



## Annual Report 2007



## From your trustee

This report has been prepared by Aon Consulting Pty Limited ABN 48 002 288 646 AFSL 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 super lump sum 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.

The Aon ERF protects member benefits (see page 6 for more information).

No penalties have been imposed on the Aon ERF or the trustee for non-compliance during the 2006/07 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 objective for the Aon ERF is to achieve a crediting rate (net of all indirect fees) with a 0.5% outperformance of the Consumer Price Index (CPI) over rolling three year periods.

This strategy aims to limit the probability of a negative return (net of all indirect fees) to one in any five years.

### Investment returns

The unit prices change according to the investment earnings (or losses) attributed to the Aon ERF. So each time the unit price changes, the investment earnings (or losses) are automatically reflected in your account balance.

*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 2007	30 June 2006
Australian shares	14.4%	15.0%
International shares	14.8%	15.2%
Australian fixed interest	36.3%	35.8%
International fixed interest	24.4%	24.1%
Cash	10.1%	9.9%

### Underlying investment managers

The table shows the investments and their percentage of the Aon ERF assets at 30 June 2007.

Investment	\$	% of Aon ERF assets
SSgA Australian Fixed Income Index Trust	31,528,320	36.1%
SSgA Global Fixed Income Index Trust	20,952,528	24.0%
ANZ Cash Plus Fund	8,891,343	10.2%
BGI Fission International Equity Index Fund	6,432,621	7.4%
BGI International Alpha Equity Fund	6,405,423	7.3%
BGI Australian Equity Index Fund	6,585,407	7.5%
BGI Australian Alpha Equity Index Fund	6,614,160	7.5%

### Investment performance

The Aon ERF's earning rate (after tax, investment and management fees) for the year ended 30 June 2007 was 3.8% pa. Net crediting rates for the past five years and the compound average net crediting rate for five years are summarised in the table below.

Year	Actual net crediting rate % pa
2007	3.8%
2006	3.5%
2005	6.2%
2004	4.8%
2003	5.6%
Compound average net crediting rate for five years	4.8%

## Member benefits

### Protection of benefits

All member account balances in the Aon ERF are protected from administration fees and charges exceeding investment earnings. Administration fees charged to members in each reporting period generally cannot exceed investment returns credited to member accounts. Administration fees include entry fees, the annual member fee and exit fees but not taxation or investment management costs.

In addition, it should be noted that in the event that the Aon ERF experiences negative earnings, administration fees may be charged, providing the apportionment of those costs between members is carried out in the 'fair and equitable' manner prescribed by the superannuation regulations. The investment strategy minimises the likelihood of such negative investment returns.

### 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, reaching age 65, 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.

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 1988 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 trustee's Privacy Policy and Management Plan, or the Privacy Statement, from the Privacy Officer.

## Helping you find your lost super

We conduct an automatic search of the Australian Taxation Office (ATO) records for lost or unclaimed monies held by Aon ERF members. This search is carried out using the ATO's SuperMatch service.

You can opt out of this search if you wish to by calling us on 1300 880 588, emailing us at [contactcentre@aon.com.au](mailto:contactcentre@aon.com.au) or writing to us at the address given on the back cover within 30 days of receiving a copy of this Annual Report.

## Changing or providing member details

You must ensure we hold your current information on our records. If you wish to change or advise us of your current details you should complete a *Change member details and options* form and return it to us. You can obtain the forms by calling us on 1300 880 588.

## Fees and charges

### Surcharge

The surcharge tax was abolished for contributions made after 1 July 2005. This will not, however, affect any existing or previous surcharge tax liability you may have incurred. The surcharge may also apply if you have not provided your tax file number to the trustee.

### Fees and costs

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.

### Member protection

Member protection legislation generally prohibits trustees from charging fees in excess of investment earnings on members' accounts.

The member fee and the withdrawal fee that the Aon ERF charges members is subject to member protection and will only be charged if your account has earned the applicable amounts or more in that particular reporting period. If your account earned less than these amounts, the lesser amount will be applied as a member fee and/or withdrawal fee.

Member protection provisions do not cover situations where administration or investment costs are levied against the assets of a fund. Member protection also does not apply to members' management costs as this fee is deducted from the total assets of the Fund before the crediting rate is applied to a member account.

## Financial summary

This is a summary of the financial statements for the year ended 30 June 2007 for the Aon ERF. The full audited financial statements, including the audit report, are available. If you would like a copy please call us.

<b>Statement of change in net assets</b>		<b>\$</b>
<b>Opening balance at 1 July 2006</b>		<b>84,897,128</b>
<i>plus</i>		
<b>Money received</b>		
Net investment income		7,175,425
Contributions		20,649
Transfers and rollovers		10,289,114
<b>Total income</b>		<b>17,485,188</b>
<i>less</i>		
<b>Money paid out</b>		
Benefits paid		9,381,182
Administration costs		4,389,206
Management fees		195,829
Sundry expenses		5,670
Contributions surcharge		41,818
Income tax expense		329,713
<b>Total expenses</b>		<b>14,343,418</b>
<i>equals</i>		
<b>Closing balance at 30 June 2007</b>		<b>88,038,898</b>
<b>Statement of net assets</b>		<b>\$</b>
<b>Assets</b>		
Investments		87,409,802
Cash at bank		1,858,245
Other		84,254
<b>Total assets</b>		<b>89,352,301</b>
<i>less</i>		
<b>Payments due (liabilities)</b>		
Benefits payable		31,082
Other amounts payable		829,745
Provision for income tax		452,576
<b>Total payments due (liabilities)</b>		<b>1,313,403</b>
<i>equals</i>		
<b>Net assets at 30 June 2007</b>		<b>88,038,898</b>

## More information

### Trust deed

The Aon ERF was established by a trust deed dated 16 December 2003 which has been amended from time to time. The Trust deed has not been amended during the financial year.

### Trustee

The trustee of the Aon ERF is Aon Superannuation Pty Limited. The trustee directors during the year were:

- P Mazoudier<sup>1</sup>
- S Fotheringham
- F Argent
- S Gaffney
- M Murphy
- B Robertson<sup>2</sup>

<sup>1</sup> Chairman and Non-Executive Director.

<sup>2</sup> Non-Executive Director.

### 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 trustee'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 trustee 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](mailto:contactcentre@aon.com.au)

### **Superannuation Inquiries Officer**

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

### **Privacy Officer**

Aon Superannuation Pty Limited  
Phone: (02) 9253 7100  
Fax: (02) 9253 7752

### **Investment and Superannuation Consultant**

Aon Consulting Pty Limited

### **Investment managers**

State Street Global Advisors  
ANZ Banking Group Ltd  
Barclays Global Investors

### **Auditor**

KPMG

### **Custodian Services**

BNP Paribas Fund Services Australasia Pty Ltd