



The Avenue Retirement Service

Annual report to members
Year to 30 June 2011

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Investments in The Avenue Retirement Service are investments in a superannuation fund known as The Avenue Superannuation Plan RSE R1069020. The trustee for the superannuation fund is Macquarie Investment Management Limited ABN 66 002 867 003 AFSL 237 492 RSEL L0001281 (MIML, Macquarie, the trustee, we, us).

MIML has appointed Bond Street Custodians Limited (BSCL) ABN 57 008 607 065 AFSL 237 489 to hold the fund's investments in custody. BSCL and MIML are wholly owned subsidiaries of Macquarie Bank Limited ABN 46 008 583 542.

MIML is not an authorised deposit-taking institution for the purposes of the Banking Act (Cth) 1959, and MIML's obligations do not represent deposits or other liabilities of Macquarie Bank Limited. Macquarie Bank Limited does not guarantee or otherwise provide assurance in respect of the obligations of MIML.

Investments in The Avenue Retirement Service are not deposits with or other liabilities of Macquarie Bank Limited or of any Macquarie Group company, and are subject to investment risk, including possible delays in repayment and loss of income or principal invested. Neither Macquarie Bank Limited, MIML, Macquarie Life Limited ABN 56 003 963 773 AFSL 237 497, Macquarie Equities Limited ABN 41 002 574 923, any other investment managers referred to in this annual report, nor any other member company of the Macquarie Group guarantees the performance of The Avenue Retirement Service or the repayment of capital from The Avenue Retirement Service.

The information contained in this annual report is dated 23 December 2011 and is general information only. We have not taken into account your objectives, financial situation or needs. You should consider the appropriateness of this information, taking into account your objectives, financial situation and needs and the applicable PDS available from us or your adviser, before acting on any of the information in this annual report.

Welcome

23 December 2011

Dear Member,

Welcome to the annual report for The Avenue Retirement Service for the year ended 30 June 2011.

The 2011 financial year was a difficult one for the global economy and financial markets. Late 2010 and early 2011 was characterised by moderate economic recovery in developed markets, combined with strong demand and inflationary pressures in emerging economies. However natural disasters and severe weather events conspired to hinder the global economic recovery, before the intensification of sovereign debt fears further weakened sentiment and heightened risk aversion.

It has also been a difficult year for the Australian economy. While the resources sector was supported by strong demand in emerging economies, other sectors of the Australian economy struggled under the weight of a strong Australian dollar, tight interest rates, and cautious consumers. But while conditions are difficult heading into 2012, the underlying fundamentals of the Australian economy remain sound, with policymakers in an almost unique position among developed country peers of having ample room to move.

If you have any questions about this annual report or The Avenue Retirement Service in general, please contact your adviser.

Yours sincerely,



Tony Graham
Executive Director

Macquarie Investment Management Limited

The Avenue Retirement Service annual report relates to The Avenue Superannuation Plan (the Fund). The Fund is established by way of a trust deed. The trustee of the Fund is Macquarie Investment Management Limited.

The Avenue Retirement Service includes the Superannuation Division, an accumulation superannuation product, and the Pension Division, a retirement income solution incorporating two products, Allocated Pension Division and Term Allocated Pension. References to Pension Division can be interpreted as references to both Allocated Pension Division and Term Allocated Pension.

The financial year in review

The global economy

The 2011 financial year was a difficult one for the global economy and financial markets. Global output is estimated to have risen by 4.5 per cent in the year to June 2011; however this is expected to slow to below 4.0 per cent over the next year as the European sovereign debt crisis intensifies.

The 2011 financial year saw several distinct periods of activity. Late 2010 and early 2011 was characterised by strong divergence between developed and developing markets, with developed economies continuing to experience moderate economic recovery, albeit not at a sufficient pace to generate sustained employment growth. A number of developing countries, including China, sought to tighten policy in response to inflationary pressures that were driven by domestic demand, commodity price rises and speculative money flows.

Towards mid-2011 the global economy started to slow. This was the unfortunate confluence of higher oil prices, supply chain shocks resulting from the Japanese earthquake, other natural disasters and inclement weather and a more general mid-cycle moderation in growth rates, particularly as emerging economies saw policy-driven slowdowns with growth returning to a more sustainable pace.

Since early July, however, this slowing in global activity has accelerated and taken a more volatile trajectory. As concerns over fiscal sustainability in developed economies, most notably Europe, continued to mount, European policymakers remained largely intransigent in dealing with the dual concerns of sovereign debt restructuring and bank recapitalisation. As such, financial markets and economic fundamentals remain beholden to the ongoing European dynamic, and 2012 will likely be characterised by the extent of economic contagion and spill-over from European concerns.

The Australian economy

It has also been a difficult year for the Australian economy. FY11 growth was a sub-trend 1.9 per cent, which, while impacted by the Queensland floods early in the year, also demonstrated strong divergence in performance between sectors, and overarching economic weakness.

The resources sector remains the shining light in the Australian economy, supported by strong demand in emerging economies and elevated commodity prices. Mining and energy sector capital expenditure plans remain resilient and national income is being boosted by the record high terms of trade.

However, other sectors of the Australian economy struggled during FY11 under the weight of a strong Australian dollar, tight interest rates, and cautious consumers. In October 2010, the Australian dollar rose above parity with the US dollar for the first time since the Australian dollar was floated in 1983, and remained above parity for much of the year. With the currency at record highs Australia's manufacturing, domestic tourism and tertiary education sectors struggled with deteriorating international competitiveness.

Households have also shifted to a more cautious approach towards spending and investing, with the savings rate having increased significantly, to 20 year highs. With the RBA maintaining a tightening bias throughout FY11, private sector credit has remained flat, as neither households nor small or medium enterprises borrow. Retail sales grew at a below trend pace, while activity in the housing market was weak. Indeed, Australian house prices remained broadly flat over the year, and fell in some areas.

Conditions are difficult heading into 2012, with employment conditions deteriorating. However the underlying fundamentals of the Australian economy remain sound. Unlike most developed country peers, Australia's government debt levels remain very low, and the Reserve Bank of Australia has room to manoeuvre on interest rates.

Asset class performance

It was a mixed year for global asset performance, with emerging market domestic demand growth, a surge in global liquidity, and solid corporate performance in the US boosting asset classes most exposed to the global economic cycle, while weak operating conditions in Australia resulted in weak domestic returns.

The international (MSCI World) stock index rose by a solid 19 per cent over the 2011 financial year, with the US S&P 500 index up a very strong 28 per cent as US companies experienced broad based revenue growth and EBIT margin expansion. Indeed, strong US earnings results highlight the widening gap between a soft US macroeconomic outlook on the one hand, and the more dynamic corporate earnings recovery highlighting major operational gains being obtained. In addition to the US, a number of emerging markets also recorded solid gains over 2011 as a surge in global liquidity fuelled capital inflows, coupled with still solid domestic demand growth. This was reflected in strong commodity prices over the year, with global energy commodity prices up 40 per cent, food-based commodities rising 33 per cent, and metals up 29 per cent over FY11.

By contrast, the Australian stock market was up only 7.1 per cent over the year as weak operating conditions weighed on earnings. While the resources sector benefitted from higher commodity prices, other sectors were hit by a combination of: the strong Australian dollar, weak retail spending and subdued housing market activity.

It is also worth noting that since the end of FY11 financial conditions across asset classes have become increasingly volatile, and with a wide-spread risk driven shift into fixed income diminishing returns in that asset class.

Glossary

Emerging Market – countries which are in a period of rapid growth or industrialisation.

Economic contagion – when economic or financial problems spread from one country to another.

MSCI International, ex Australia – Morgan Stanley Capital International Equity Indices. A market capitalisation-weighted index designed to provide a broad measure of stock performance throughout the world, with the exception of Australian companies. Includes both emerging and world markets.

Macroeconomic – the study of trends that pertain to the whole economy, rather than to the different elements (companies, industries, consumers, etc) that make up the economy.

Recapitalisation – when a company changes its capital structure (the proportion of equity to debt).

S&P 500 – stock market index of 500 large cap, commonly traded United States stocks listed on the New York Stock Exchange and the NASDAQ.

Terms of trade – export prices relative to import prices.

The information provided in this Investor update is based on information as at 30 June 2011 and is derived from sources that are believed to be reliable at that time. This update is provided by Macquarie Investment Management Limited ABN 66 002 867 003 AFSL 237492 RSEL L0001281 (MIML) for general information purposes only and does not take into account the investment objectives, financial situation and needs of any particular investor. These matters should be considered, with or without professional advice, when determining whether the investment is appropriate. The Macquarie Group of companies does not guarantee the repayment of capital or the performance of investments. In deciding whether to acquire or continue to hold an investment, investors should consider the Product Disclosure Statement available from your adviser or us.

Investment strategies and asset allocation

The Trustee formulates and gives effect to investment strategies and objectives for the fund which gives regard to the whole of the circumstances of the fund, but not limited to investment risk, diversification, liquidity and the ability of the fund to discharge liabilities.

The Avenue Retirement Service allows you to spread your super or pension account across many investment strategies, choosing from a range of investment options and product issuers. Generally, these strategies fall into one of the following categories:

Category	Investment strategies
Sector-specific investments	Cash Fixed interest Hybrid securities Property Australian shares International shares Absolute return
Multi-sector managed investments	Conservative Balanced Growth
Approved Australian Securities Exchange (ASX) listed securities	Approved ASX listed securities

The combination of investments you choose will be based on your individual circumstances. Specific information on the investment strategies and objectives is detailed in the *Investment selection* section of the Product Disclosure Statement (PDS). You should consider the PDS before deciding to invest in, or switch between, investment options. For information on how to obtain a copy, please refer to *Further information* in the *Important information* section below.

Asset allocation

The table below shows how the Fund is invested across different asset classes.

You can invest in a number of different term deposits, managed investments and approved ASX listed securities.

Term deposits are classified as Australian fixed interest and ASX listed securities are classified as Australian shares. Where a managed fund invests across a number of asset classes, we will treat the asset allocation based on a 'look through basis' using the managed fund's individual asset allocations.

The asset allocation for each managed fund is determined by the investment managers and provided either by the investment managers directly or from a third party and was current at the time this document was prepared.

Asset allocations can vary over time within ranges specified by the individual product issuers. Information on the asset allocation ranges for the individual investment options can be found in the PDS. You should consider the PDS before deciding to invest in, or switch between, investment options. For information on how to obtain a copy, please refer to *Further information* in the *Important information* section below.

Asset class	30 June 2010	30 June 2011
Cash	5.6%	15.0%
Australian fixed interest	18.6%	20.4%
International fixed interest	6.3%	4.5%
Mortgages	2.4%	0.8%
Listed property	4.6%	4.7%
Australian shares	41.5%	36.5%
International shares	19.3%	16.0%
Direct/Unlisted Property	1.5%	1.2%
Absolute Return	0.0%	0.0%
Other	0.3%	0.8%
Total	100%	100%

Important information

Legislative updates

During the course of the 2010/11 financial year, the Parliament enacted legislation providing for the following measures.

Flood levy

For the 2011/12 financial year only, the Government has introduced the *Temporary Flood and Cyclone Reconstruction Levy* (the Flood Levy). The Flood Levy is applicable to both resident and non-resident individuals and is:

- not applicable to taxable income up to \$50,000
- 0.5 per cent of taxable income between \$50,001 – \$100,000, and
- 1 per cent of the balance of taxable income over \$100,000.

Minimum required pension payments

Minimum required annual superannuation pension payment amounts for account based, allocated and term allocated income streams for the 2010/11 and 2011/12 financial years are shown below.

These minimums were set by the Government at half the normal rate for 2010/11 and will be 75 per cent of the normal rate in 2011/12.

Age	2010/11	2011/12
Under 65	2.00%	3.00%
65–74	2.50%	3.75%
75–79	3.00%	4.50%
80–84	3.50%	5.25%
85–89	4.50%	6.75%
90–94	5.50%	8.25%
95 and over	7.00%	10.50%

Shorter PDSs

PDSs for superannuation funds will have to be substantially shorter and simpler than current PDSs. The Government extended the transition period so that superannuation providers may remain in the old regime until 22 June 2012 or opt in to the new regime from 22 June 2011 if they are ready.

Use of member's Tax File Numbers (TFNs)

Superannuation fund trustees are allowed to use tax file numbers (TFNs) as a method of locating member accounts from 1 July 2011 and to facilitate the consolidation of multiple member accounts from 1 January 2012. A member's TFN will be the primary identifier of member accounts, subject to strict conditions to ensure privacy and security of information.

Co-contributions

Superannuation co-contribution income eligibility thresholds continue to be frozen at \$31,920 and \$61,920 until 1 July 2013.

Deductions in relation to benefits for terminal medical conditions

Tax laws were extended to make the cost of providing Terminal Medical Condition (TMC) benefits tax deductible for superannuation funds. This measure was backdated to apply from 16 February 2008.

Taxation of minors

Tax laws were amended to remove the ability of minors (children under 18 years of age) to use the low income tax offset to reduce tax on unearned income. This measure reduced the effective tax free threshold for minor's from \$3,333 to \$416. This measure applies to assessments for the 2011/12 income year and later income years.

Deductibility of total and permanent disability (TPD) insurance premiums

Members of the Fund who hold TPD insurance linked to a superannuation accumulation account receive the benefit of rebates reflecting the value of the tax deduction the trustee is able to claim for the insurance premiums it pays.

Changes to tax legislation effective from 1 July 2011, mean that premiums paid for some types of TPD insurance are no longer fully deductible to fund trustees. Premiums for own occupation TPD are now 67 per cent deductible which means the rebate applied to member accounts changes from 15 per cent of the premium to 10.05 per cent of the premium. The rebate for other types of TPD insurance will continue to be fully deductible to the trustee.

Transitional relief to allow superannuation funds to continue claiming a full deduction for all insurance premiums for TPD policies held within superannuation applied up until 30 June 2011.

Important information

Government reforms and reviews

The past 12 months saw several Government reviews and new proposals.

Stronger Super

The Super System Review (Cooper Review), first announced in May 2009, examined and analysed the governance, efficiency, structure and operation of Australia's superannuation system, including both compulsory and voluntary aspects.

The Cooper Review final report was publicly released in July 2010 and contained 177 recommendations to the Government on possible options for reform. In late 2010 the Government released its response to the Cooper Review report in a reform agenda called 'Stronger Super'. The reform package supported the majority of recommendations of the Cooper Review, however many of the recommendations involve complex legal, administrative and other considerations which required extensive further analysis and refinement.

Following consultation with representatives of key stakeholders in the superannuation sector, the Government released an information pack in September 2011, containing further details of the Stronger Super reforms. The key elements of the Stronger Super reforms are:

- creating *MySuper*, a new simple, low cost superannuation product for people who do not choose their own superannuation fund (default super) from 1 July 2013
- heightened duties for superannuation trustees
- several Self Managed Super Fund (SMSF) matters
- providing Australian Prudential Regulation Authority (APRA), Australian Securities and Investments Commission (ASIC), and the Australian Taxation Office (ATO) with the tools they need to improve their oversight of superannuation, and
- improving the administration and management of super accounts through *SuperStream* reforms, making the processing of everyday transactions easier, cheaper and faster for members and employers.

The Government released the first draft legislation on the MySuper reforms at the end of September. At the time of writing this report the Stronger Super reforms had not been tabled in Parliament and were not yet law.

Future of Financial Advice (FOFA)

In April 2010 the Rudd Government announced reforms to financial advice which have been designed to improve the trust and confidence of Australian retail investors in the financial planning sector. The future of financial advice package was detailed in last year's annual report.

Following several months of industry consultation the government released draft legislation in August 2011 and September 2011 covering:

- the 'best interests duty' of financial advisers to act in the best interests of their clients
- 'opt-in' arrangements which require advisers to get the agreement of their clients to continue to charge ongoing fees for more than 12 months
- additional ASIC powers to enforce the reforms
- prohibitions on conflicted remuneration arrangements, including commissions and non-monetary benefits
- prohibitions on product issuers providing certain benefits to financial services licensees, regardless of whether the payment may lead to conflict
- prohibitions on fund managers platform operators charging shelf-space fees to fund managers, and
- prohibitions on asset-based fees being charged on the borrowed portion of geared investments.

In mid-October 2011 the first FOFA legislation was tabled in Parliament and covered:

- the requirements for 'ongoing fee arrangements', including disclosure and renewal obligations ('opt-in'), and
- enhanced ASIC powers in relation to licensing and banning financial service providers.

At the time of writing this report, many of the FOFA reforms have not been tabled in Parliament and none have been made law. The commencement date of most of the FOFA reforms is expected to be 1 July 2012.

Federal Budget 2011

In the May 2011 Federal Budget the Government made several proposals impacting superannuation. Those that have been implemented are included in the legislative update detailed above. At the time this report was prepared the remaining proposals have not yet become law:

- from 1 July 2011 excess concessional contributions of up to \$10,000 will be refundable for first time breaches – the excess amounts will be taxable at personal marginal tax rates rather than 31.5 per cent plus the super fund rate of 15 per cent. A consultation paper was released in August 2011
- employee's super information to be provided on employee pay-slips from 1 July 2012. This measure was incorporated into the SuperStream measures of Stronger Super in September 2011 and is not yet law.

Previous years' outstanding proposals

The following proposals for new legislative measures featured in last year's annual report are still outstanding:

- a new Government super contribution of \$500 per year for those making concessional contributions from 1 July 2012 who earn adjusted taxable income of up to \$37,000. A consultation paper was released for comment in June 2011
- a concessional contributions cap of \$50,000 for individuals aged 50 and over with total super balances below \$500,000 from 1 July 2012. A consultation paper was released for comment in February 2011
- an increase in the superannuation guarantee (SG) rate from 9 per cent to 12 per cent gradually from 1 July 2013 to 1 July 2019. No further developments have occurred over 2010/11
- an increase in the SG age limit from age 70 to 75 from 1 July 2013. No further developments occurred over 2010/11
- introduction from 1 July 2011 of a 50 per cent tax discount on interest income of up to \$1,000 earned by individuals, including interest earned on deposits held with banks, credit unions, building societies as well as bonds, debentures or annuity based products. A discussion paper was released for comment in July 2011
- introduction of a standard deduction of \$500 for work-related expenses and the management of tax affairs from 1 July 2012 (to increase to \$1,000 from 1 July 2013). A discussion paper was released in March 2011 and draft legislation was released in October 2011
- *Trans-Tasman portability* – in March 2009 the Prime Ministers of Australia and New Zealand committed to conclude a scheme for the mobility of trans-Tasman retirement savings which will enable pension funds to be moved between Australia and New Zealand. There have been legislative developments in New Zealand but at the time this report was prepared Australia still needed to pass amending legislation to make the scheme operational.

The APRA levy

In April 2011, the Government announced assistance to compensate members of four superannuation funds that were formerly under the trusteeship of Trio Capital Limited. The Financial Assistance Levy (Levy) has been granted under the *Superannuation Industry (Supervision) Act 1993* (the SIS Act) and levied on all Australian Prudential Regulation Authority (APRA) regulated superannuation funds.

As the Fund is regulated by APRA, it is required to pay a proportional part of this Levy and deducted this from Members on behalf of APRA. The Levy was debited from applicable members' accounts on 30 August 2011.

Updated Product Disclosure Statements

On 1 April 2011, the PDS was updated with changes including:

- where applicable, contribution cap and taxation figures in the *Understanding Superannuation* section, and
- updates to the trustee limits table in *Investment Selection* section, under *What are the investment limits?*

For further details, please refer to the PDS, available as detailed in the *Further information* section below.

Trustee and fund management information

During the 2010/11 financial year, the Fund held the following assets directly or indirectly with a value of greater than 5 per cent of the Fund's total assets:

- all trusts for which Macquarie Investment Management Limited acts as responsible entity (\$33.06 million)
- in the Macquarie Wrap Solutions Cash Account (\$25.62 million)
- in Macquarie Bank Limited (\$30.76 million)
- in Perpetual Investment Management Limited (\$13.52 million)
- in Platinum Asset Management Limited (\$16.87 million)
- in Ausbil Dexia Limited (\$15.23 million)
- in Russell Investment Management Limited (\$16.62 million)
- in Macquarie Term Deposits (\$30.76 million)
- in the Platinum International Fund (\$14.17 million)
- in the Ausbil Australian Active Equity Fund (\$14.88 million).

The trustee is covered by the professional indemnity insurance taken out by the Macquarie Bank Group.

Important information

Fax and electronic instruction service

Under the fax and electronic instruction service, the trustee will accept account instructions, including withdrawal requests, sent in the form of a fax or email attachment. By providing instructions by way of electronic instruction or fax, you release us from, and indemnify us against, losses and liabilities arising from any payment or action we (acting reasonably) make based on any instruction (even if not genuine) that we receive by fax or electronically bearing your account number, and a signature apparently yours or that of an authorised representative on the account.

You also agree that neither you nor anyone claiming through you has any claim against the Macquarie Group of companies in relation to these payments or actions.

Changing advisers

We intend that in applying for and holding this product you must have an appropriately licensed adviser who is registered with us to assist you with your investment.

If you change advisers, you must notify us in writing.

If your adviser is not registered with us, we will seek to assist them in becoming registered.

If however, they do not become registered, or for any other reason you do not have a registered adviser:

- we may reject transactions, other than to close your account, and
- if this situation persists past 30 days, we, on 30 days notice, reserve the right to redeem your holdings at current market values, deduct any outstanding fees, charges and taxes, and roll your benefit over to an Eligible Rollover Fund (ERF).

Use of derivatives

The Avenue Retirement Service invests in a number of collective investments. These collective investments are managed by the trustee and external investment managers. Some of these collective investments invest in derivatives.

Derivatives used by the collective investments are outlined in each PDS.

External investment managers employed by us have provided their own Derivative Risk Management Statement (DRMS) documents or equivalent information to the trustee. Should you require further information, a copy of the trustee's collective investment DRMS is available free of charge from your adviser or the trustee.

Generally, derivatives used by the external investment managers of the collective investments are set out in the DRMS (Part B) supplied by each of the individual investment managers. A file containing these DRMSs is available from the trustee on request.

The trustee is satisfied that the DRMSs do not reveal any material inconsistencies with the investment strategies of The Avenue Retirement Service.

Subject to the trustee's limits referred to in the PDS, where the trustee is satisfied that they meet the applicable investment strategy, the trustee may effect investments in instalment warrants or other derivatives.

Eligible Rollover Fund (ERF)

The trustee has elected and reserves the right to pay all accounts with a balance up to \$10,000 to an ERF, which accepts and protects small amounts. The ERF chosen is called the *Super Safeguard Eligible Rollover Fund*.

The Super Safeguard Eligible Rollover Fund is administered by Primary Superannuation Services Limited ABN 93 081 690 735, an Authorised Representative of Pacific Custodians, ABN 66 009 682 866 AFSL 295142 ARN 319794. The Australian Prudential Regulation Authority (APRA) has approved the Super Safeguard Eligible Rollover Fund to operate as an ERF. The trustee is Trust Company Superannuation Services Limited ABN 49 006 421 638 AFSL 235 153.

Trust Company Superannuation Services Limited will protect your benefits from erosion due to fees and charges under member benefit protection rules. Should your benefit be transferred to the Super Safeguard Eligible Rollover Fund all subsequent enquiries relating to your benefit should be directed to:

Super Safeguard Eligible Rollover Fund

GPO Box 3426

Melbourne Victoria 3001

Phone: 1300 135 181

Fax: 1300 135 191

Email: supersafeguard@primary.com.au

Website: supersafeguard.com.au

Should your benefit be transferred to the Super Safeguard Eligible Rollover Fund:

- your interest in the Fund, including your insurance cover, will cease
- you will become a member of the Super Safeguard Eligible Rollover Fund and will be subject to its governing rules
- your account will be invested according to the investment strategy of the Super Safeguard Eligible Rollover Fund
- the Super Safeguard Eligible Rollover Fund may charge fees to your account, and
- you may not be offered insurance cover.

You should refer to the Product Disclosure Statement for the Super Safeguard Eligible Rollover Fund for more information.

We reserve the right to change the chosen ERF without notice to you.

Complaints

We have arrangements for dealing with your enquiries and complaints. If you have a complaint:

- contact your adviser and discuss your enquiry or complaint with them
- if you are not satisfied with the result, you may telephone us on 1800 025 063, or
- it may then be necessary to write to us. We will ordinarily respond to your written enquiry or complaint as soon as possible but within 45 days of receipt.

If you are still not satisfied with our response after 90 days, you may wish to refer the matter to the Superannuation Complaints Tribunal, an independent body set up by the Federal Government to review trustee decisions relating to individual members. You can contact the tribunal by telephoning 1300 884 114.

Superannuation surcharge

The Federal Government has abolished the superannuation surcharge payable on an individual's surchargeable contributions and relevant termination payments made on or after 1 July 2005. The following reflects how the surcharge applies to contributions received prior to 1 July 2005. Please consult your financial adviser for further information.

Superannuation members

Where the Australian Taxation Office (ATO) has advised a superannuation surcharge is payable in respect of your benefit, the amount payable will be withdrawn from your account and paid to the ATO.

The ATO will send you a copy of the surcharge assessment so that you can check the figures they have used in calculating the surcharge are correct.

Pension members

Should a superannuation surcharge assessment be issued after the commencement of your account, the liability for payment of the superannuation surcharge rests with you and not your account.

Further information

The Avenue Retirement Service PDS available from either your adviser, by contacting us, or online at avenue.com.au

Financial statements* of the Fund

Operating statement for the year ended 30 June 2011

	2011 \$'000	2010 \$'000
Investment revenue		
Changes in the net market value of investments	5,464	12,280
Interest	2,292	1,754
Distributions from unit trusts	9,365	8,059
Dividends	2,094	873
Total investment revenue	19,215	22,966
Contributions revenue		
Employer contributions	3,690	3,264
Members' contributions	11,200	10,360
Transfers from other Funds	22,208	29,591
Total contributions revenue	37,098	43,215
Total revenue	56,313	66,181
Expenses		
Operating expenses	4,214	3,794
Superannuation contributions surcharge	-	3
Total expenses	4,214	3,797
Benefits accrued as a result of operations before income tax	52,099	62,384
Income tax (benefit)/expense	(426)	(983)
Benefits accrued as a result of operations	52,525	63,367

* This annual report contains abridged financial information for the financial year ended 30 June 2011 for the Fund. The full financial information is available upon request by contacting your adviser, or us on 1800 025 063.

Statement of financial position as at 30 June 2011

	2011 \$'000	2010 \$'000
Assets		
Cash and cash equivalents	-	-
Investments	273,280	251,782
Receivables	2,910	1,587
Current tax asset	1,411	982
Deferred tax asset	1,263	1,338
Total assets	278,864	255,689
Liabilities		
Trade and other payables	364	306
Total liabilities	364	306
Net assets available to pay benefits	278,500	255,383
Represented by:		
Liability for accrued benefits		
Allocated to members' accounts	278,500	255,383

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