

Advance Fixed Term Pension

Annual Report for the year ended 30 June 2011



~~ADVANCE~~

In this Annual Report

- 'Advance' means Advance Asset Management Limited (Advance) ABN 98 002 538 329, AFSL 240902.
- 'Asgard', 'we', 'us' and 'our' are references to Asgard Capital Management Ltd ABN 92 009 279 592, AFSL 240695.

Important information

The Advance Fixed Term Pension Division (Advance Fixed Term Pension) is part of the Advance Retirement Suite ABN 95 068 282 166. Asgard is the trustee of the Advance Retirement Suite and has issued this Annual Report.

The investment information or general advice provided in this publication doesn't take into account your personal objectives, financial situation or needs and because of that you should consider the appropriateness of the information or advice having regard to these factors. Before deciding whether to open, or to continue to hold, a financial product issued by us, you should obtain and consider the Product Disclosure Statement (PDS) for that product, available from us or your financial adviser.

Asgard and Advance

Advance 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'll be notified if we're asked to retire as the trustee. When we retire, we'll 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.

Advance and Asgard are subsidiaries of the Westpac Banking Corporation (Westpac) ABN 33 007 457 141. An investment in the Advance Fixed Term Pension is not a deposit with, investment in, or other liability of Westpac or any other company within the Westpac Group. It's 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 the Advance Fixed Term Pension.

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Advance Fixed Term Pension

For the year ended 30 June 2011

Introduction

We're pleased to present the Annual Report for the Advance Fixed Term Pension at 30 June 2011. This report is issued in accordance with the Corporations Act 2001. It contains general information, providing details of the financial position and management of the accounts for the Advance Fixed Term Pension Accounts.

The report also details how you can obtain additional information about your Account. You can request additional information (including the trust deed, financial statements and auditor's report) from the Contact Centre.

Advance
GPO Box B87
Perth WA 6838
Telephone: 1800 819 935
Email: investorservices@advance.com.au

How your money is invested

As at 30 June 2011 most of the Advance Fixed Term Pension assets comprised 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 Advance Fixed Term Pension. UBS is not responsible for any statement or information contained in this Annual Report.

For further details about the Advance Fixed Term Pension assets, please see the abridged financial information on page 6.

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 only invest in assets with a high degree of security, such as:

- investments rated A-1+ (short term) or at least AA+ (long term) by Standard & Poor's at the date of acquisition
- investments with entities rated A-1+ (short term) or at least AA+ (long term) by Standard & Poor's at the date of acquisition
- 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 Advance Fixed Term Pension itself doesn't invest in derivatives directly.

Professional Indemnity Insurance

As trustee of the Advance Fixed Term Pension, Asgard is responsible for the day-to-day administration 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'll receive the following information about your account.

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

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

- the Advance Retirement Suite trust deed
- 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 Advance Fixed Term Pension please let us know.

Telephone

1800 819 935

Monday to Friday (8.30am to 7.00pm)

Fax

08 9481 4318

Email

investorservices@advance.com.au

Mail

Advance

GPO 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 hasn't been resolved within 45 days or you're 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

Telephone: 1300 884 114

Advance Fixed Term Pension

For the year ended 30 June 2011

Tax on your investment

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

Financial information for the Advance Fixed Term Pension


The following abridged financial information for the Advance Fixed Term Pension is based on the audited financial statements for the Advance Retirement Suite (which includes the Advance Fixed Term Pension), for the period 1 July 2010 to 30 June 2011. You can request a full set of these financial statements and auditor's report at any time.

Operating statement as at 30 June 2011

Advance Fixed Term Pension		
	2011	2010
	\$'000	\$'000
Revenue		
Investment revenue	54	283
Contributions revenue	—	—
Other revenue	—	—
Total revenue/(loss) as a result of operations	54	283
Less: expenses		
Benefits accrued as a result of operations before income tax	—	199
Less: income tax expense/(benefit) attributable to benefits accrued as a result of operations	—	—
Benefits accrued as a result of operations after income tax	(30)	199

Statement of financial position as at 30 June 2011

Advance Fixed Term Pension		
	2011	2010
	\$'000	\$'000
Assets		
Cash and cash equivalents	22	15
Other assets		
Receivables	—	2
Current tax receivables	—	—
Deferred tax assets	—	—
Investments		
Fixed interest funds	3,536	4,806
Total assets	3,558	4,823
Less: liabilities		
Payables	1	6
Current tax liabilities	—	—
Deferred tax liabilities	—	—
Total liabilities	1	6
Net assets available to pay benefits	3,557	4,817
Represented by		
Liability for accrued benefits allocated to members' accounts	3,557	4,817



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Advance contact details

Advance Asset Management
GPO Box B87
Perth WA 6838

t: 1800 819 935

e: investorservices@advance.com.au

w: advance.com.au

Trustee's address

Asgard Capital Management Limited
Level 20 275 Kent Street
Sydney NSW 2000

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