



Aon Eligible Rollover Fund

Annual Report 2005



From your trustee

This report is provided by Aon Superannuation Pty Limited ABN 83 057 982 822 AFSL No. 237465 ('Aon' or the 'trustee') as trustee of the Aon Eligible Rollover Fund ('Aon ERF').

The Aon ERF accepts:

- unclaimed benefits from other superannuation funds
- Superannuation Guarantee shortfall amounts
- small account balances that are uneconomical to leave within a superannuation fund
- any eligible termination payments received by an individual prior to age 65.

Contributions cannot be accepted into the Aon ERF. If you would like information about how to consolidate your superannuation and be able to make contributions, please contact the Customer Contact Centre on 1300 880 588.

In its capacity as trustee, Aon ensures that the Aon ERF complies with the Superannuation Industry (Supervision) Act and Regulations 1993 ('SIS') and relevant laws.

This report contains general information for the benefit of all members. It is designed to bring you up to date with recent developments and to keep you informed about the operation and benefits of the Aon ERF. Every effort has been made to ensure the information contained in this report is accurate. However, the trust deed ultimately governs your rights and benefits, and it can be inspected on request to the trustee.

The trustee has taken out trustee indemnity insurance to protect the trustee, the directors and the Aon ERF. This covers the financial effects of any accidental mistake which might occur in running the Aon ERF.

No penalties have been imposed on the Aon ERF or the trustee for non-compliance during the 2004/05 year.

Investment portfolio

Investment aims and strategy

The aim of the Aon ERF is to maximise the potential investment return of your benefit for a given level of risk. The emphasis is on lowering risk, rather than maximising the investment return. Investment managers are chosen by the trustee and reviewed from time to time.

The trustee permits the investment managers to use derivatives such as hedging, futures and options to protect the Aon ERF against adverse movements in currency and share markets but not for 'gearing' the portfolio. The trustee has received the risk management statements of each investment held.

Investment objectives

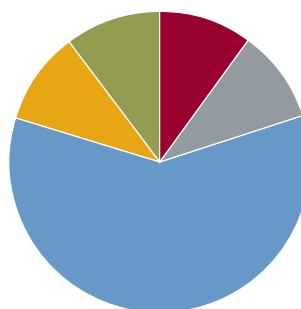
The specific investment objectives of the Aon ERF are to:

- maintain a conservative asset allocation policy appropriate for an eligible rollover fund
- minimise the chance of a negative return in any given year
- maximise the expected return subject to the above constraints.

The aim of the Aon ERF is to maximise the potential investment return for a given level of risk

Asset allocation

The Aon ERF had the following asset allocation as at 30 June 2005 (asset allocation at 30 June 2004 is in brackets).



■ Australian shares	10.2%	(5.7%)
■ International shares	9.9%	(5.5%)
■ Diversified fixed interest	59.7%	(62.4%)
■ Alternative assets	10.2%	(14.7%)
■ Cash	10.0%	(11.7%)

Underlying investment managers

The table shows the investments and their percentage of the Aon ERF assets at 30 June 2005.

Investment	\$	% of assets
Alpha Australian Equity Trust	4,030,260	5.1
ANZ Cash Plus Fund	7,886,405	10.0
Citigroup Equity Trust	4,023,061	5.1
Credit Suisse International Shares PST	5,419,581	6.9
Macquarie Global Bond Solution	47,064,892	59.7
Macquarie Global Small Companies Fund	2,379,187	3.0
Warakirri Absolute Return Fund	8,010,664	10.2

Investment performance

The Aon ERF's earning rate (after tax, investment and management fees) for the year ended 30 June 2005 was 6.2% pa. Net earning rates for the past three years and the return since inception are summarised in the table below.

Year	Actual earning rate % pa
2005	6.2
2004	4.8
2003	5.6
Compound average earning rate since inception*	5.5

* The Aon ERF was established in May 2002, therefore there is no investment performance before that time.

Member benefits

Protection of benefits

The Government's member protection legislation provides that the administration fee on account balances less than \$1,000 will not exceed the investment earnings credited. This protection does not apply to taxation, insurance costs or costs that are not charged directly to members.

However, in the event that the Aon ERF experiences negative earnings, fees for members with balances of more than \$1,000 might exceed the earnings credited (eg the withdrawal fee may be incurred even if this fee may exceed the amount of investment earning credited to a member's account). The investment strategy minimises the likelihood of such an eventuality.

Preservation

Preservation means keeping your superannuation benefits in an approved superannuation fund or rollover facility until you retire or meet specified exemption criteria. Preserved benefits cannot be accessed as cash until you retire on or after your preservation age, except in the event of your death, disablement, leaving service after age 60, severe financial hardship or release on specific compassionate grounds. If you wish to find out more you should contact the Customer Contact Centre (see the Directory on the back cover for details). All benefit increases since 1 July 1999 including all personal and employer contributions and investment earnings are preserved.

From 1 July 2004, employer paid eligible termination payments rolled over into a superannuation fund must be preserved.

Preservation age is the earliest age at which you can retire and access your preserved benefit as cash. Your preservation age depends on your date of birth.

Date of birth	Age
Before 1 July 1960	55
1 July 1960 to 30 June 1961	56
1 July 1961 to 30 June 1962	57
1 July 1962 to 30 June 1963	58
1 July 1963 to 30 June 1964	59
1 July 1964 and after	60

Withdrawal benefits

Your withdrawal benefit is the balance of your account credited with any investment earnings.

Payment of benefits

The Aon ERF will pay or transfer a benefit following a written request to the trustee from the member who owns the account. If the member has died, the member's dependants or executor may make the request. The account and benefit payable will comprise total amounts paid or transferred to the Aon ERF on behalf of the member plus any investment earnings less expenses and tax.

Benefits in the event of death

If a member dies before receiving their benefit, the benefit will be paid to the member's dependants and/or the legal representative. The trustee has discretion under the trust deed as to which person or persons it will pay the benefit.

How benefits are paid

Subject to the preservation rules outlined earlier, all benefits are paid as a lump sum.

Unclaimed benefits

When a member reaches pension age but cannot be located and does not apply to the trustee for their benefit, the trustee will pay the benefit to the Australian Taxation Office (ATO). The member may then claim their benefit from the ATO.

Privacy policy

We are committed to ensuring the confidentiality and security of your personal information. We will only collect, use and disclose this information for the purposes of processing and administering your accounts and providing services to you, unless otherwise required by law. We are bound by the Privacy Act and the National Privacy Principles, as regulated by the Federal Privacy Commissioner, to protect such information from misuse and loss, unauthorised access, modification and disclosure.

You can obtain a copy of the Aon ERF's Privacy Policy and Management Plan, or the Privacy Statement, from the Privacy Officer.

Fees and charges

Surcharge

For 2004/05, a surcharge ranging from 0% to 12.5% of employer-paid contributions will apply if your adjusted taxable income (ATI) is greater than \$99,710. The full surcharge of 12.5% will apply if your ATI is greater than \$121,075. ATI is taxable income from all sources, including fringe benefits reported on your group certificate plus employer and salary sacrifice contributions.

The surcharge tax was abolished for contributions made after 1 July 2005. This will not, however, affect any existing surcharge tax liability you have incurred, or any surcharge assessments which have not yet been made for tax years prior to 1 July 2005.

The surcharge may also apply if you have not provided your tax file number to the trustee.

The ATO calculates the amount of any surcharge payable, sends an assessment to the trustee, and a copy to you. If the trustee of your previous fund receives a surcharge assessment for you, it will most likely forward the assessment to the Aon ERF who will pay the surcharge and deduct it from your benefits payable. Any changes to your assessment will appear on future benefit statements. This statement will also provide details of any surcharge debt you have accumulated.

Fees and taxation

Member fees may be deducted from:

- your account balance;
- your benefit when it is paid from the Aon ERF; or
- from investment earnings before the unit price is calculated.

All member fees debited from your account will be shown on your benefit statement each year. Exit fees charged to your benefit payment will be shown on the exit statement. In addition, any percentage deducted from the Aon ERF's assets will be disclosed in the annual report.



Type of fee or cost	Amount	How and when paid
Fees when your money moves in or out of the Aon ERF		
Establishment fee: To set up your account in the Aon ERF	Nil	Not applicable
Contribution fee: The fee on each amount contributed to your account in the Aon ERF either by you or your employer	Nil	Not applicable
Withdrawal fee: The fee for each withdrawal you make from the Aon ERF (including any instalment payments and your final payment)	\$80	Deducted from the benefit when it is paid
Termination fee: The fee to close your account with the Aon ERF	Nil	Not applicable
Management costs		
The fees and costs for managing your investment	\$30 pa plus an ICR of 2.4% ¹ of your account	The member fee is deducted from your account monthly. The ICR is not deducted from your account but reduces the return you would otherwise receive.

¹ This percentage represents all indirect management costs not deducted directly from a member account as a ratio of the Fund's total average net assets and may include an administration fee, investment and management fees, trustee fee and expense recoveries.

Additional explanation of fees and costs

Withdrawal fee

The withdrawal fee will only be charged up to the amount of interest credited for balances under \$1,000.

Incidental fees

If you request a copy of the Trust Deed, a copy will be posted to you for a fee of \$50 (including GST).

Review of fees

The trustee may change the fees that apply at any time after giving 30 days prior written notice to members.

Tax deduction

Most of the fees paid directly by members are tax deductible and the Aon ERF passes on the benefits of tax deductions to members. Your benefit statement shows the net amount of fees and charges.

Family law valuation fee

The administrator charges a fee to the person who requests a family law valuation. The fee is not charged to the Aon ERF and is not paid out of the member's account but directly by cheque to Aon Consulting Pty Limited. The cost is \$100 per valuation (GST inclusive) payable at the time of the valuation.

Financial summary

This is a summary of the financial statements for the year ended 30 June 2005 for the Aon ERF. The full audited financial statements, including the audit report, are available. If you would like a copy please call our Customer Contact Centre.

Statement of change in net assets		\$
Opening balance at 1 December 2004*		Nil
<i>plus</i>		
Money received		
Net investment income		3,729,512
Contributions		9,630
Transfers and rollovers		84,650,456
Total income		88,389,598
<i>less</i>		
Money paid out		
Benefits paid		8,076,646
Administration costs		801,564
Management fees		38,034
Sundry expenses		35,047
Income tax expense		574,194
Total expenses		9,525,485
<i>equals</i>		
Closing balance at 30 June 2005		78,864,113

Statement of net assets		\$
Assets		
Investments		78,975,320
Cash at bank		1,283,653
Other		697,218
Total assets		80,956,191
<i>less</i>		
Payments due (liabilities)		
Benefits payable		570,248
Other amounts payable		989,416
Provision for income tax		582,414
Total		2,092,078
<i>equals</i>		
Net assets at 30 June 2005		78,864,113

* Please note that prior to 1 December 2004 the Aon Eligible Rollover Fund was a division of the Aon Master Trust. On 1 December 2004, it became a standalone fund.

More information

Trust deed

The Aon Eligible Rollover Fund was established by a trust deed dated 16 December 2003. There were no amendments made to the trust deed in the period to 30 June 2005.

If you have any questions or problems

The Aon ERF's Customer Contact Centre can help if you have a question or a problem about your superannuation. You will typically receive an answer over the phone. If not, you might be asked to put your question in writing. You should receive an answer within 28 days.

If you are not satisfied with the answer you receive or wish to make a complaint, you should write to the Aon ERF's Superannuation Inquiries Officer who will pass the matter on to the trustee. You can generally expect a decision from the trustee within 90 days. The Aon ERF is obliged to advise you of the decision, and the date of the decision, within 30 days of the decision being made.

If the matter is not resolved to your satisfaction, you may appeal to the Superannuation Complaints Tribunal (SCT). The SCT is an independent body set up by the Government to help members or their beneficiaries resolve superannuation complaints. You must follow the procedure set out above before you appeal. The SCT will only handle certain types of complaints and time limits apply for lodging complaints.

If the SCT accepts your complaint it will try to help you and the trustee to reach a mutual agreement through conciliation. If this is not successful, the SCT will make a decision that is binding on all parties.

For more information on this process, you can contact the SCT on 1300 884 114 or in writing to Locked Bag 3060, GPO Melbourne Vic 3001.

Directory

Aon ERF Administrator and Customer Contact Centre

Aon Consulting Pty Limited
GPO Box 9819
Sydney NSW 2001
Ph: 1300 880 588
Fax: 1800 010 435
email: contactcentre@aon.com.au

Superannuation Inquiries Officer

Fund Secretary
Aon Consulting Pty Limited
GPO Box 534
Sydney NSW 2001
Ph: (02) 9253 7100
Fax: (02) 9253 7752

Privacy Officer

Mr Frank Argent
Aon Consulting Pty Limited
Ph: (02) 9253 7100
Fax: (02) 9253 7101

Trustee

Aon Superannuation Pty Limited
ABN 83 057 982 822 AFS Licence No. 237465
The trustee directors during the year were:

- S Fotheringham (Chairman)
- F Argent
- G Sandstrom
- S Gaffney
- M Murphy

Investment and Superannuation Consultant

Aon Consulting Pty Limited

Investment managers

Alpha Investment Management
ANZ Banking Group Ltd
Citigroup Asset Management
Credit Suisse Asset Management
Macquarie Bank
Warakirri Asset Management

Auditor

Crispin, Glen, Neilson & Co

Custodian Services

Australia and New Zealand Banking Group Limited
ABN 11 005 357 522 AFS Licence No. 234527

The information in this report is not intended as investment advice. You may want to seek independent financial advice before making any decisions about your superannuation. This report has been prepared by Aon Consulting Pty Limited and issued by Aon Superannuation Pty Limited ABN 83 057 982 822, AFS Licence No. 237465 as trustee.

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