

ADVANCE

POOLED SUPERANNUATION TRUST

Annual Report for the year ended 30 June 2008

ADVANCE
A member of the St.George Group
INVESTIGATE

Important information

The trustee of the Advance Pooled Superannuation Trust (PST) 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

The investment information or general advice provided in this Annual Report does not 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.

In deciding whether to open, or to continue to hold, a PST account, you should consider the Product Disclosure Statement (PDS) for the PST issued by Asgard. Copies can be obtained from Asgard, Advance or a financial adviser.

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

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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 PST and under this Agreement, Advance may ask us to retire as the trustee of the PST 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 PST and the replacement trustee will agree to take on all duties and obligations of the trustee.

Under the Agreement with Advance, subject to superannuation law, any changes to the investment strategy or objectives of the PST (apart from a small cash holding, each Portfolio is currently invested into a single underlying Advance investment fund) can only be made on the recommendation, and with the agreement, of Advance.

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 MANAGED

The PST offers two actively managed portfolios – the Australian Shares Portfolio and the International Sharemarket Portfolio (each a Portfolio). The Australian Shares Portfolio invests in the Advance Sharemarket Fund and the International Sharemarket Portfolio invests in the International Shares Multi-Blend Fund. Advance is the responsible entity of both these Funds.

For further information about the Portfolios, see the 'Portfolios at a Glance' table on pages 4 & 5.

Do the Portfolios use hedging?

We are permitted to utilise currency hedging to help protect the market value of the investments of the relevant Portfolios against the volatility associated with foreign currency.

Generally, we do not expect to need to hedge either of the Portfolios, as they are invested in Advance investment funds. However, Advance may elect to use hedging in their investment funds. This may have a positive or negative effect on the value of your investment in the PST. The International Shares Multi-Blend Fund is partially hedged in Australian dollars. This may also seek to add value by actively investing in currencies. As a result, the total currency position of the Fund may vary over time.

Do the Portfolios use derivatives?

We are permitted to invest in options, futures and other derivative contracts in addition to hedging.

Generally, we do not expect to use derivatives to help protect the Portfolios against possible changes in the market value of investments, as they are invested into Advance investment funds. However, Advance may elect to use derivatives in their investment funds. Losses, as well as gains, are possible on derivatives contracts. Advance does not use derivatives to leverage (gear) the Portfolios.

Changes to the Portfolios/funds

We may establish a new Portfolio, or close an existing Portfolio, at any time. We may also review and change the investment strategy or objectives of a Portfolio and the PST as a whole. However, under the Agreement we have with Advance, subject to superannuation law, any changes to the investment strategy or objectives of a Portfolio or the PST can only be made on the recommendation, and with the agreement, of Advance.

In the event of any material change or significant event in relation to the Portfolios and/or their investment strategy and objectives, we will notify you before or as soon as practicable after we make the change or the event occurs, but in any event within three months. If the change or the event is not considered adverse, we will notify you of the change or event within 12 months. If the change is an increase in fees or charges, we will give you 30 days notice in advance of the change taking effect.

Please refer to the Advance website advance.com.au for current information and updates.

PORTFOLIOS AT A GLANCE

	Australian Shares Portfolio	International Sharemarket Portfolio
Commencement date	January 1998	January 1998
Portfolio size as at 30 June 2008	\$183.71m	\$4.78m
Objective	To provide long-term capital growth from a diversified portfolio of Australian shares. We aim to provide investors with a total investment return (before fees and taxes) that outperforms the S&P/ASX 200 Accumulation Index over periods of five years or longer.	To provide long-term capital growth from a diversified portfolio of global shares and currencies. We aim to provide investors with a total investment return (before fees and taxes) that outperforms the MSCI World ex-Aust Accumulation Index (partially hedged) in Australian dollars over periods of five years or longer.
Strategy	To invest directly or indirectly in a wide range of Australian shares, listed or expected to be listed on the Australian Stock Exchange.	To invest directly or indirectly in a wide range of global shares listed or expected to be listed on world stock exchanges, including emerging markets and across a diverse range of industries. A strategic partial currency hedge into Australian dollars will be used. We may seek to add value by actively investing in currencies.
Investment timeframe	5 years +	5 years +
Underlying portfolio investment	The Portfolio is currently invested into the Advance Sharemarket Fund, which is managed by Maple-Brown Abbott Limited.	This Portfolio is currently invested into the International Shares Multi-Blend Fund, which is managed by: <ul style="list-style-type: none"> • Mellon Capital Management Corporation • The Boston Company Asset Management LLC • Alliance Bernstein Australia Limited • Tradewinds NWQ Global Investors

	Australian Shares Portfolio		International Sharemarket Portfolio			
The actual asset allocations as at 30 June were:		2008	2007		2008	2007
	Energy	6%	6%	North America	52%	50%
	Materials	16%	14%	Europe	33%	32%
	Industrials	2%	8%	Japan	10%	9%
	Consumer discretionary	6%	9%	Pacific (ex Japan)	3%	2%
	Consumer staples	15%	13%	Other	2%	7%
	Health care	1%	3%			
	Financials	25%	25%			
	Property trusts	3%	4%			
	Telecommunications	9%	9%			
	Other equities	7%	7%			
	Other	0%	0%			
Cash	10%	2%				
Performance (% p.a.) annualised returns	2008	-13.06		2008	-16.5	
	2007	25.04		2007	11.35	
	2006	16.05		2006	14.95	
	3 years*	8.06		3 years*	2.30	

Performance figures are net of management fees and income tax (up to a maximum rate of 15%). They are based on redemption price and this price is applied to your account. Past performance is not indicative or a guarantee of future performance.

*Compound average return.

THE TRUSTEE

Asgard, as trustee of the PST, is responsible for the day-to-day administration of the PST 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 about your account.

- A half-yearly statement, detailing all transactions during the quarter, returns on your investment and any fees and charges deducted.
- An annual report updating you on the performance and financial position of the PST.

If you would like to know more about how the PST operates, please contact us for a free copy of:

- the Trust Deed for the PST, and
- the auditor's report and most recent audited accounts.

Information on Advance and the products Advance offers may be accessed through their website [advance.com.au](https://www.advance.com.au) or by calling the Contact Centre on 1800 819 935.

ELECTRONIC ACCESS

We have an electronic information service which allows you to check your account details quickly and easily 24 hours a day, subject to systems availability.

Investor *Online* is an internet service that gives you access to your account details, as well as other current information.

When your application is accepted, we will automatically set up your access to the service in accordance with the Terms and Conditions. A secure four-digit personal identification number (PIN) will be sent to your postal address. To maximise security, an encrypted system is used to generate your PIN.

You can also view updated information about the PST on Advance's website **advance.com.au**.

ENQUIRIES OR COMPLAINTS

We are committed to providing quality service to our investors. If you have any enquiries or complaints about your investment in the PST please contact us via one 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 are 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

FINANCIAL INFORMATION FOR THE PST

The following abridged financial information is based on the audited financial statements for the PST 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 PST is KPMG at:

147 Collins Street, Melbourne, Vic 3000.

ABRIDGED FINANCIAL INFORMATION

Statement of financial position as at 30 June 2008		
	2008 \$	2007 \$
Investments		
Advance Sharemarket Fund	161,823,915	214,785,840
International Shares Multi-Blend Fund	4,511,998	6,361,311
Cash at bank	1,666,855	2,201,426
Total investments	168,002,768	223,348,577
Other assets		
Trust distribution receivable	19,361,761	16,181,409
Rebate accruals	163,841	238,219
Income tax refund receivable	345,899	720,278
Unsettled applications	84,141	560,747
	19,955,642	17,700,653
Total assets	187,958,410	241,049,230
Liabilities		
Other liabilities	2,289	139,507
Unsettled redemptions	-	-
Current tax liability	-	-
GST payable	-	32,607
Deferred tax liability	-	840,374
Total liabilities	2,289	1,012,488
Net assets	187,956,121	240,036,742
Represented by:		
Unitholders' funds	187,956,121	240,036,742

Operating statement for the year ended 30 June 2008

	2008 \$	2007 \$
Investment revenue		
Movement in the net market value of investments	(56,757,611)	30,736,960
Interest	149,988	88,859
Distributions from unlisted trusts	23,267,722	19,849,294
Management fee rebate	2,398,471	2,559,818
Other revenue		-
Total revenue	(30,941,430)	53,234,931
Expenses		
Management fees	-	-
Interest expense	-	17,694
Other general administrative expenses	10,230	116,957
	10,230	134,651
Benefits accrued as a result of operations before income tax	(30,951,660)	53,100,280
Income tax expense	(236,392)	1,810,331
Benefits accrued as a result of operations	(30,715,268)	51,289,949

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Contact details

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