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Issued by Industry Funds Investments Limited (IFI) - ABN 17 006 883 227 AFSL 229881 as the Trustee of AUSfund, Australia's Unclaimed Super Fund- ABN 85 945 681 973 as at 30 June 2011. IFI is a division of Industry Fund Services Pty Ltd (IFS). IFS is a wholly owned subsidiary of Industry Super Holdings Pty Ltd (ABN 71 119 748 060), which in turn is owned by a number of major superannuation funds, some of which use AUSfund as their Eligible Rollover Fund (ERF).

Neither AUSfund, nor any of its advisers 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. You should refer to our current Product Disclosure Statement (PDS). You may wish to consult a licensed financial planner for advice on your particular needs. Past performance is not indicative of future performance.

## Take back your unclaimed super

AUSfund works hard to look after your unclaimed super, however you could benefit more if you rolled it into your active super account. Consolidating your super into one account can:

- Reduce fees
- Increase your retirement savings
- Help you keep track of your super
- Lessen paperwork

### Reclaiming your super is easy and costs nothing!

AUSfund members can get a rollover form from our website: [unclaimedsuper.com.au](http://unclaimedsuper.com.au) or you can call us on **1300 361 798**.

The rollover form is short and simple. Fill it out and send it back to us. We'll do the rest. It's your super and it should be working hard for your retirement. We do not charge exit fees, but administration fees do apply. Please refer to AUSfund's PDS or call us on **1300 361 798**.

### How do we reunite members with their unclaimed super?

At AUSfund, we understand that many members don't realise they have lost or unclaimed super, or find it hard to consolidate their accounts. For this reason, we conduct 'Cross Fund Matching' searches to find active accounts belonging to our members in 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 balance is greater than \$3,000, we will write to you to determine if you would like to transfer your account balance.

The combined efforts of AUSfund and our partner funds has resulted in approximately \$28.9 million being transferred into people's active super accounts on behalf of 78,325 members in the 2010/11 Financial Year.

We search for lost members' current addresses and contact details using the services of Veda Advantage Solutions Group Pty Ltd so we can inform you about your super. Additionally, we work with the Australian Taxation Office (ATO) and use its SuperMatch service to find unclaimed super.

**Important:** 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.

### AUSfund: A market leader...again

In another round of reviews of the Eligible Rollover Fund (ERF) sector by superannuation rating agencies SuperRatings and Heron, AUSfund was again rated the highest performing ERF.

Some of the main findings of the research, which was commissioned by AUSfund, concluded that AUSfund delivers:

- Strong long-term returns\*
- Highest net benefit\*\*
- A genuine dedication to reuniting people with their lost or unclaimed super.

\* Past performance is not a reliable indicator of future performance. Measured on account balances of \$1000 over 3 and 5 years to 30 June 2010.

\*\* Measured on accounts of \$500, \$1,000 & \$2,000 over a 5 year period to 30 June 2010.

SuperRatings and Heron's ratings are based on analysis of information provided by third parties, as well as general market knowledge. There is no guarantee or warranty as to the accuracy or correctness of any third party information.

For further information go to: [superratings.com.au](http://superratings.com.au) or [heronpartners.com.au](http://heronpartners.com.au)

## Caring for your money

This Annual Report has been issued by Industry Funds Investments Limited (IFI) ABN 17 006 883 227, AFSL 229 881, as the Trustee of AUSfund, Australia's Unclaimed Super Fund ABN 85 945 681 973.

IFI directors meet regularly to assess AUSfund's objectives, investment strategy and performance and to oversee the activities of service providers.

IFI is a division of Industry Fund Services (IFS) Pty Ltd. IFS is a wholly owned subsidiary of Industry Super Holdings Pty Ltd (ISH) ABN 71 119 748 060, which is ultimately owned by a number of major super funds. A list of ISH shareholders can be found at: [ifs.net.au](http://ifs.net.au), or you can call our Member Services team on **1300 361 798**.

IFS, or current directors, can nominate and appoint new directors to the IFI Trustee Board. The directors during the year and currently are:

- **Paul Jeffrey Faure** (appointed 4 March 2011)
- **Meroe Gemma Pinnell** (appointed 1 September 2010)
- **Anthony Joseph Beck**
- **Graeme Alexander Grant**
- **Jack Simon Diamond**
- **Nick Vamvakas** (resigned 12 August 2010)

Other key management personnel:

Name	Position	Employer
<b>Kay Thawley</b>	<b>Chief Executive Officer</b>	<b>Industry Fund Services</b>

The Trustee has Professional Indemnity insurance in place. This cover extends (subject to policy terms and conditions) to the conduct of representatives / employees who no longer work for AUSfund but who did at the time the conduct occurred, that could give rise to a claim for compensation.

## Major service providers

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

<b>Accountant:</b>	<b>Superpartners and Industry Fund Services</b>
<b>Administration:</b>	<b>Superpartners</b>
<b>Auditor:</b>	<b>Deloitte Touche Tohmatsu</b>
<b>Custodian:</b>	<b>NAB Asset Servicing</b>
<b>Investment Advisers:</b>	<b>Frontier Investment Consulting</b>
<b>Lost Member Searching:</b>	<b>Veda Advantage Solutions Group</b>

## Change in fees

IFI has undertaken a review of the fee structure of AUSfund. The fees have been changed to provide fairness and transparency to its members and to ensure sufficient income is received to substantially cover all costs of running AUSfund including improved services to members.

Effective from 1 February 2011, the annual administration fee paid by each member of AUSfund with an account balance greater than \$50, changed from \$10 to \$14. This was the first fee increase since AUSfund's inception.

Note, for the 2010/2011 financial year the amount charged to members with an account balance greater than \$50 was \$11.67, reflecting the fact that the fee increase did not come into effect until 1 February 2011.

Members are encouraged to refer to the website for updated information about fees and costs, so that they can determine the actual cost of investing in AUSfund. For further information about the change to fees and costs, please refer to the AUSfund PDS, a copy of which can be found on our website at [unclaimedsuper.com.au](http://unclaimedsuper.com.au) or phone **1300 361 798**.

## Investment in AUSfund

It is important to remember that superannuation is a long-term investment. Returns fluctuate from year-to-year, but over time the aim for AUSfund is to deliver a moderate return.

### How do we invest your money?

AUSfund's membership is largely made up of small, lost or inactive accounts. The Trustee of AUSfund is accountable for making decisions about how to invest the money held in the fund. It has adopted a diversified investment strategy appropriate for our membership. However, all investments entail some risk and the performance of the fund is not guaranteed.

### Change to the Strategic Asset Allocation (SAA)

In July 2011 the Trustee approved an amended strategic asset allocation. In seeking to position the fund more defensively, the key long-term changes include a reduced exposure to equities and a corresponding increase in exposure to fixed interest. Additionally, the Trustee has chosen to increase the liquidity of the fund by reducing the allocation to the unlisted asset classes, including infrastructure, property and alternative debt. The resulting growth/defensive split of the Fund will change from 61%/39% to 50.7%/49.3%. There has been no change to the investment objectives or strategy of the fund which is set out in the PDS and below.

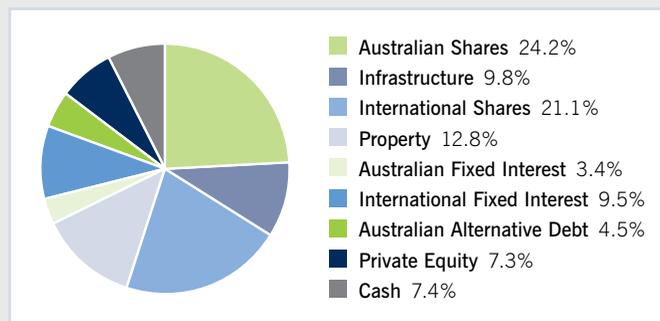
The reduction in growth assets will be gradually achieved through the redirection of cash flows and redemptions from particular asset classes and is expected to be completed by mid 2012. The updated and previous strategic asset allocations are listed on page 9. Note, the new strategic asset allocation differs from what is disclosed in the current PDS issued 1 October 2009 and Supplementary PDS issued 27 September 2010.

Asset Class	New SAA	Previous SAA
Australian Shares	21.0	23.5
Infrastructure	6.0	10.0
International Shares	18.5	21.5
Property	6.5	12.0
Australian Fixed Interest	15.5	4.0
International Fixed Interest	18.0	13.0
Australian Alternative Debt	2.5	5.0
Private Equity	5.0	5.0
Cash	7.0	6.0

### Investment objectives – what we aim for when we invest your super:

- Money should be invested to give security to members' funds over the medium term.
- The asset mix should be structured to limit the likelihood of a negative return to one in every ten years.
- To deliver an after tax return of at least inflation (as measured by change in the CPI) plus 2.5% per annum over rolling five-year periods at least 75% of the time.
- An investment reserve is managed to assist in the smoothing of returns to members and to lower the possibility of a negative crediting rate.
- A long-term asset mix should be selected to take into account the above risk constraints and allow the highest possible return for an agreed level of risk.
- The investment process should be cost efficient.
- The long-term strategy should be reviewed at least annually.
- 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.

## Actual Asset Allocation as at 30 June 2011



## Past performance of the fund

AUSfund applied a 7.1% crediting rate to members (other than members with balances less than \$50 or limited information members ie. members whose identity cannot be verified on the basis of the information currently held by the fund).

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

Year	Average compound crediting % p.a.	Average compound earning % p.a.
1 Year	7.1	7.6
3 Years	1.6	2.0
5 Years	3.8	3.4
10 Years	6.1	5.9

The investment returns quoted are an average for the fund and your personal return may differ depending on, for example, when you joined the fund, when contributions were received in respect of you and when you exited the fund (if this occurred). 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.

## Investment earnings - how they are applied to your account

Investment earnings, in the form of crediting rates, are applied to your account at the end of each financial year (note that all investments carry the risk of negative returns). The Trustee also determines an interim crediting rate each month that is applied to a member's benefit if they leave during that month. The crediting rate is the net return after deductions for tax on earnings, investment management fees, member protection costs and any other costs incurred in administering the fund. In any year some of AUSfund's investment earnings may be allocated into, or taken from the fund's reserves (see the Reserving strategy section on page 15).

## Use of derivatives

Financial derivatives may be used by appointed external investment managers consistent with their own internal policies or by the Trustee from time to time.

## How much have we got invested?

Net assets under management as at 30 June 2011 for the last five years:

Year	\$ Million
2011	524.7
2010	563.3
2009	501.2
2008	568.1
2007	630.8

## AUSfund's Investment Managers

AUSfund's investments as at 30 June 2011 & 2010:

Fund Manager Allocations		
Investments Held as Unit Trusts	30/06/2011 (\$)	30/06/2010 (\$)
<b>Australian Equities</b>		
Acadian - Wholesale Australian Equity Trust	–	12,293,960
IFM - Enhanced Index Australian	104,052,690	56,330,220
IFM - Strategic Australian Equity	22,471,822	–
Perennial Growth Australian Shares Trust	–	24,511,733
Perpetual - Wholesale Australian Share Fund	–	13,709,355
<b>Total – Australian Equities</b>	<b>126,524,512</b>	<b>106,845,268</b>
<b>Overseas Equities</b>		
BlackRock - World ex - Australian Equity Index Fund	77,839,273	54,423,472
BlackRock - Hedged World ex - Australia Equity Index Fund	8,337,345	6,585,303
CNA - Capital International Global Equity Trust with Currency Management	10,321,054	10,185,325
CNA - Capital International Global Equity Trust with Currency Hedged	13,563,186	11,062,521
<b>Total – Overseas Equities</b>	<b>110,060,858</b>	<b>82,256,621</b>
<b>Property</b>		
Industry Superannuation Property Trust (ISPT) Core Fund	67,880,585	80,741,453
<b>Total – Property</b>	<b>67,880,585</b>	<b>80,741,453</b>
<b>Australian Fixed Interest</b>		
BlackRock - Australian Bond Index Fund	16,075,589	15,213,019
Super Loans Trust	1,481,527	1,398,537
<b>Total – Australian Fixed Interest</b>	<b>17,557,116</b>	<b>16,611,556</b>
<b>Australian Alternative Debt</b>		
Alternative Fixed Income Fund - Long	23,179,795	40,065,073
<b>Total – Australian Alternative Debt</b>	<b>23,179,795</b>	<b>40,065,073</b>
<b>International Fixed Interest</b>		
BlackRock - International Fixed Interest Fund	49,513,104	65,359,538
<b>Total – International Fixed Interest</b>	<b>49,513,104</b>	<b>65,359,538</b>
<b>Cash</b>		
Alternative Fixed Income Fund - Short	6,660,681	6,113,222
IFM - Strategic Cash Account	8,405,601	9,897,110
IFM - Transaction Cash Account	17,619,805	12,483,807
ME Bank Term Deposit	–	30,295,562
<b>Total – Cash</b>	<b>32,686,087</b>	<b>58,789,701</b>
<b>Private Equity</b>		
IFM - Australian Private Equity Fund III	19,036,817	19,483,696
IFM - Australian Private Equity Fund IV	8,183,625	5,194,800
IFM - International Private Equity Fund II	2,736,880	2,740,137
<b>Total – Private Equity</b>	<b>29,957,322</b>	<b>27,418,633</b>
<b>Infrastructure</b>		
IFM - Australian Infrastructure Fund	50,914,344	45,146,679
IFM - International Infrastructure Fund	–	22,959,013
<b>Total – Infrastructure</b>	<b>50,914,344</b>	<b>68,105,692</b>
<b>Investments Directly Held</b>		
<b>Private Equity</b>		
Industry Super Holdings Pty Ltd	8,280,457	8,228,839
<b>Total - Investments Directly Held by Investment Manager and Asset Class</b>	<b>8,280,457</b>	<b>8,228,839</b>
<b>Total Investments</b>	<b>516,554,180</b>	<b>554,422,374</b>

## AUSfund's Financials

The 2011 Financial Statements as summarised are derived from the audited accounts of AUSfund. A copy of the audited accounts and associated audit report for the year ended 30 June 2011 can be obtained by contacting the AUSfund Administration Service Centre on **1300 361 798**.

Statement of Financial Position as at 30 June 2011:

	2011 (\$)	2010 (\$)
Investments	516,554,180	554,422,374
Other assets	12,049,390	11,904,721
<b>Total assets</b>	<b>528,603,570</b>	<b>566,327,095</b>
Total liabilities	3,944,250	3,071,567
<b>Net assets available</b>	<b>524,659,320</b>	<b>563,255,528</b>
<b>Represented by</b>		
Member funds	505,514,290	531,885,780
Reserves & Limited Information Members	19,145,030	31,369,748
<b>Liability for accrued benefits</b>	<b>524,659,320</b>	<b>563,255,528</b>

## Operating Statement for the year ended 30 June 2011

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

	2011 (\$)	2010 (\$)
Total investment revenue	44,550,953	50,330,076
Custodian, asset consultant, bank fees	-416,835	-379,342
Direct investment management fees	-20,633	-89,926
<b>Total net investment revenue</b>	<b>44,113,485</b>	<b>49,860,808</b>
Employer	367,731	47,689
Member funds	433,323	1,991,034
Transfers	49,472,043	92,949,009
<b>Total contribution revenue</b>	<b>50,273,097</b>	<b>94,987,732</b>
Sundry income	793,013	603,947
<b>Total revenue</b>	<b>95,179,595</b>	<b>145,452,487</b>
Administration expenditure	-15,774,980	-16,520,952
Surcharge expense	1,898	2,257
Benefits paid	-116,111,335*	-65,838,865
<b>Benefits accrued before tax</b>	<b>36,704,822</b>	<b>63,094,927</b>
Income tax expense	1,891,386	1,042,968
<b>Benefits after tax</b>	<b>38,596,208</b>	<b>62,051,959</b>

\*In the 2011 financial year, the Trustee implemented the new Federal Government laws requiring superannuation providers to transfer lost accounts with balances of less than \$200 (small accounts) and lost accounts which have been inactive for a period of five years and have insufficient records to ever identify the owner of the account (insoluble accounts) to the ATO. This resulted in us transferring approximately 500,000 members and approximately \$53,000,000 to the ATO.

## Reserving strategy

Reserves are used primarily as a buffer to smooth fluctuations in crediting rates returned to members and to reduce the chance of members getting a negative return in a year of poor investment performance. Reserves can also be used to cover member protection costs and other such costs (as defined in the PDS) as the Board may determine.

Year (30 June)	Total Amount	Movement	% of Member Funds
2011	\$11.4 million	↑ 0.5 million	2.25%
2010	\$10.9 million	↑ 0.2 million	2.04%
2009	\$10.7 million	↓ 1.0 million	2.28%
2008	\$11.7 million	↓ 16.4 million	2.19%
2007	\$28.1 million	↑ 3.4 million	4.83%

## Member protection costs

AUSfund specialises in looking after small, lost or inactive super accounts and so in accordance with superannuation law all our members' accounts are 'member protected'.

Under the member protection rules, administration fees (not including government taxes and investment management fees) cannot be greater than the return credited in any financial year.

The cost of member protection varies from year-to-year. The cost for 2010/11 Financial Year was 0.48% of the fund's average net assets, which represents \$2,445,439. This was paid from the fund's reserves.

## Would you like further information?

To obtain a copy of the audited accounts, write to:

**AUSfund**  
**Level 31,**  
**Casselden Place, 2 Lonsdale Street**  
**Melbourne VIC 3000**  
or email: [info@ausfund.net.au](mailto:info@ausfund.net.au)

As a Regulated Superannuation Entity (RSE) and Australian Financial Services Licensee (AFSL), AUSfund is audited each year and returns are lodged with the Australian Prudential Regulation Authority (APRA), the Australian Securities & Investments Commission (ASIC) and the Australian Taxation Office (ATO).

## Let us know about your dependants

It is important we have a current list of your dependants to assist in distributing your death benefit in the event you die whilst you have money with AUSfund. Please write to us if you need to change your nominated beneficiaries.

**Please note:** The Trustee is not obliged to pay a death benefit to your nominated beneficiaries. Your nomination is, however, used by the Trustee as a general guide.

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

No tax is paid on death benefits paid to a dependant as defined in the tax legislation.

For more information about this, please refer to the ATO: [ato.gov.au](http://ato.gov.au)

## AUSfund's 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.

For more information on our privacy policy, please refer to the Product Disclosure Statement or our website: [unclaimedsuper.com.au](http://unclaimedsuper.com.au).

## 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 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 the outcome of our investigation. This will usually happen within two weeks. By law it must occur within 90 days of your complaint being received.
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. The contact number for the SCT is **1300 884 114**.





## **AUSfund**

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ABN 85 945 681 973

## **Trustee**

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Industry Funds Investments Limited (IFI)  
ABN 17 006 883 227  
AFS Licence No. 229881

## **Contact**

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The AUSfund Administrator  
PO Box 2468  
Kent Town SA 5071

**T** 1300 361 798

**F** 1300 366 233

**W** [unclaimedsuper.com.au](http://unclaimedsuper.com.au)

**E** [admin@ausfund.net.au](mailto:admin@ausfund.net.au)