



Annual Report 2006



From your trustee

This report has been prepared by Aon Consulting Pty Limited ABN 48 002 288 646 ASFL 236667 and issued by Aon Superannuation Pty Limited ABN 83 057 982 822 AFSL 237465 RSE L0000437 ('Aon' or the 'trustee') as trustee of the Aon Eligible Rollover Fund RSE R1000573 ('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 us 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 the benefit of professional indemnity insurance cover to protect the trustee, its directors and the Aon ERF.

No penalties have been imposed on the Aon ERF or the trustee for non-compliance during the 2005/06 year.

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.

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 for the Aon ERF are to:

- achieve a 0.5% outperformance of the Consumer Price Index (CPI) over rolling three-year periods and
- minimise the chance of a negative return in any given year.

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

Asset allocation in Aon ERF

Asset class	30 June 2006	30 June 2005
Australian shares	15.0%	10.2%
International shares	15.2%	9.9%
Diversified fixed interest	35.8%	59.7%
Alternative assets	24.1%	10.2%
Cash	9.9%	10.0%

Underlying investment managers

The table shows the investments and their percentage of the Aon ERF assets at 30 June 2006.

Investment	\$	% of assets
SSgA Australian Fixed Interest Index Trust	29,457,526	36.3%
SSgA Global Fixed Interest Index Trust	19,799,684	24.4%
ANZ Cash Plus Fund	8,184,694	10.1%
BGI Fission International Equity Index Fund	5,977,771	7.4%
BGI International Alpha Equity Fund	5,967,230	7.4%
BGI Australian Equity Index Fund	5,856,320	7.2%
BGI Australian Alpha Equity Fund	5,851,294	7.2%

Investment performance

The Aon ERF's earning rate (after tax, investment and management fees) for the year ended 30 June 2006 was 3.5% pa. Net earning rates for the past four years and the return since inception are summarised in the table below.

Year	Actual earning rate % pa
2006	3.5
2005	6.2
2004	4.8
2003	5.6
Compound average earning rate since inception*	4.0

* 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 us (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

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 fees and costs paid directly or indirectly 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.

Small accounts

In accordance with the Government's Member Protection Legislation, the administration fees directly debited from account balances less than \$1,000 will not exceed the investment earnings credited. The cost of member protection may reduce the member fee payable from your account.

Financial summary

This is a summary of the financial statements for the year ended 30 June 2006 for the Aon ERF. The full audited financial statements, including the audit report, are available. If you would like a copy please call us.

Statement of change in net assets		\$
Opening balance at 1 July 2005*		78,864,113
<i>plus</i>		
Money received		
Net investment income		6,119,251
Contributions		27,460
Transfers and rollovers		15,120,069
Total income		21,266,780
<i>less</i>		
Money paid out		
Benefits paid		10,978,863
Administration costs		4,119,766
Management fees		250,725
Sundry expenses		43,924
Contributions surcharge		44,685
Income tax expense		(204,198)
Total expenses		15,233,765
<i>equals</i>		
Closing balance at 30 June 2006		84,897,128

Statement of net assets		\$
Assets		
Investments		81,094,519
Cash at bank		2,856,763
Other		968,844
Total assets		84,920,126
<i>less</i>		
Payments due (liabilities)		
Benefits payable		34,469
Other amounts payable		194,893
Provision for income tax		(206,364)
Total		22,998
<i>equals</i>		
Net assets at 30 June 2006		84,897,128

More information

Trust deed

The Aon ERF was established by a trust deed dated 16 December 2003. Since 1 July 2005 the Trust deed has been amended to comply with APRA licensing requirements and other specific legislative provisions.

Trustee

The trustee of the Aon ERF is Aon Superannuation Pty Limited.

The trustee directors during the year were:

- S Fotheringham¹
- F Argent
- G Sandstrom²
- S Gaffney
- M Murphy
- B Robertson³

(P Mazoudier was appointed as Independent Director and Chairman in August 2006.)

¹ Chairman until August 2006, continues as Director.

² Resigned from the Board in August 2006.

³ Independent Director, appointed October 2005.

If you have any questions or problems

We 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 780 808 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
Phone: 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
Phone: (02) 9253 7100
Fax: (02) 9253 7752

Privacy Officer

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

Investment and Superannuation Consultant

Aon Consulting Pty Limited

Investment managers

State Street Global Advisors
ANZ Banking Group Ltd
Barclays Global Investors

Auditor

Crispin, Glen, Neilson & Co

Custodian Services

Australia and New Zealand Banking
Group Limited

www.aon.com.au