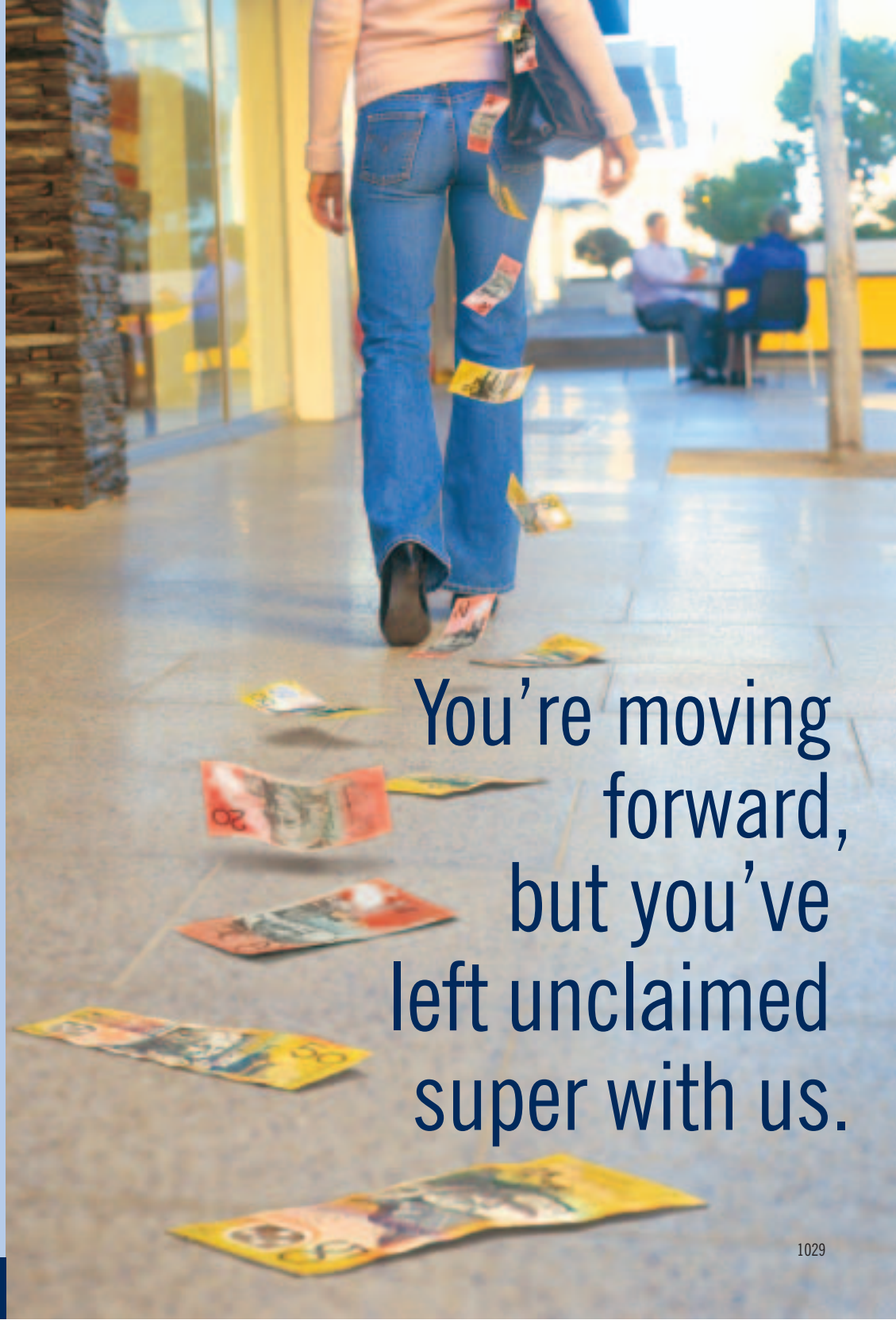


AUSfund

Australia's Unclaimed
Super Fund

Annual Report
2004-2005

Issued 3 October, 2005



You're moving
forward,
but you've
left unclaimed
super with us.

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Prepared by the Trustee of AUSfund, Australia's Unclaimed Super Fund.
Industry Funds Investments Limited ABN 17 006 883 227 AFSL 229881
Issued 3 October 2005.

Neither AUSfund, nor any of its advisors or service providers guarantee the performance of the fund. Any information contained in this document is general information only.

We have not taken into account your individual investment objectives, financial position or needs. Before making a decision on the basis of the information contained in this document, you need to consider whether it is appropriate in light of your own circumstances and you should refer to our Member Information Guide (Product Disclosure Statement) issued 3 October 2005. You may wish to consult a licensed financial adviser for advice on your particular needs. Past performance is not necessarily indicative of future performance.

YOU'RE MOVING FORWARD BUT YOU'VE LEFT YOUR UNCLAIMED SUPER WITH US...

AUSfund works hard to look after your unclaimed super. In this financial year alone we've paid 12% interest to eligible members. But your unclaimed super could work even harder if rolled into your **active** account. Having all your super in one account can reduce fees, meaning more money at retirement.

Reclaim your lost super- immediately and at no charge!

If you are an AUSfund member, we have tried to make it as easy as we can for you to rollover your balance into an active superannuation account. Many of you will have received a rollover form with this Report, or you can get one from our website, www.unclaimedsuper.com.au. Or, you can phone us on 1300 361 798.

The rollover form is simple and easy - fill it out and send back to us. We will do the rest, and at no charge! It's your super and it should be working hard for your retirement.

We do other things to reunite members with lost super...

At AUSfund we understand that many members do not realise they have lost super, or do not have the time to follow up on consolidating all their super into an active account.

AUSfund regularly conducts cross fund matching searches to find active accounts that belong to our members in other partner superannuation funds. If we find an active account in your name, we transfer your AUSfund balance to that account and notify you in writing. If your account is more than \$3000, we will write to you and ask you whether you would like to transfer your account balance. The combined efforts of AUSfund and our partner funds has resulted in almost \$100 million being transferred into people's active super accounts on behalf of 250,000 members over the past few years.

If you do not want us to undertake cross fund matching on your behalf, or transfer your AUSfund benefits to an active super account in your name, please let us know by writing to us at the address provided on the back cover of this booklet.

So that we can inform them about their super, we search for lost members' current addresses and contact details using the services of Baycorp Advantage Marketing Solutions Pty Ltd. Additionally, we work with the ATO and use its SuperMatch service to find matches with unclaimed superannuation held by the ATO (SG and SHASA payments).

AUSfund TV CAMPAIGN

As part of our ongoing commitment to reuniting people with their lost super, AUSfund has run a national television campaign over August to October 2005. Further ads will also be run early in 2006.

Our television campaigns have been very successful and have helped many members realise that they can find and reclaim lost super that we are looking after - and at no charge.

CARING FOR YOUR MONEY

AUSfund is run by Industry Funds Investments Limited (IFI), an APRA Approved Trustee. IFI directors meet regularly to assess AUSfund's objectives, investment strategy and performance, and to monitor the activities of service providers.

Industry Fund Services Pty Ltd (IFS) owns IFI. IFS is owned by nine industry superannuation funds: ARF, CARE Super, Cbus, HESTA, HOSTPLUS, MTAA Super, STA Super, TISS and TWUSUPER.

Industry Fund Services Pty Ltd has appointed the current directors of IFI, as of 1 January 2005, who are as follows:

Garry Weaven	Chair
David Haynes	Director
Fiona Reynolds	Director
David Tennant	Director

The directors of IFI from 1 July 2004 to 31 December 2004 were:

Ian Silk	Chairperson, Appointed by ARF
David Elia	Appointed by HOSTPLUS
Angela Emslie	Appointed by HESTA
Peter Gebert	Appointed by Cbus
Bill Kelty	Appointed by STA Super

David Haynes is also Executive Officer and Fund Secretary.

The Board delegates some responsibilities to its Audit and Compliance Committee, the members of which are Fiona Reynolds (Chair) and David Tennant (appointed 15 February 2005). The members of the Audit and Compliance Committee from 1 July 2004 to 31 December 2004 were Peter Gebert (Chair), Ian Silk and David Elia.

The Trustee has professional indemnity insurance in place.

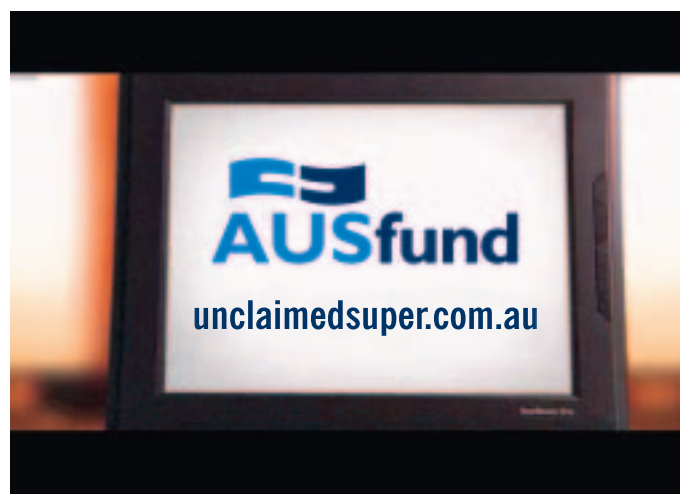
MAJOR SERVICE PROVIDERS

The Board formally reviews all professional advisers on a regular basis.

Auditors	PricewaterhouseCoopers
Administration	Superpartners Pty Ltd
Investment Advisers	Frontier Investment Consulting Pty Ltd
Custodian	National Custodian Services Pty Ltd
Lost Member Searching	Baycorp Advantage Marketing Solutions Pty Ltd
Marketing Consultants	Shannon's Way
Trustee Office Services	Industry Fund Services Pty Ltd

We follow clear rules

Our Trust Deed sets out the rules we use to govern the management of your money. It sets out how benefits are calculated, investments are made and how AUSfund is managed. For a copy of the Trust Deed, phone **1300 361 798**.

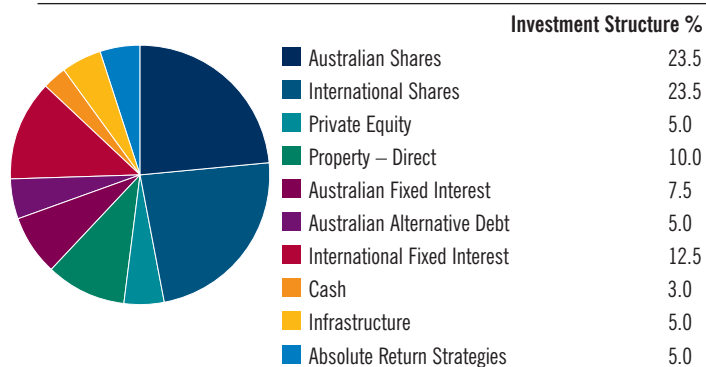


AUSfund INVESTMENTS

AUSfund largely consists of small, lost and inactive accounts and so the Trustee of AUSfund has made prudent decisions on how to invest monies of this kind. However, all investments entail some risk and the performance of the Fund is not guaranteed. The following explanation is to provide general information on AUSfund's strategy, the assets that we have invested in and AUSfund's performance.

AUSfund investment strategy at a glance

- **Description:** The Trustee of AUSfund has chosen a diversified, balanced investment strategy to provide security to members' funds over the medium term (3-5 years).
- **Aims:** To balance the need to deliver returns to members with the need to limit the likelihood of a negative return to one in every ten years.
- **Suited to:** Those wanting competitive returns at a moderate level of market risk.
- **Overall investment type:** A mix of shares, property, alternative assets, fixed interest and cash aiming to provide a mix of income and capital growth over the medium term.
- **Investment Strategy:**



- **Risk of return:** Medium risk, medium growth.

Investment Objectives - what we aim for when we invest your super

- 1 Money should be invested to give security to members' funds over the medium term.
- 2 The asset mix should be structured to limit the likelihood of a negative return to one in every ten years.
- 3 A positive rate of return is targeted on rolling, three year periods.
- 4 An investment reserve is managed to assist in the smoothing of returns to members and to lower the possibility of a negative return.
- 5 A long-term asset mix should be selected to take account of the above risk constraints and allow the highest possible return for an agreed level of risk.
- 6 The investment process should be cost efficient.
- 7 The long-term strategy should be reviewed at least annually.
- 8 The short-term investment strategy should be controlled by adjusting cash flow between investments as the investment environment dictates, while remaining within the longer-term strategies.

Socially responsible investment

AUSfund is different from many superannuation funds. It is an eligible rollover fund designed to protect small, lost or inactive superannuation accounts from being eroded by fees. We do not offer a range of investment choices and so we do not have a 'Socially Responsible Investment' option. AUSfund also does not take into account labour standards or environmental, social or ethical considerations in our investment decisions. Investment decisions include decisions about selecting, retaining or realising an investment.

Use of derivatives

The fund has a Derivative Risk Statement in place (Part A) as required by APRA. Over the past financial year, the fund has not directly invested in derivatives. In accordance with government requirements, AUSfund requires that all its Investment Managers who use derivatives have a Derivative Risk Statement (Part B) in place. Over the past financial year some of our investment managers have used derivatives to enhance returns or manage risk.

Past performance of the fund

AUSfund had paid 12% interest to members (other than Holding Account and Limited Information Members) for the 2004/2005 Financial Year.

The table below details the historical *earning* and *crediting* rates (the latter is the rate of return applied to members' accounts) over the last five years.

The average compound earning rate over the last five years is 7.1% p.a.
The average compound crediting rate over the last five years is 7.5% p.a.
Please note, past performance is not an indication of future performance.
Super is a long-term investment and results should be observed over longer periods of time.

Year to 30 June	Earning % p.a.	Crediting % p.a.	Inflation %p.a.
2005	11.8	12.0	2.5
2004	12.3	13.0	2.5
2003	3.5	3.5	2.7
2002	1.3	1.5	2.8
2001	6.8	8.0	6.0

How much have we got invested?

Net assets under management

	\$ (millions)
2005	\$559.4
2004	\$513.5
2003	\$379.9
2002	\$356.4
2001	\$414.8

AUSfund's Investment Managers

The table below shows AUSfund's investments as at 30 June 2004 and 30 June 2005.

FUND MANAGER ALLOCATIONS		
Investments	30 June 2005	30 June 2004
Fund Manager Allocations		
Australian Shares		
Barclay's Australian Equity Index Fund	84,867,139	67,351,461
Perpetual Wholesale Australian Share Fund	86,999,162	68,256,421
TGM – Australian Equities Exposure Fund	4,290,381	18,285,917
Total – Australian Shares	176,156,682	153,893,799
Overseas Shares		
Barclay's – World ex – Australian Equity Index Fund	44,362,394	43,457,019
CNA – Capital International Global Equity Trust	48,169,661	45,108,049
TGM – International Equities Exposure Fund	33,099,648	22,485,492
Total – Overseas Shares	125,631,703	111,050,560
Property – Direct		
Industry Superannuation Property Trust No. 1	46,837,065	44,646,269
Total – Property	46,837,065	44,646,269
Australian Fixed Interest		
Barclay's – Australian Bond Index Fund	41,318,582	53,197,177
Super Member Home Loans Limited	Nil	1,000,598
Super Loans Trust	1,040,542	Nil
Total – Australian Fixed Interest	42,359,124	54,197,775
Australian Alternative Debt		
Alternate Fixed Income Trust No.1	27,839,018	20,653,327
Total – Australian Alternative Debt	27,839,018	20,653,327
International Fixed Interest		
PIMCO Global Bond Fund	72,926,250	77,580,023
Total – International Fixed Interest	72,926,250	77,580,023
Cash		
National Australia Bank	43,624,901	50,400,352
Total – Cash	43,624,901	50,400,352
Private Equity		
IFM Australian Private Equity Fund III	1,640,444	278,487
IFAT #4	416,668	1,102,018
IFBT	3,315,375	2,961,000
Total – Private Equity	5,372,487	4,341,505
Infrastructure		
IFM Australian Infrastructure Fund	27,196,691	Nil
Total – Infrastructure	27,196,691	Nil
Absolute Return Strategies*	Nil	Nil
Total Investments	567,943,921	516,763,610

*This asset class, while not yet funded, is part of the Fund's investment strategy and is being considered by directors.

AUSFUND'S FINANCIALS

AUSfund's Statement of Financial Position at 30 June 2005.

	2005 (\$)	2004 (\$)
Investments	567,943,921	516,763,610
Other assets	5,625,598	5,486,952
Total assets	573,569,519	522,250,562
Total liabilities	14,159,736	8,707,718
Net assets available	559,409,783	513,542,844
Represented by:		
Member funds	525,102,823	483,802,225
Reserves & Limited Information Members	34,306,960	29,740,619
Liability for accrued benefits	559,409,783	513,542,844

In accordance with tax law, AUSfund makes Superannuation Surcharge payments to the ATO, and deducts the corresponding amount from the relevant members' accounts.

Reserving strategy

Reserves are a buffer used to smooth fluctuations in the interest rate credited to members and to reduce the chances of members being credited with a negative interest rate. Reserves can also be used to cover member protection costs and other such costs as the Board may determine. The Trustee aims to keep reserves below 6% of the Fund's total assets after allocation of interest to members.

MOVEMENT IN RESERVES		
Year	Total Amount	Change
2005	\$18.7m	12%
2004	\$16.7m	-7%
2003	\$17.9m	-3%

Operating statement for the year ended 30 June 2005

The operating statement is a snapshot of the money coming in and out of the fund during the year.

	2005 (\$)	2004 (\$)
Total investment revenue	66,170,267	53,963,547
Direct investment management fees	(341,498)	(223,409)
Revenue - contributions		
Employer	3,880,799	11,141,546
Member	262,471	126,154
Transfers	43,534,676	133,710,027
Total contribution revenue	47,677,946	144,977,727
Total revenue	113,506,715	198,717,865
Administration expenditure	(11,691,807)	(10,221,536)
Surcharge expense	(22,151)	(31,727)
Transfer to provision for Limited Information/ Holding Account members	(1,612,731)	(2,778,044)
Benefits accrued before tax	100,180,026	185,686,558
Income tax expense	(5,248,519)	(4,703,391)
Benefits after tax	94,931,507	180,983,167

Member Protection Costs

The cost of member protection in AUSfund for the 2004/05 financial year was \$950,098 which was paid from our reserves.

Would you like further information?

This is an unaudited financial statement of AUSfund. An audited statement will be available by November 2005. To obtain a full copy of the audited accounts, write to: Executive Officer AUSfund, Level 29, 2 Lonsdale Street, Melbourne VIC 3000.

As a regulated fund, AUSfund is audited each year and a return is lodged with the Australian Prudential Regulation Authority (APRA).

LET US KNOW ABOUT YOUR DEPENDANTS

It's important that we have a current list of dependants for you to assist the Trustee in distributing your death benefit if you die while you have money with AUSfund. Please write to us if you need to change your nominated beneficiaries.

While the Trustee is not obliged to pay a death benefit to your nominated beneficiaries, we are generally guided by your nomination.

We need to know who they are, what relationship they are to you (e.g. husband, child) and what percentage of the benefit you'd like to go to them (the total for all dependants must equal 100%).

AUSfund PRIVACY POLICY

It has always been important for us to safeguard your personal information. We are legally required to do so. We manage your personal information in accordance with the National Privacy Principles in the Federal Privacy Act.

Essential information only

At AUSfund, we collect only information necessary to enable us to administer your fund membership. By this, we mean:

- establishing your membership account and managing your fund benefits;
- processing contributions and paying benefits;
- providing you with membership benefits and services;
- corresponding with you;
- conducting cross-fund matching searches (where we use your information to search for an active account in your name in another superannuation fund);
- transferring your AUSfund benefits to another superannuation fund in which an active superannuation account in your name has been found; and
- locating missing superannuation contributions paid to the ATO on your behalf.

Your current address is vital for this purpose. AUSfund has appointed specialist agents to provide services on your behalf, including an Administrator (Superpartners Pty Ltd (ABN 57 078 907 883)) and Baycorp Advantage Marketing Solutions Pty Ltd (ABN 29 080 662 568). Services provided by our agents include lost member searches and cross-fund matching searches.

You can find out more information about these services on our website at "www.unclaimedsuper.com.au" or by contacting us on the details provided below. Our agents are only authorised to use and disclose your personal information for the same purposes for which AUSfund is able to use and disclose your information, under the strictest confidence.

One purpose

Your personal information will not be used or disclosed for any other purpose without your consent, except where required or authorised by law. For example, AUSfund's Administrator is required by both superannuation and tax legislation to report certain information to the ATO for tax related purposes.

The personal information collected by AUSfund from various sources includes your contact details, date of birth and Tax File Number (if you have chosen to quote it). Over time, this will be supplemented with financial and other information necessary to administer your fund membership.

Right to see information

We have stringent security measures in place and staff that handle your personal information have the knowledge, skills and commitment to protect it from unauthorised access or misuse. As a member of AUSfund, you may ask to see the information we hold about you and have it corrected if required by writing to us at AUSfund, PO Box 2468, KENT TOWN SA 5071.

Acting on someone else's behalf

If at any time you provide the personal information of another person to us then you must ensure that person has read and understood this policy and separately consents to that personal information being used and disclosed by us for the above purposes.

This policy represents our policy as at 3 October 2005. We may change this policy from time to time. Although we intend to observe this policy at all times, it is not legally binding on AUSfund in any way. From time to time we may regard it as necessary or desirable to act outside the policy. AUSfund may do so, subject only to any statutory rights you have under the Privacy Act or other applicable legislation.

If you would like more information about the Privacy Act, you can contact the Federal Privacy Commissioner's hotline service on 1300 363 992.

"Truly, AUSfund is a fund wanting to put itself out of business. But we're committed to looking after our members' accounts while we have them."

David Haynes, Executive Officer, AUSfund.

WE TAKE YOUR FEEDBACK SERIOUSLY

AUSfund works hard to try and make sure that you do not have a reason to make a complaint. However, if you do have a complaint, the process we follow to try and resolve it as quickly and fairly as possible is:

- **1** Please write to the Complaints Officer, at AUSfund PO Box 2468, KENT TOWN SA 5071, outlining your concerns.
- **2** Our Complaints Officer will investigate your concerns and refer them to the Trustee if necessary.
- **3** The Complaints Officer will write to you advising you of the outcome of our investigation. This will usually happen within two weeks. By law it must occur within 90 days.
- **4** If we cannot resolve your complaint, you may contact the Superannuation Complaints Tribunal (SCT). The SCT cannot consider your complaint unless it goes through the above internal process.
- **5** If the matter is not about superannuation, the Financial Industry Complaints Service (FICS) may be able to assist.

Contact number for SCT and FICS is: **1300 780 808**

HOW TO CONTACT US

Phone: 1300 361 798 (for the cost of a local call)
Fax: 1300 366 233 (for the cost of a local call)
Post: AUSfund, PO Box 2468, KENT TOWN SA 5071
Hours: 8.30am to 5.00pm Monday to Friday
Website: www.unclaimedsuper.com.au
Email: admin@ausfund.net.au