



**ELIGIBLE ROLLOVER FUND  
ANNUAL REPORT  
2009**

# ABOUT THE AON ELIGIBLE ROLLOVER FUND

The Aon Eligible Rollover Fund ('Aon ERF') accepts:

- ↳ lost member benefits or inactive accounts 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 before 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. The Aon ERF protects member benefits.

The trustee 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. More information is available on the [Aon ERF web page](#).

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.

No penalties have been imposed on the Aon ERF or the trustee for non-compliance during the 2008/09 year.

## PRINTED COPY OF ANNUAL REPORT

If you would like a printed copy of this annual report free of charge, call us on **1300 880 588** or email [contactaon@pillar.com.au](mailto:contactaon@pillar.com.au).

The information in this report is general in nature. Your personal objectives, financial situation or needs were not taken into account when preparing this information. You may want to seek independent financial advice before making any decisions about your super.

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) as trustee of the Aon Eligible Rollover Fund (ABN 54 338 733 881).

# INVESTMENT PORTFOLIO

## Investment aims and strategy

The aim of the Aon ERF is to reduce volatility of returns by investing predominantly in fixed interest and cash with a moderate allocation in shares to enhance the potential for the Fund to outperform inflation after fees. The emphasis is on managing risk rather than maximising the investment return.

The Aon ERF invests in funds managed by specialist investment managers. These professional managers each have their own risk management policy statements which specify the use of derivatives. Derivatives are financial instruments with value derived from underlying investments.

Most managers use derivatives such as options, futures and swaps to protect the value of underlying investments or to gain 'synthetic' exposure to the market when there has been a large inflow of cash (eg the purchase of futures contracts to gain exposure to the share market rather than holding cash while waiting to find stocks to buy at an attractive price). The trustee does not invest in derivatives directly.

Investment managers are chosen by the trustee and reviewed from time to time. 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.

## Asset allocation

Asset class	30 June 2009	30 June 2008
Australian shares	12.4%	14.9%
International shares	14.0%	14.3%
Australian fixed interest	38.1%	36.5%
International fixed interest	24.3%	24.0%
Cash	11.2%	10.3%

## 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.

## Investment performance

The Aon ERF's earning rate (after tax, investment and management fees) for the year ended 30 June 2009 was -2.75% pa. Net crediting rates for the past five years and the compound average net crediting rate for five years are shown in the table at right.

Year ended 30 June	Actual net crediting rate
2009	-2.75%
2008	- 6.8%
2007	3.8%
2006	3.5%
2005	6.2%
Compound average net crediting rate for five years to 30 June 2009	0.67% pa

## Underlying investment managers

This table shows the investments and their percentage of the Aon ERF assets at 30 June 2009.

Investment	Asset class	(\$'000)	% of Aon ERF assets
Russell Australian Cash Fund	Cash	8,041,352	11.2%
ANZ Cash Plus Fund*	Fixed interest	8,005,762	11.2%
SSgA Australian Fixed Income Index Trust	Fixed interest	19,316,521	26.9%
SSgA Global Fixed Income Index Trust	Fixed interest	17,413,645	24.3%
SSgA Australian Equities Index Trust	Shares	8,929,949	12.4%
SSgA International Equities Hedged Index Trust	Shares	3,466,877	4.8%
SSgA International Equities Index Trust	Shares	6,596,855	9.2%

\* The ANZ Cash Plus Fund invests in credit and asset backed securities and has been classified by the Aon ERF as 'fixed interest'.

Note: SSgA transitioned to Vanguard Investments Australia from 1 July 2009.

# FINANCIAL SUMMARY

THIS IS A SUMMARY OF THE AON ERF'S FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009. THE FULL AUDITED FINANCIAL STATEMENTS ARE AVAILABLE, INCLUDING THE AUDIT REPORT. IF YOU WOULD LIKE A COPY PLEASE CALL US.

Financial movement for the 2008/2009 year (\$'000)	
Opening balance at 1 July 2008	82,531,547
Money received	
Net investment income	1,681,578
Contributions	22,036
Transfers and rollovers	6,884,480
Other	4
<b>Total income</b>	<b>8,588,098</b>
Money paid out	
Benefits paid	5,922,122
Administration costs	4,251,295
Management fees	66,827
Audit and tax fees	34,870
Surcharge tax	3,687
Income tax expense	(505,875)
Sundry expenses	33,559
<b>Total expenses</b>	<b>9,806,485</b>
<b>Closing balance at 30 June 2009</b>	<b>81,313,160</b>

Net assets at the end of the 2008/2009 year (\$'000)	
Assets	
Investments	77,512,085
Cash at bank	3,402,031
Other receivables	1,425,178
<b>Total assets</b>	<b>82,339,294</b>
Payments due (liabilities)	
Benefits payable	-
Administration fees	1,024,854
Other amounts payable	1,280
Provision for income tax	-
<b>Total payments due (liabilities)</b>	<b>1,026,134</b>
<b>Net assets at 30 June 2009</b>	<b>81,313,160</b>

# MORE INFORMATION

## 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, provided the apportionment of those costs between members is carried out in a 'fair and equitable' manner as prescribed by the superannuation regulations. The investment strategy minimises the likelihood of such negative investment returns.

## 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.

## 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 ATO. The member may then claim their benefit from the ATO.

## Indemnity insurance

The trustee has the benefit of professional indemnity insurance cover to protect the trustee, its directors, and the Fund.

## Trust deed and significant events

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 ended 30 June 2009. There were no significant events noted during that financial year.

## Legislative changes

Some of the legislative changes that affected superannuation during the year ended 30 June 2009 are listed below:

- ↳ Same-sex partners receiving equal rights to superannuation benefits.

- Family Law changes allowing for de facto partners (including same-sex partners) to split their super benefits on separation.
- Temporary residents who do not claim their superannuation benefit within six months of departure will have their benefits transferred to the ATO as unclaimed monies. They must apply directly to the ATO to claim their benefits.
- ASIC provided class order relief for funds to allow for the requirement to provide exit statements on terminating membership to be waived in the case of temporary residents whose monies are transferred to the ATO as unclaimed monies.
- An additional disclosure requirement was introduced by the Government to provide five-year compound average net returns for periodic member statements from 1 July 2009.
- New legislation was passed to allow for annual reports to be provided to members online. Members can request a hard copy of the annual report to be provided to them at any time.

## 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.

## If you have any questions or problems

If you wish to make a complaint, you should write to the trustee's Complaints Officer, Aon Eligible Rollover Fund, PO Box 1949, Wollongong NSW 2500. If the matter is not resolved to your satisfaction, you may appeal to the Superannuation Complaints Tribunal (SCT). The SCT will only handle certain types of complaints and time limits apply for lodging complaints.

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

## **Trustee**

Aon Superannuation Pty Limited  
Level 33  
201 Kent Street  
Sydney NSW 2000

## **Administrator**

Aon Consulting Pty Limited (with majority  
of administration services outsourced to  
Superannuation Administration Corporate—  
trading as Pillar Administration)  
PO Box 1949  
Wollongong NSW 2500  
Phone 1 300 880 588  
Fax 1 300 267 582  
Email [contactaon@pillar.com.au](mailto:contactaon@pillar.com.au)

## **Privacy Officer**

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

## **Actuary, Investment and Superannuation Consultant**

Aon Consulting Pty Limited

## **Investment Managers**

ING Investment Management Limited  
(manager for ANZ Cash Plus)  
Russell Investment Management Limited  
State Street Global Advisors Australia Limited  
(Vanguard Investments Australia from 1 July 2009)

## **Auditor**

KPMG

## **Custodian Services**

BNP Paribas Fund Services Australasia Pty Ltd

[erf.aon.com.au](http://erf.aon.com.au)

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