Alternatives	13.1	12.7
	Australian shares	37.9	36.1
	Fixed interest and cash	11.8	14.0
	International shares	34.0	33.7
	Property	3.2	3.5

ARC Security Focus

Investment objective	To provide returns over the short to medium term, with low volatility, consistent with a diversified mix of predominately defensive assets and some growth oriented assets.		
Investment strategy	The investment option typically invests in a diversified portfolio mix with exposure to growth investments around 30% and defensive investments around 70%. Derivatives may be used to implement investment strategies.		
Investment timeframe	3+ years		
Risk and return profile	Low		
Asset allocation	Asset class	2013 (%)	2012 (%)
	Alternatives	6.1	8.7
	Australian shares	14.2	11.8
	Cash and fixed interest	69.4	69.9
	International shares	9.0	8.3
	Property	1.3	1.3

ARC Australian Fixed Interest

Investment objective	To provide a total return, before costs and tax, higher than the investment option's benchmark over the medium term by providing exposure to a diversified portfolio of predominantly fixed income securities.		
Investment strategy	The option invests predominantly in Australian issued government, quasi-government and corporate fixed income securities. In addition, the portfolio may also include debt securities issued by supranationals and non-Australian governments, agencies and corporates, as well as structured credit securities including mortgage and asset backed securities. The Fund from time to time may be exposed to low grade or unrated debt securities, exchange traded funds, emerging markets and currency to a limited extent. Derivatives may be used to obtain or reduce exposure to securities and markets, to implement investment strategies and to manage risk.		
Investment timeframe	3+ years		
Risk and return profile	Low – moderate		
Asset allocation	Asset class	2013 (%)	2012 (%)
	Fixed interest	100.0	100.0

ARC Australian Property

Investment objective	The investment option seeks to match the total return of the S&P/ASX 300 Property Trusts Index before taking into account fees and expenses.		
Investment strategy	To closely track the index, the investment manager employs optimised replication techniques to select property securities.		
Investment timeframe	5+ years		
Risk and return profile	High		
Asset allocation	Asset class	2013 (%)	2012 (%)
	Property	100.0	100.0

ARC Australian Shares

Investment objective	To provide a total return, before costs and tax, higher than the investment option's benchmark over the long term by providing exposure to a diversified mix of predominantly shares.		
Investment strategy	This investment option is predominantly exposed to shares and unit trusts listed or about to be listed on the Australian Stock Exchange. This investment option may also be exposed to derivatives.		
Investment timeframe	7+ years		
Risk and return profile	High		
Asset allocation	Asset class	2013 (%)	2012 (%)
	Australian shares	100.0	100.0

ARC Cash

Investment objective	To provide a total return, before costs and tax, in line with the investment option's benchmark over the short term by providing exposure to a diversified mix of predominantly Australian dollar investment grade cash and cash equivalents.		
Investment strategy	This investment option is predominantly exposed to assets such as bank deposits and money market instruments (including but not limited to bank bills and certificates of deposit).		
Investment timeframe	The expected volatility of the investment option is low, so it is appropriate for short-term investments (up to 1 year).		
Risk and return profile	Low		
Asset allocation	Asset class Cash and short-term securities	2013 (%) 100.0	2012 (%) 100.0

ARC Ethical Growth

Investment objective	To provide total returns (income and capital growth), after costs and before tax, above the investment option's performance benchmark, S&P/ASX 200 Accumulation Index, on a rolling 3 year basis.		
Investment strategy	The option's `Sustainable Alpha` investment process is an active, bottom up approach that systematically integrates environmental, social and governance factors with financial measures to gain deeper insights into a company's growth and risk elements.		
Investment timeframe	7+ years		
Risk and return profile	High		
Asset allocation	Asset class Australian shares	2013 (%) 100.0	2012 (%) 100.0

ARC International Shares

Investment objective	To provide a total return, before costs and tax, higher than the investment option's benchmark over the long term by providing exposure to a diversified mix of predominantly international shares.		
Investment strategy	The option invests predominantly in a broad range of international shares listed on stock exchanges in developed international markets. The Fund may also be exposed to emerging market equity securities. Derivatives may be used to obtain or reduce exposure to securities and markets, to implement investment strategies and to manage risk.		
Investment timeframe	7+ years		
Risk and return profile	High		
Asset allocation	Asset class International shares	2013 (%) 100.0	2012 (%) 100.0

Contact us

Enquiries

If you have a general enquiry or require further information on your membership, call us on 1300 209 088, Monday to Friday between 8.30am – 5.30pm (AEST/AEDT). Alternatively, email us on customerservice@tal.com.au (quoting your member number) or write to us at the following address:

TAL Life Limited
GPO Box 5380
Sydney NSW 2001

Complaints

If you have a complaint about the Fund please lodge your complaint in writing to the Complaints Resolution Manager at the address shown above.

If your complaint has not been resolved to your satisfaction within 90 days of lodgement, you may refer your complaint to the SCT at the following address:

Superannuation Complaints Tribunal
Locked Bag 3060
Melbourne VIC 3001

Call: 1300 884 114
Email: info@sct.gov.au
Website: www.sct.gov.au

The SCT is an independent body established by the Commonwealth Government to deal with complaints about superannuation, annuity policies and retirement savings accounts. The objective of the SCT is to provide a fair, timely and economical means of resolution of complaints as an alternative to the court system. The SCT cannot consider complaints that have not been first referred through the complaints resolution process of the provider of the product.