

ADVANCE FIXED TERM PENSION

Advance Fixed Term Pension
Annual Report for the year ended 30 June 2008

ADVANCE
A member of the St. George Group
INVESTIGATE

Important information

The Advance Fixed Term Pension Division (Fixed Term Pension) is part of the Advance Retirement Suite. The trustee of the Advance Retirement Suite is:

Asgard Capital Management Limited (Asgard)
ABN 92 009 279 592 AFSL 240695
Level 38 Central Park,
152 St George's Terrace,
Perth WA 6000

Asgard has issued this Annual Report and a reference in this Annual Report to 'we', 'us' or 'our' is a reference to Asgard.

The investment information or general advice contained in this report is of a general nature only and you should be aware that no account was taken of any investment or personal objectives, financial situation or needs of any particular person and because of that a person should consider the appropriateness of the information or advice having regard to these factors.

CONTENTS

About Advance	2
How your money is invested	2
Investment objectives and strategy	3
The Trustee	4
Keeping you informed	4
Enquiries and complaints	5
Tax on your investment	6
Financial information for Advance Fixed Term Pension	6

Asgard and Advance

Advance Asset Management Limited (Advance) ABN 98 002 538 329 AFSL 240902 has entered into an agreement with us relating to the establishment and administration of the Advance Fixed Term Pension and under this agreement, Advance may ask us to retire as the trustee of the Advance Fixed Term Pension and we must do all things reasonably required by Advance to facilitate the appointment of a person nominated by Advance as our replacement.

You will be notified if we are asked to retire as the trustee. When we retire, we will be released from any future obligations in relation to the Advance Fixed Term Pension and the replacement trustee will agree to take on all duties and obligations of the trustee.

Both Advance and Asgard are members of the Westpac Banking Corporation (“Westpac”) group of companies which includes Westpac and St.George Bank Limited (“St.George”). Unless otherwise disclosed in the offer document for the relevant financial product, a financial product or service issued or offered by Asgard or Advance is not a deposit with, investment in or other liability of Westpac or St.George, nor any other company within the Westpac Group. They are subject to investment risk, including possible delays in repayment and loss of income and principal invested. Neither Westpac nor any other company within the Westpac Group stands behind or otherwise guarantees the capital value or investment performance of any financial product or service issued or offered by or through Asgard or Advance.

ABOUT ADVANCE

Advanced thinking...

Advance is the funds management arm of St.George Bank. Since 1984, Advance has partnered with some of the smartest names in funds management – offering a distinct difference for clients through a unique suite of multi-manager and single manager investment solutions. These include single-sector and diversified investment funds, plus superannuation and retirement solutions.

Using a rigorous thinking approach, Advance hand picks top performing fund managers from the global markets, providing you with a focused selection of the best funds from leading fund managers.

Advance does the ground work so that when you invest, you can do it with peace of mind.

HOW YOUR MONEY IS INVESTED

As at 30 June 2008, most of the Fixed Term Pension assets were comprised of investments in the:

- Prime Securities Trust No. 3 – Indexed to the CPI, and
- Prime Securities Trust No. 3F – Non-indexed,

(the Trusts), which are managed by UBS AG ABN 47 088 129 613 (UBS). UBS does not in any sense 'stand behind' the performance of Advance's obligations, nor guarantee the capital value or performance of units, nor have any liability in connection with the Fixed Term Pension. UBS is not responsible for any statement or information contained in this Annual Report.

For further details of the Fixed Term Pension assets, please see the abridged financial information on page 7.

INVESTMENT OBJECTIVES AND STRATEGY

To provide two separate income streams for set terms – one income stream supporting payment of the non-indexed fixed term pensions and the other income stream supporting payment of the indexed fixed term pensions.

This is achieved through the investment in the Trusts, which pay us amounts that are used to make your pension payments, so the total amount in any year will not fall below the total amount of pension payments made in the relevant preceding year. The Trusts invest only in assets with a high degree of security, such as:

- investments rated A-1+ (short term) or at least AA+ (long term) by Standard and Poor's at the date of acquisition; or
- investments with entities rated A-1+ (short term) or at least AA+ (long term) by Standard and Poor's at the date of acquisition; or
- investments which are obligations of, or guaranteed by, the Commonwealth Government or a State Government at the date of acquisition.

While the assets of the Trusts will generate cash flows to pay your pension payments over the term you select, the timing, frequency and amount of the cash flows may not match the timing, frequency and amount of your pension payments.

To overcome this, UBS may use derivatives undertaking to 'swap' the cash flows of the Trusts' assets and liabilities in financial markets, despite the performance of the underlying assets of the Trusts. UBS does not use derivatives to leverage (gear) the Trusts. The Fixed Term Pension itself does not invest in derivatives directly.

THE TRUSTEE

As trustee of the Fixed Term Pension, Asgard is responsible for the day-to-day administration of the Fixed Term Pension and ensuring it complies with all relevant laws and the provisions of the Trust Deed. To cover any potential liabilities, Asgard has taken out professional indemnity insurance.

KEEPING YOU INFORMED

Each year you will receive the following information on your account.

- A statement for the year ended 30 June, detailing the new level of your pension payment for the next year (if you have chosen the CPI Linked Option), your rate of return, opening and closing balances and transactions over the period just ended.
- An annual report updating you on the financial position of the Fixed Term Pension.

If you would like to know more about how the Fixed Term Pension operates, contact us for other information including a free copy of:

- the Advance Retirement Plan Trust Deed, and
- the most recent audited accounts.

ENQUIRIES AND COMPLAINTS

We're committed to providing quality service to our investors. If you have any enquiries or complaints about your investment in the Fixed Term Pension please contact us via any of the following methods:

Telephone	Freecall 1800 819 935 (8.30am to 7.00pm EST)
Fax	08 9481 4318
Email	investorservices@advance.com.au
Mail	Advance Contact Centre PO Box B87 Perth WA 6838

We'll advise you if there is a charge for any information requested.

We'll acknowledge any complaint in writing within five business days and respond in writing within 45 days. If you're not satisfied with our actions, you can contact our Complaints Officer on the above number or address.

If a complaint has not been resolved within 45 days or you are not satisfied with the decision, you may contact the Superannuation Complaints Tribunal (SCT) – an independent complaints resolution scheme whose decisions are binding on us.

The contact details for the SCT are:

Superannuation Complaints Tribunal,
Locked Bag 3060,
GPO Melbourne VIC 3001
or Telephone 1300 780 808.

TAX ON YOUR INVESTMENT

For more information on taxation relevant to your personal circumstances, contact your financial or tax adviser.

FINANCIAL INFORMATION FOR ADVANCE FIXED TERM PENSION

The following abridged financial information for the Fixed Term Pension is based on the audited financial statements for the Advance Retirement Suite (which includes the Fixed Term Pension), for the period 1 July 2007 to 30 June 2008.

A full set of these financial statements and auditor's report will be made available to you on request.

The Auditor of the Advance Retirement Suite is KPMG at:

152-158 St Georges Terrace Perth WA 6000.

Statement of financial position as at 30 June 2008

	Advance Fixed Term Pension 2008 \$'000
Assets	
Cash and cash equivalents	5
Investments	
Cash funds	–
Fixed interest funds	6,876
Australian share funds	–
International share funds	–
Managed funds	–
Total investments	6,876
Other assets	
Receivables	1
Deferred tax assets	–
Total assets	6,882
Less liabilities	
Payables	(6)
Current tax liabilities	–
Deferred tax liabilities	–
Total liabilities	(6)
Net assets available to pay benefits	6,888
Represented by	
Liability for accrued benefits Allocated to members' accounts	6,888

Operating statement as at 30 June 2008

	Advance Fixed Term Pension For year ended 30 June 2008 \$'000
Investment revenue	
Interest	475
Distributions	–
Movements in net market value of investments	–
Contributions revenue	
Employer	–
Member	–
Transfer from other funds	–
Total revenue	475
Expenses	
Trustee and administration expenses	56
Contribution fees	26
Investor expenses	–
Superannuation contributions surcharge tax	–
Total expenses	82
Benefits accrued as a result of operations before income tax	393
Income tax expense/(benefit) attributable to benefits accrued as a result of operations	–
Benefits accrued as a result of operations	393

This page has been left intentionally blank

This page has been left intentionally blank

Contact details

Advance Contact Centre

PO Box B87

Perth WA 6838

Telephone

1800 819 935

Email address

investorservices@advance.com.au

Internet address

advance.com.au