



Zurich Investment Plan

Plan Summary

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1. Overview of the Zurich Investment Plan

1.1 Overview

The Zurich Investment Plan is a convenient, flexible personal investment plan.

The plan gives investors access to investment markets and professional investment management that may otherwise be difficult for individuals to access. The selection of investment funds lets you tailor the risk profile of your investment to suit your needs.

The Zurich Investment Plan (the plan) is issued by Zurich Australia Limited (Zurich). Contributions, less charges, are credited to an account maintained within the plan. In the case of the Capital Guaranteed Fund, interest is calculated on the daily account balance and credited annually. The value of unit-linked investments is based on the unit price of the fund, which is determined by the value of the underlying assets of the fund.

1.2 Your plan

Zurich will now be administering your plan under the terms and conditions of the Zurich Investment plan.

2. General information

2.1 Interpretation

'Administration fee' means the administration fee shown in the personalised schedule, which can vary as described by clause 2.8.

'Consumer Price Index' (or CPI) means the all groups Consumer Price Index number, which is the weighted average of the eight capital cities published by the Australian Bureau of Statistics (or, if that index ceases to be published, or is substantially amended, any other index we select for the purpose of this definition).

'Investment benefit' means the benefit represented by the value of the unit account (for unit-linked funds) and/or the investment account (for the Capital Guaranteed Fund).

'Personalised schedule' means the latest personalised schedule showing details of the investor's entitlements under this plan.

'plan' means your policy, including its policy document, the personalised schedule, policy annexures and any other documents that we include in the policy from time to time.

'Policyowner(s)' means the person registered as the owner of this plan.

'Single investment contribution' means a lump sum contribution.

'Zurich' means Zurich Australia Limited.

The words **'we'**, **'our'** or **'us'** mean Zurich Australia Limited and the words **'you'** or **'your'** mean the policyowner(s).

Words not otherwise defined in this plan will have the meanings attributed to them in the personalised schedule.

Unless the contrary intention appears, the singular includes the plural and vice versa and a reference to one gender includes all genders.

2.2 Currency

All amounts are payable in Australian currency.

2.3 Contributions

Single investment contributions of \$500 or more can be made to your plan.

2.4 Alterations

No alterations to this document are valid unless authorised by Zurich in writing.

2.5 Loans

We will not grant loans against the security of the plan.

2.6 Notices

We will write to you at the address last recorded in our register of policies and all written communication will be taken to have been received by you. Please advise us of any change in your address so that we can keep our register up to date.

2.7 Variation of plan conditions

We may amend the plan in accordance with the terms and conditions of your plan.

We will not increase the investment management fees set out in clause 3.5 other than in accordance with the terms and conditions of your plan.

We may apply fees for switches, as set out in clause 3.7.

Zurich may waive or reduce the amount or level of fees or charges at its discretion.

2.8 Variation of administration fee

We may vary the administration fee shown in the personalised schedule on the anniversary date in line with increases in the consumer price index (CPI). Increases will apply from 1 April for plans with anniversaries before this date in the calendar year; and, from the plan anniversary for the remaining plans. The maximum increase will be the rate of the increase of the CPI over the preceding calendar year.

2.9 Owner(s)

Ownership of this plan is limited to individuals or companies.

Ownership of your plan may be in one or two names. Where a plan is in two names it will be deemed to be owned on a joint tenancy basis. The written consent of both owners will be required.

Where a plan is owned by a company, Zurich may act on the instruction of any current director of the company. A company must advise Zurich of any change in the directors from those in office at the time the plan is issued.

3 Plan operation

3.1 Benefits

The investment benefit will be paid, in part or in full, to the policyowner(s) when requested. Withdrawal requests must be made in writing and signed by the policyowner(s).

For the Capital Guaranteed Fund, the investment benefit payable is calculated as the balance of the investment account on the last annual statement:

- plus contribution received
- less any fees and charges due
- less any partial withdrawals made
- plus interest.

For unit-linked funds, the investment benefit payable is calculated by multiplying the number of units (in each investment fund) held in your unit account by the appropriate unit price at the next unit valuation.

3.2 Unit allocation

This clause does not apply to investments in the Capital Guaranteed Fund.

Your personalised schedule outlines the proportion of any investment contribution applicable in the purchase of units in those investment funds chosen by you.

A minimum of \$1000 must be maintained in each investment fund chosen.

The number of units purchased in each investment fund will be the contribution amount (after first deducting fees and charges from that contribution as described in clause 3.5) applied to that investment fund divided by the unit price of those investment units at the next unit valuation.

3.3 Guarantees

The investment account of a Capital Guaranteed Fund, after contributions and interest are added, and any fees and charges deducted and partial withdrawals (if applicable), is guaranteed not to fall.

The price of Cash Fund units and gains in the value of those units, after any fees and charges deducted and partial withdrawals (if applicable), is guaranteed not to fall.

No guarantee applies to any of the other investment funds set out in the personalised schedule.

3.4 Withdrawals

We will redeem units from your fund account using the unit price applicable to the day of the redemption. For partial withdrawals, we will redeem units from each of your selected investment funds in proportion to the amounts held in those funds, unless you tell us to do it differently.

3.5 Fees and charges

Contribution charges

There are no contribution charges applicable to your plan.

Management charges

For unit-linked funds the Investment Management Fee (IMF) shown on the Investment Certificate will be deducted:

- from the assets of the relevant investment fund each time unit prices are determined
- via monthly adjustments.

Unit prices will be determined at least once a week (refer to section 4.2).

For the Capital Guaranteed Fund, on each day an IMF will be deducted from the assets of the plan.

The rate at which the annual fee will be deducted is shown on the Investment Certificate.

Switching from the Capital Guaranteed Fund

When switching from the Capital Guaranteed Fund to a unit-linked fund the IMF applicable to the unit-linked fund selected will be as follows:

Fund	Investment Management Fee
Cash	1.30%
Global Thematic Share	1.75%
All other funds	1.60%

Switching from a unit-linked fund

When switching from an existing unit-linked fund to another unit-linked fund(s), your IMF will depend on the terms of your plan.

These are outlined in the tables on the next page:

Guardian New Generation Bond and Zurich Growth Bond

Fund	Investment Management Fee
Cash	1.30%
Global Thematic Share	1.45%
All other funds	1.30%

NZI Unit Linked Bond

Fund	Investment Management Fee
Cash	1.30%
Global Thematic Share	1.55%
All other funds	1.40%

Zenith Series Bond

Fund	Investment Management Fee
Cash	1.30%
Global Thematic Share	2.25%
All other funds	2.10%

Ex-Guaranteed Performance Bond

Fund	Investment Management Fee
Cash	1.30%
Global Thematic Share	1.90%
All other funds	1.75%

A current list of open and closed investment funds is outlined in clause 3.8.

Zurich does not currently charge a fee for switching.

Zurich may vary fees or charges described in this document, as set out in clauses 2.7 and 2.8.

3.6 Investment account and unit account

(a) Investment account (for the Capital Guaranteed Fund)

We will establish an investment account under the plan to record the:

- investment contributions received
- interest added
- fees and charges deducted
- taxes on contributions and any other government imposts or charges (actual or prospective)
- any partial withdrawals.

(b) Unit account (for unit-linked funds)

We will establish a unit account under this plan to record the number of units allocated to this plan and the investment funds in which those units are held.

The number of units held in this account at any time is:

- the number of units purchased in accordance with clause 3.2
- **plus** units attained via any rebate in accordance with clause 3.5
- **less** a deduction of units to pay the administration fee
- **less** the number of units deducted for any government imposts or charges
- **less** the number of units deducted for any partial withdrawals.

3.7 Switching

You can move, or 'switch', your money between investment funds as follows:

- open funds: you can switch between funds at any time
- closed funds: you can switch out any time. Switches in are not available.

A current list of open and closed investment funds is outlined in clause 3.8.

The value of the units switched and the value of the units remaining in each previous investment fund(s) must not be less than \$1000. We may vary this minimum from time to time. While you may switch from the Capital Guaranteed Fund to any combination of the unit-linked funds, the full balance must be moved upon a switch between these two types of funds.

Zurich does not currently charge a fee for switching.

3.8 Investment funds

The investment objectives and asset ranges for each investment fund* under this plan follow.

* Zurich may vary any aspect of the investment funds at its discretion. Generally, we will notify in advance. This right of variation includes the right to withdraw any investment fund and to add any new investment fund.

► Open Funds

Capital Stable Fund

Investment objective

To provide investors with security and some capital growth over the short to medium term, through exposure to a range of asset classes.

The fund aims to outperform the benchmark over periods of three years.

Investment strategy

This fund 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 fund is designed to reduce risk by diversifying across asset classes.

Risk and return profile

Low	Low to medium	Medium	Medium to high	High
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Minimum investment timeframe (years)

1	2	3	4	5	6	7	8	9
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Asset allocation

Asset class	Benchmark	Min	Max
Australian shares	16%	0%	24%
International shares	11%	0%	22%
Listed property trusts	1.5%	0%	13%
Global property securities	1.5%	0%	13%
Total growth assets	30%	0%	59%
Australian fixed interest	37%	28%	50%
International fixed interest	25%	13%	42%
Cash	8%	0%	30%
Total defensive assets	70%	41%	100%

Balanced Fund

Investment objective

To provide investors with security and capital growth over the medium to long term, through exposure across a range of asset classes.

The fund aims to outperform the benchmark over periods of three years or more.

Investment strategy

This fund 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 fund is designed to reduce overall portfolio risk by spreading the fund's investments across asset classes.

Risk and return profile

Low	Low to medium	Medium	Medium to high	High
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Minimum investment timeframe (years)

1	2	3	4	5	6	7	8	9
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Asset allocation

Asset class	Benchmark	Min	Max
Australian shares	26%	10%	38%
International shares	20%	7%	30%
Australian property securities	3%	0%	17%
Global property securities	3%	0%	17%
Total growth assets	52%	17%	85%
Australian fixed interest	25%	10%	33%
International fixed interest	18%	5%	30%
Cash	5%	0%	20%
Total defensive assets	48%	15%	83%

Managed Growth Fund

Investment objective

To provide investors with capital growth over the medium to long term and a modest level of income. The fund aims to outperform the performance benchmark over a period of five years.

Investment strategy

The fund invests in a mix of Australian and international shares, fixed interest securities, property securities and cash. The fund is designed to reduce investment risk by diversifying across asset classes.

Risk and return profile

Low	Low to medium	Medium	Medium to high	High
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Minimum investment timeframe (years)

1	2	3	4	5	6	7	8	9
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Asset allocation

Asset class	Benchmark	Min	Max
Australian shares	36%	20%	46%
International shares	27%	10%	38%
Australian property securities	4.5%	0%	12%
Global property securities	4.5%	0%	12%
Total growth assets	72%	30%	96%
Australian fixed interest	12%	2%	20%
International fixed interest	11%	2%	35%
Cash	5%	0%	15%
Total defensive assets	28%	4%	70%

Managed Share Fund

Investment objective

To provide investors with long-term capital growth by investing in a diversified portfolio of Australian and international shares.

The fund aims to outperform the performance benchmark over a period of five or more years.

Investment strategy

The fund invests in a mix of Australian and international shares. The fund mainly invests in Australian companies, including property trusts with a smaller allocation to shares listed on foreign stock exchanges.

Risk and return profile

Low	Low to medium	Medium	Medium to high	High
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Minimum investment timeframe (years)

1	2	3	4	5	6	7	8	9
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Asset allocation

Asset class	Benchmark	Min	Max
Australian shares	62.5%	55%	72%
International shares	37.5%	30%	50%
Total growth assets	100%	85%	100%
Cash	0%	0%	15%
Total defensive assets	0%	0%	15%

Global Thematic Share Fund

Investment objective

To provide investors with long-term capital growth, with the benefits of global diversification. The fund aims to outperform the MSCI World (ex-Australia) Accumulation Index in \$A (net dividends reinvested) over periods of five or more years.

Investment strategy

The fund invests in a broad selection of companies listed on foreign stock exchanges.

Risk and return profile

Low	Low to medium	Medium	Medium to high	High
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Minimum investment timeframe (years)

1	2	3	4	5	6	7	8	9
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Asset allocation

Asset class	Benchmark	Min	Max
International shares	100%	90%	100%
Total growth assets	100%	90%	100%
Cash	0%	0%	10%
Total defensive assets	0%	0%	10%

Cash Fund

Investment objective

To provide investors with security of capital, along with a competitive cash rate over the short term.

The fund aims to outperform the UBS Australian Bank Bill index over a period of one year.

Investment strategy

This fund invests in Australian wholesale money markets including bank guaranteed, government guaranteed and corporate securities.

Risk and return profile

Low	Low to medium	Medium	Medium to high	High
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Minimum investment timeframe (years)

1	2	3	4	5	6	7	8	9
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Asset allocation

Asset class	Benchmark	Min	Max
Cash	100%	100%	100%
Total defensive assets	100%	100%	100%

► Closed funds

Fixed Interest Fund

Investment objective

To provide investors with security and some capital growth over the short to medium term.

The fund aims to outperform the UBS Australian Composite Bond (All Maturities) Index over a period of three years.

Investment strategy

This fund invests in a range of fixed interest securities including Australian government, state government and semi-government securities and corporate bonds.

Risk and return profile

Low	Low to medium	Medium	Medium to high	High
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Minimum investment timeframe (years)

1	2	3	4	5	6	7	8	9
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Asset allocation

Asset class	Benchmark	Min	Max
Australian fixed interest	100%	0	100%
<i>Total defensive assets</i>	<i>100%</i>	<i>0%</i>	<i>100%</i>

Property Securities Fund

Investment objective

To provide investors with capital growth over the short to medium to long term.

The fund aims to outperform the S&P/ASX 300 Property Trusts Accumulation Index over periods of five or more years.

Investment strategy

This fund invests in a range of property securities, spread across retail, commercial and industrial property sectors.

Risk and return profile

Low	Low to medium	Medium	Medium to high	High
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Minimum investment timeframe (years)

1	2	3	4	5	6	7	8	9
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Asset allocation

Asset class	Benchmark	Min	Max
Listed Property Securities	100%	98%	100%
<i>Total growth assets</i>	<i>100%</i>	<i>98%</i>	<i>100%</i>
Cash	0%	0%	2%
<i>Total defensive assets</i>	<i>0%</i>	<i>0%</i>	<i>2%</i>

Government Securities Fund

Investment objective

To provide investors with capital growth over the short to medium to long term by investing in Australian government securities markets.

Investment strategy

This fund invests in a range of fixed interest securities issued by the Australian government, state government or semi-government entities and corporates.

Risk and return profile

Low	Low to medium	Medium	Medium to high	High
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Minimum investment timeframe (years)

1	2	3	4	5	6	7	8	9
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Asset allocation

Asset class	Benchmark	Min	Max
Australian fixed interest	100%	0	100%
Total defensive assets	100%	0%	100%

Capital Guaranteed Fund

Investment objective

To provide security of capital and long-term capital appreciation.

Investment strategy

This fund invests in income-producing asset classes, such as fixed interest and cash, to protect capital value. The fund holds a relatively small portion in growth assets for diversification benefits.

Risk and return profile

Low	Low to medium	Medium	Medium to high	High
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Minimum investment timeframe (years)

1	2	3	4	5	6	7	8	9
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Asset allocation

Asset class	Benchmark	Min	Max
Australian shares	20%	10%	30%
International shares	5%	0%	5%
Listed property securities	2.5%	0%	5%
Total growth assets	27.5%	10%	40%
Fixed interest	60%	50%	75%
Cash	12.5%	10%	30%
Total defensive assets	72.5%	60%	90%

3.9 Power to vary settlement

If a regulatory authority directs us to vary the terms of payment of benefits (so as to protect the financial stability of a statutory fund or the interests of policyowners) we must comply with that direction. Additionally, if we believe the total amount required to be paid on any one day would be detrimental to the interests of other policyowners we may delay the payment of benefits under the plan.

3.10 Annual statement

We will provide you with an annual statement detailing contributions received by us during the previous year, how the contributions have been applied, and the number, type and value of units held in any unit account.

4 Valuation, interest rate declarations and unit pricing

4.1 Underlying fund

Investments that provide benefits under capital guaranteed policies form part of our No.2 Statutory Fund. There may be one or more sub-funds of this statutory fund, as deemed appropriate by our actuary from time to time.

Each sub-fund of the No.2 Statutory Fund comprises separate and identifiable assets, which are held for the specific purpose of providing the benefits payable under this plan and other plans held within the sub-fund.

The investments that provide the benefits under unit-linked policies form part of our No.3 Statutory Fund.

The No. 3 Statutory Fund comprises separate and identifiable assets, which are held for the specific purpose of providing the benefits payable under this plan and other similar unit-linked policies.

Unless otherwise stated in your original terms and conditions, the plan does not participate in the profits of Zurich Australia Limited.

4.2 Unit pricing (for unit-linked funds)

The unit price of each investment fund is determined at least weekly. Generally, they are calculated each New South Wales business day.

The unit prices of each investment fund are equal to the value of the underlying assets of the fund after:

- the deduction of the investment management fee
- the deduction of an allowance for taxation and other government imposts
- the adjustment for any allowances made for the costs of buying (entry price) or selling (exit price) the assets, and
- adjustment for any other provisions we consider appropriate,

divided by the number of units in existence.

In extraordinary circumstances, Zurich may suspend, defer and delay unit pricing, unit allocation and redemption payments:

- where it considers such action is warranted, or
- where such action is required by, or approved by, the Australian Prudential Regulation Authority.

Zurich may change the basis of unit pricing at its discretion.

4.3 Interest earnings (for the Capital Guaranteed Fund)

The interest rate will be calculated at least annually. The interest rate declared will be the net of tax investment return of the relevant sub-fund of Zurich's No.2 Statutory Fund less a deduction for the guarantee that the value of your investment will not fall. This cost is set out in the Investment Certificate.

The net of tax investment return will be determined after first transferring to or from the fund's investment reserves an amount determined by Zurich's actuary.

Declared interest will be calculated on the daily balance of the plan's value, and will be credited at least once each year. For periods subsequent to the last declared fund interest rate, Zurich will declare an interim interest rate which will be used for all closing transactions in those periods. Interim interest will be calculated on the daily balance of the plan value, and will be credited as at any closing transaction date.

4.4 Valuation of investments (for unit-linked funds)

The underlying assets of each investment fund are valued at least once each week. Generally, the assets are valued each New South Wales business day. The assets are generally valued in the following way:

- investments listed on a recognised stock exchange – at the last sale price prior to valuation
- fixed interest investments – on closing trading yields in the institutional market
- investment in unlisted trusts – at the latest unit price prior to valuation
- real property – by an independent valuer from time to time with the value being adjusted by us to take into account any accumulated income and outgoings and variations in property prices since the last independent valuation
- other assets – on a basis the we consider appropriate.

Zurich may change the basis of valuation, or defer the valuation, at its discretion.

If this occurs, Zurich will update the information on the following website, www.zurich.com.au.

Income from the investments, and capital gains and losses, accrue to and form part of the fund's assets. All taxes on income and expenses and other outgoings incurred in the purchase, maintenance, valuation and sale of investments are paid for out of the fund's assets.

The investment funds are invested in unit trusts managed by Zurich Investment Management Limited and/or selected investment managers. In addition to investment expenses, these unit trusts may incur costs including custodian fees, audit fees and administration expenses.

These costs may not be covered by the investment management fees detailed in clause 3.5 of this document but are reflected in the net investment returns provided by the underlying trusts.

Zurich is proud to support
football as an Official Partner
of the Hyundai A-League



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